



K I N N E V I K

PRESS RELEASE

22 September 2016

**KINNEVIK: INVESTMENT IN LINIO AND FINANCIAL RESULTS FOR
THE FIRST SIX MONTHS 2016 FOR WESTWING AND HOME24**

Kinnevik AB (publ) ("Kinnevik") today announced that it has committed to a follow-on investment of EUR 12m into Linio. In addition, Kinnevik published financial results for the first six months 2016 for Westwing and Home24.

In September 2016, Linio successfully raised EUR 50m of new funding, whereof Kinnevik has committed to invest EUR 12m. The funding round is implemented in several tranches and post implementation of all tranches, Kinnevik's ownership stake in Linio will have increased to 27%¹ from the current 17%¹.

Summary financials for Westwing and Home24 can be found on the following pages of this press release. Both companies progressed substantially on their path to profitability during the first six months of 2016; Westwing improved its EBITDA margin by 23 percentage points compared to last year and Home24 by 11 percentage points. In September 2016, Home24 closed a funding round of EUR 20m, where Kinnevik invested EUR 2.8m alongside Baillie Gifford, Rocket Internet and other existing shareholders.

Rocket Internet will host a conference call today, 22 September 2016, at 10.00 CET to present the results of Rocket Internet and its main portfolio companies for the first six months of 2016. The presentation will be available on www.rocket-internet.com/investors and participants are welcome to join by phone using the below dial-in details:

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Kinnevik is an entrepreneurial investment group focused on building digital consumer businesses. We work in partnership with talented founders and managers to create, invest in and lead fast growing digital businesses both in developed and developing countries. Kinnevik was founded in 1936 by the Stenbeck, Klingspor and von Horn families. Kinnevik's shares are listed on Nasdaq Stockholm's list for large cap companies under the ticker codes KINV A and KINV B.

¹ Not adjusted for management participations

KINNEVIK AB (PUBL)

WESTWING

Key Financials (EURm)	Q2 2015	Q2 2016	H1 2015	H1 2016
Net revenue	57.0	61.3	108.8	117.9
<i>% growth</i>		7.7%		8.4%
Gross profit	23.8	25.4	44.7	50.2
<i>% margin</i>	41.8%	41.3%	41.1%	42.5%
Adjusted EBITDA ¹	(15.9)	(3.7)	(34.5)	(9.9)
<i>% margin</i>	(27.9%)	(6.0%)	(31.7%)	(8.4%)
Capex ²	1.5	0.6	2.8	1.5
<i>% of net revenues</i>	2.6%	1.0%	2.6%	1.3%
Balance Sheet (EURm)			30-Jun-15	30-Jun-16
Net working capital ³			(24.2)	(19.6)
Cash position			36.4	23.8
Key Performance Indicators (m)	Q2 2015	Q2 2016	H1 2015	H1 2016
GMV ⁴ (EURm)	56.3	63.0	117.0	129.5
<i>% growth</i>		11.8%		10.7%
Total orders ⁵	0.6	0.7	1.3	1.4
<i>% growth</i>		10.6%		6.4%
Total customers ⁶			1.5	2.0
<i>% growth</i>				37.3%
Active customers (LTM) ⁷			0.9	0.9
<i>% growth</i>				4.2%

Source: Westwing's unaudited consolidated IFRS financial information and management reports

Notes:

- (1) Adjusted EBITDA is calculated as (i) operating profit or loss (Q2 2015: loss of EUR 17.9m; Q2 2016: loss of EUR 4.1m; H1 2015: loss of EUR 37.7m; H1 2016: loss of EUR 12.1m) plus (ii) depreciation of property, plant and equipment and amortization of intangible assets (Q2 2015: EUR 0.7m; Q2 2016: EUR 0.7m; H1 2015: EUR 1.3m; H1 2016: EUR 1.3m). Adjusted EBITDA excludes share based compensation expenses that amounted to EUR 1.3m in Q2 2015, EUR (0.2m) in Q2 2016, EUR 1.9m in H1 2015, EUR 0.9m in H1 2016.
- (2) Capital expenditure is calculated as (i) purchase of property, plant and equipment (Q2 2015: EUR 0.9m; Q2 2016: EUR 0.3m; H1 2015: EUR 1.8m; H1 2016: EUR 0.7m) plus (ii) acquisition of intangible assets net of proceeds from disposal (Q2 2015: EUR 0.6m; Q2 2016: EUR 0.3m; H1 2015: EUR 1.0m; H1 2016: EUR 0.8m).
- (3) Net working capital is calculated as (i) inventories including prepayments (June 30, 2015: EUR 15.2m; June 30, 2016: EUR 16.3m) plus (ii) trade and other receivables (June 30, 2015: EUR 6.1m; June 30, 2016: EUR 7.2m) minus (iii) trade payables and accruals (June 30, 2015: EUR 34.3m; June 30, 2016: EUR 29.7m) minus (iv) advance payments received (June 30, 2015: EUR 11.2m; June 30, 2016: EUR 13.4m).
- (4) The total value of "total orders" sold in period, excluding taxes, shipping costs and vouchers.
- (5) Total number of valid (i.e. not failed or declined) orders starting the fulfilment process less cancelled orders (before rejected and returned orders), i.e. total number of valid orders placed in the period.
- (6) Number of customers that have made at least one order as defined in "total orders" at any time before end of period.
- (7) Number of customers having made at least one order as defined in "total orders" within the last 12 months before end of period.

HOME24

Key Financials (EURm)	Q2 2015	Q2 2016⁸	H1 2015	H1 2016⁸
Net revenue	57.8	59.6	117.6	123.5
<i>% growth</i>		3.1%		5.0%
Gross profit	22.0	21.7	43.4	49.3
<i>% margin</i>	38.1%	36.4%	36.9%	40.0%
Adjusted EBITDA ¹	(17.3)	(12.8)	(37.3)	(25.4)
<i>% margin</i>	(29.9%)	(21.4%)	(31.7%)	(20.6%)
Capex ²	3.2	3.0	5.9	5.7
<i>% of net revenues</i>	5.5%	5.0%	5.0 %	4.7%
Balance Sheet (EURm)			30-Jun-15	30-Jun-16
Net working capital ³			0.3	1.4
Cash position			100.1	24.5
Key Performance Indicators (m)	Q2 2015	Q2 2016	H1 2015	H1 2016
GMV ⁴ (EURm)	55.6	57.2	118.4	124.6
<i>% growth</i>		2.9%		5.3%
Total orders ⁵	0.3	0.3	0.5	0.6
<i>% growth</i>		7.5%		12.0%
Total customers ⁶			1.8	2.8
<i>% growth</i>				55.1%
Active customers (LTM) ⁷			0.9	1.0
<i>% growth</i>				9.5%

Source: home24's unaudited consolidated IFRS financial information and management reports

Notes:

- (1) Adjusted EBITDA is calculated as (i) operating profit or loss (Q2 2015: loss of EUR 18.8m; Q2 2016: loss of EUR 17.1m; H1 2015: loss of EUR 40.1m; H1 2016: loss of EUR 30.8m) plus (ii) depreciation of property, plant and equipment (Q2 2015: EUR 0.2m; Q2 2016: EUR 0.4m; H1 2015: EUR 0.4m; H1 2016: EUR 0.8m) plus (iii) amortization of intangible assets (Q2 2015: EUR 0.6m; Q2 2016: EUR 1.5m; H1 2015: EUR 1.1m; H1 2016: EUR 3.2m). Adjusted EBITDA excludes share based compensation expenses that amounted to EUR 0.6m in Q2 2015, EUR 2.4m in Q2 2016, EUR 1.3m in H1 2015 and EUR 1.4m in H1 2016.
- (2) Capital expenditure is calculated as (i) purchase of property, plant and equipment (Q2 2015: EUR 1.4m; Q2 2016: EUR 0.6m; H1 2015: EUR 2.2m; H1 2016: EUR 0.8m) plus (ii) acquisition of intangible assets (Q2 2015: EUR 1.8m; Q2 2016: EUR 2.4m; H1 2015: EUR 3.7m; H1 2016: EUR 4.9m).
- (3) Net working capital is calculated as (i) inventories (June 30, 2015: EUR 32.5m; June 30, 2016: EUR 28.6m) plus (ii) trade and other receivables (June 30, 2015: EUR 14.3m; June 30, 2016: EUR 14.0m) minus (iii) trade and other payables (June 30, 2015: EUR 46.4m; June 30, 2016: EUR 41.2m).
- (4) The total value of "total orders" sold in period, excluding taxes and shipping costs.
- (5) Total number of valid (i.e. not failed or declined) orders starting the fulfilment process less cancelled orders (before rejected and returned orders), i.e. total number of orders shipped in the period.
- (6) Number of customers that have made at least one order as defined in "total orders" at any time before end of period.
- (7) Number of customers having made at least one order as defined in "total orders" within the last 12 months before end of period.
- (8) fashion4home is included for the entire Q2 and H1 2016.