



K I N N E V I K

YEAR-END RELEASE 2017

1 YEAR TSR
31%

NAV 31 DECEMBER 2017
SEK 90.6BN

5 YEAR TSR
21%

Q4 2017: OPERATING COMPANIES' PERFORMANCE

- **Zalando had profitable growth in the fourth quarter and delivered on its full-year guidance**
Preliminary fourth quarter revenue growth of 21.2-23.2% and an EBIT margin of 8.1-8.9%
- **Millicom reported continued positive growth in Latin America driven by the transition to high-speed data services**
Organic fourth quarter service revenue growth of 2% and an EBITDA margin of 36%
- **Tele2 ended the year with strong organic business momentum, delivering on or exceeding full-year guidance**
Fourth quarter revenue growth of 5% and an EBITDA margin of 23%
- **Com Hem had another quarter of strong volume growth in the Com Hem Segment**
Fourth quarter revenue growth of 1.4% and an organic underlying EBITDA margin of 40%
- **MTG reported record sales, strong growth and increasing profits in the quarter**
Organic fourth quarter revenue growth of 10% and an EBIT margin of 9%

FY 2017: OPERATING COMPANIES' PERFORMANCE

- **Zalando** had preliminary full-year revenue growth of 23.1-23.7% and an EBIT margin of 4.7-4.9%
- **Millicom** had organic full-year service revenue growth of 0.2% and an EBITDA margin of 36%
- **Tele2** had full-year revenue growth of 18% and an EBITDA margin of 26%
- **Com Hem** had full-year revenue growth of 26% and an underlying organic EBITDA margin of 41%
- **MTG** had full-year revenue growth of 8% and an EBIT margin of 7%

INVESTMENT MANAGEMENT ACTIVITIES

- **Fourth quarter total investments of SEK 116m**, whereof SEK 106m in BIMA. Net investments amounted to SEK 113m in the quarter
- **Full-year total investments of SEK 4.8bn**, whereof SEK 3.7bn into Com Hem. Total divestments of SEK 5.3bn, whereof SEK 4.1bn from the sale of Rocket Internet

FINANCIAL POSITION

- **Net Asset Value of SEK 90.6bn** (SEK 329 per share) per 31 December 2017
 - Up SEK 5.0bn or 6% during the fourth quarter, led by a SEK 2.1bn increase in Zalando and a SEK 1.1bn increase in Tele2
 - Up SEK 18.2bn or 25% during the full year
- **Net debt position of SEK 1.1bn** per 31 December 2017, corresponding to a leverage of 1%

2017 DIVIDEND RECOMMENDATION

- Kinnevik's Board of Directors recommends an ordinary dividend of SEK 8.25 per share for 2017, a yearly increase of 3.1%, and equivalent to a dividend yield of 3.0%
- The Annual General Meeting will be held on 21 May 2018

EVENTS AFTER THE REPORTING PERIOD

- **On 10 January 2018, Tele2 and Com Hem** announced that their Boards of Directors has agreed to merge the two companies to create a leading integrated operator
- **On 1 February 2018, MTG** announced that it has agreed to combine its Nordic businesses with TDC Group, creating a fully convergent media and communications provider

SEKm	31 Dec 2017	30 Sep 2017	31 Dec 2016
Net Asset Value	90 633	85 661	72 434
Net Asset Value per share, SEK	329.44	311.36	263.29
Share price, SEK	276.40	265.00	218.90
Net debt	1 062	878	1 367

SEKm	Q4 2017	Q4 2016	FY 2017	FY 2016
Net profit/loss	4 960	-2 082	20 359	-3 459
Net profit/loss per share, SEK	18.00	-7.56	73.90	-12.55
Change in fair value of financial assets	5 055	-1 955	18 395	-4 969
Dividends received	-	17	2 260	1 733
Dividend paid	-	-	-2 201	-7 084
Investments	116	971	4 774	3 399
Divestments	3	99	5 280	563

Chief executive's review

Dear shareholders,

I am proud to address you as the new CEO of Kinnevik, a position I assumed on 1 January. It feels like coming home, having spent five years at the start of my career at Tele2. The business acumen, entrepreneurial spirit and culture in the Kinnevik group is as strong as ever and I look forward to developing Kinnevik's business and culture as CEO.

KINNEVIK'S FOURTH QUARTER RESULTS

Kinnevik's NAV increased by 6% to SEK 90.6bn, or SEK 329 per share, in the fourth quarter, driven mainly by strong development in our large listed assets, Zalando and Tele2. The value of our private assets increased slightly in the quarter to SEK 11.7bn principally from a revaluation following a new funding round in BIMA. On 8 February, Kinnevik's NAV had increased by SEK 0.5bn to SEK 91.1bn, or SEK 331 per share.

PORTFOLIO COMPANY HIGHLIGHTS

TMT is a sector in rapid change, with ever increasing customer demands and global convergence trends. As an active owner who continuously evaluates strategic options for our companies, we are excited to support two industry-defining transactions announced by our Nordic TMT companies in the first quarter of 2018. One of our key objectives for 2017 was to grow and protect value in our large listed assets, I believe these transactions will achieve just that.

On 10 January 2018, Tele2 and Com Hem announced that their Boards of Directors has agreed to combine the two companies' operations. Both consumers and shareholders are set to gain as Tele2 and Com Hem create a leading integrated connectivity provider with an award-winning mobile network, the fastest fixed network and the widest range of content in the market.

On 1 February 2018, MTG announced it has agreed to combine its Nordic Entertainment and MTG Studios businesses with TDC Group, creating Europe's first fully convergent media and communications provider, and allowing MTG to focus on its global digital entertainment verticals. Through this transaction, Kinnevik is expected to become a 5.6% shareholder in TDC Group.

I would like to highlight Zalando's performance in 2017. The company presented preliminary numbers in January 2018, reporting more than 23% growth for the year and a solid profitability with an approximate 4.8% EBIT margin. This was achieved whilst continuing to invest in the customer experience, launching a new fulfilment centre outside of Stockholm, introducing Zalando fulfilment solutions which allows partners to employ Zalando's logistics expertise and network, and launching a new beauty category.

In our private portfolio, the microinsurance company BIMA, co-founded by Kinnevik, attracted the global insurance company Allianz as a new strategic partner in a funding round completed in end of 2017. Allianz' knowledge in insurance markets coupled with BIMA's focus on mobile technology to reach the mass-markets will enable BIMA to continue developing its product portfolio across emerging markets.

FINANCIAL POSITION AND SHAREHOLDER REMUNERATION

Kinnevik ended the year with a strong financial position with net debt of SEK 1.1bn, corresponding to a leverage of 1%. For the fiscal year 2017, Kinnevik's Board of Directors recommends a dividend of SEK 8.25 per share, corresponding to a 3.0% dividend yield based on the closing price for 2017, to be approved by the Annual General Meeting in May.

OUR STRATEGIC DIRECTION

Kinnevik builds digital businesses that use the power of technology to make life better for people around the world. The opportunities this creates are fascinating, both for the technology itself, and because of how it affects people's lives. Technology gives consumers the right to choose, be it more convenient shopping online, a better Internet connection, simple and cost-efficient access to insurance and financial services, or seeing a doctor on your mobile device when you choose.

With the recently announced transactions in Tele2, Com Hem and MTG, I am convinced that we are creating a strong platform for our Nordic TMT companies to move into the next phase of their value creation.

In the private portfolio, we will work hard on increasing value by clearly identifying the winners among our existing companies and supporting them to reach their full long-term potential. We remain firmly focused on finding new opportunities in our target sectors and aim to make a number of new investments in the coming years.

Around 25% of our assets are based in the Nordics and we will be increasing our efforts to identify new investments in the region, whilst remaining opportunistic about attractive prospects in selected markets across the globe.

It has been a busy first month in the office, and during the coming weeks and months I look forward to meeting many of you to discuss our strategy and way forward.

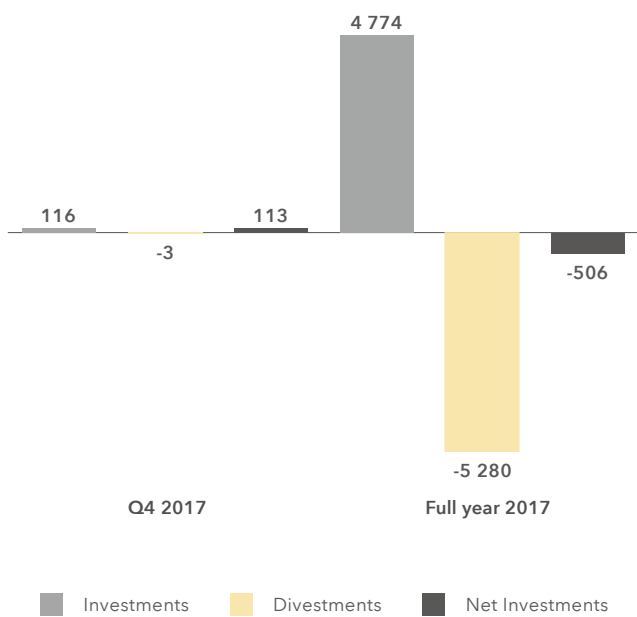
Georgi Ganev
Chief Executive Officer

Kinnevik in summary

Kinnevik is an industry focused investment company with an entrepreneurial spirit. Our purpose is to build the digital consumer businesses that provide more and better choice. We do this by working in partnership with talented founders and management teams to create, invest in and lead fast growing businesses in developed and emerging markets. We believe in delivering both shareholder and social value by building well governed companies that contribute positively to society. 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.

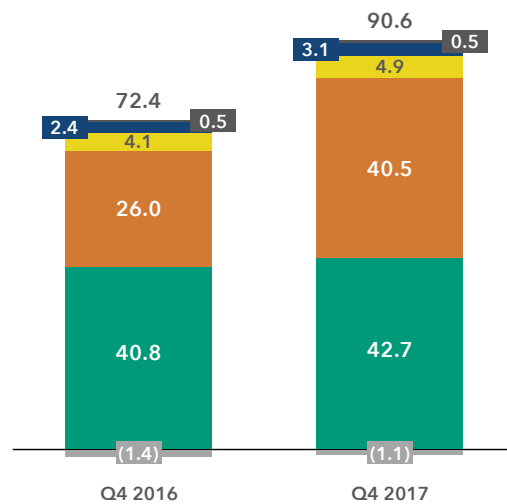
INVESTMENT ACTIVITY

SEKm

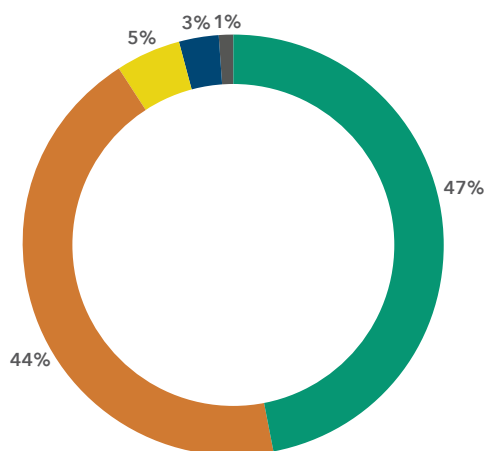


PORTFOLIO DEVELOPMENT

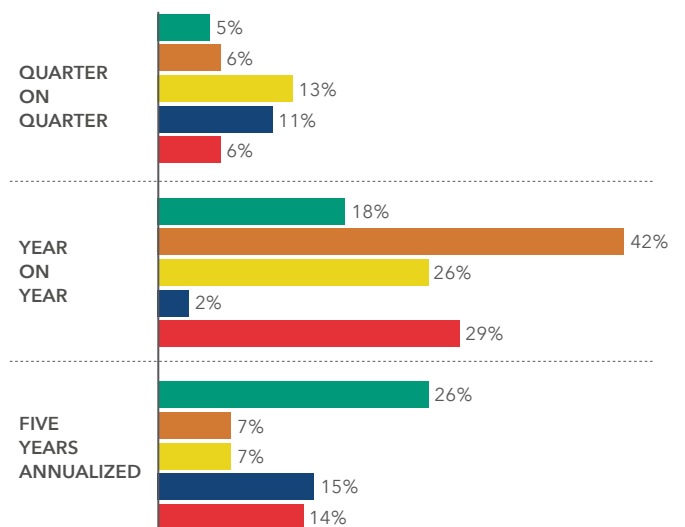
SEKbn



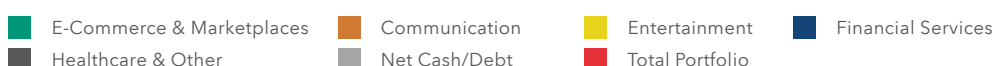
PORTFOLIO COMPOSITION



PORTFOLIO RETURN RATES



One and five-year returns are annualized internal rates of return (IRR). The returns are based on fair values at the beginning and end of the respective period, includes cash and non-cash items and is calculated on a SEK gross basis.



Net Asset Value

SEKm	Fair value 2017 31 Dec	Fair value 2017 30 Sep	Fair value 2016 31 Dec	Total return 2017 ¹
Zalando	34 097	31 990	27 245	25%
Global Fashion Group	5 239	4 983	5 641	-7%
Rocket Internet	-	-	3 990	2%
Quikr	1 358	1 498	1 535	-12%
Qliro Group	767	822	367	109%
Other ²	1 213	1 290	2 051	6%
Total E-Commerce & Marketplaces	42 674	40 583	40 829	18%
Millicom	20 942	20 261	14 790	48%
Tele2	15 350	14 207	11 166	45%
Com Hem	4 226	3 930	-	15%
Total Communication	40 518	38 398	25 956	42%
MTG	4 645	3 978	3 650	32%
Other	277	391	439	-32%
Total Entertainment	4 922	4 369	4 089	26%
Bayport	1 082	1 079	1 201	-10%
Betterment	1 064	1 061	590	-5%
Other ²	932	531	649	35%
Total Financial Services	3 078	2 671	2 440	2%
Healthcare & Other ²	503	518	487	27%
Total Portfolio Value	91 695	86 539	73 801	29%
Net debt	1 062	878	1 367	
<i>whereof unpaid investments/divestments</i>	-	24	49	
Total Net Asset Value	90 633	85 661	72 434	29%
Net Asset Value per share, SEK	329.44	311.36	263.29	29%
Closing price, class B share, SEK	276.40	265.00	218.90	31%

¹ Includes investments and divestments.

² For split see page 13.

E-Commerce & Marketplaces



Zalando is an online fashion platform for women, men and children, offering a broad assortment of shoes, apparel and accessories from around 2,000 global and local brands as well as private labels. With its localised offering, Zalando addresses country specific customer preferences in each of its 15 European markets.

- On 17 January, Zalando announced preliminary results for the fourth quarter and full year 2017, growing revenues by 21.2-23.2% to EUR 1,323-1,345m
- The company expects to achieve an adjusted EBIT of EUR 107-120m in the fourth quarter, corresponding to a margin of 8.1-8.9%
- Zalando delivered on its 2017 full-year guidance, growing revenues by 23.1-23.7% and achieving an adjusted EBIT margin of 4.7-4.9% for the full year
- Detailed financial results for the fourth quarter and full year 2017 will be published on 1 March 2018

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32%
KINNEVIK STAKE

SEK 34.1BN
FAIR VALUE

22.2M
ACTIVE CUSTOMERS

Key data (EURm)	Oct-Dec		Full year	
	2017	2016	2017	2016
Revenue	1,323	1,092	4,478	3,639
% Growth	21%	26%	23%	23%
EBIT	107	96	209	216
% Margin	8%	9%	5%	6%

EBIT adjusted for share-based compensation. Fourth quarter 2017 numbers are preliminary, figures included in table represent bottom of preliminary range.



Global Fashion Group (GFG) is an online fashion destination for growth markets. GFG operates with five branded platforms, Lamoda, Dafiti, Zalora, The Iconic, and Namshi, offering over 3,000 international and local brands across 24 countries with a 1.9 billion population, addressing a fashion market estimated to be worth EUR 300bn.

- GFG delivered stable growth and improved profitability in the third quarter of 2017. Number of active customers grew by 11%, totalling 9.5 million, NMV growth amounted to 22% and revenue growth amounted to 21%
- The adjusted EBITDA margin improved by 2.8 percentage points to -13% from operational efficiency gains
- Emaar Malls' acquisition of 51% of Namshi and Ayala's acquisition of 49% of Zalora Philippines were both completed in August 2017. The partnerships are expected to generate strategic and operational benefits in their respective regions

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35%
KINNEVIK STAKE

SEK 5.2BN
FAIR VALUE

9.5M
ACTIVE CUSTOMERS

Key data (EURm)	Jul-Sep		Jan-Sep	
	2017	2016	2017	2016
Revenue	256	216	767	604
% Growth	21%	17%	19%	27%
Gross profit	99	85	306	242
% Margin	39%	39%	40%	40%
EBITDA	-33	-33	-77	-103
% Margin	-13%	-15%	-10%	-17%

All figures excludes Jabong (divested) and Namshi (not included at Group level). EBITDA adjusted for share-based compensation. Growth rates are shown on a constant currency and pro forma basis.

Qliro Group

Qliro Group is a Nordic e-commerce group in consumer goods and complementary financial services. Qliro Group operates CDON Marketplace, Nelly, and Qliro Financial Services (QFS).

- Sales increased by 9% in the fourth quarter and 8% for the full year, driven by all business areas
- The gross margin was stable in the quarter and improved by 5 percentage points to 23% for the full year
- The sale of Health and Sports Nutrition Group was announced in the quarter, and coupled with the sales of Lekmer and Members.com completed during the year, Qliro Group is now firmly focused on the three business areas CDON Marketplace, Nelly and QFS
- QFS grew total operating income by 41%, and EBITDA increased by 56% during the year. Lending to the public exceeded SEK 1bn at year-end

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29%
KINNEVIK STAKE

SEK 767M
FAIR VALUE

3.0M

ACTIVE CUSTOMERS

Key data (SEKm)	Oct-Dec		Full year	
	2017	2016	2017	2016
Net sales	1 200	1 100	3 397	3 159
% Growth	9%	2%	8%	1%
Gross profit	262	231	763	566
% Margin	22%	21%	23%	18%
EBITDA	52	63	90	13
% Margin	4%	6%	3%	0%

Excludes discontinued operations, except 2016 growth rates.



Quikr is an online classifieds platform operating in India. Headquartered in Bangalore, Quikr serves approximately 20 million unique monthly visitors and focuses its operations on five verticals; Goods, Cars, Jobs, Homes and Services.

- Quikr's platform generated 10.4 million responses in December 2017. Responses per listing increased by 6% compared to the same period last year
- During the quarter, Quikr announced the acquisitions of the real estate online classifieds and brokerage businesses of HDFC, India's largest mortgage lender. The acquisitions will further the company's focus on participating more deeply in transactions by facilitating real estate sales as a broker

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18%
KINNEVIK STAKE

SEK 1.4BN
FAIR VALUE

10.4M

DECEMBER RESPONSES



Saltside operates classifieds websites in Sri Lanka, Bangladesh and Ghana.

- Saltside's regional platforms generated 4.1 million responses in December 2017, a yearly increase of approximately 28%
- The company continued to benefit from its market-leading positions across its footprint to generate steady organic traffic and revenue growth

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61%
KINNEVIK STAKE

SEK 195M
FAIR VALUE

4.1M

DECEMBER RESPONSES

WESTWING

Westwing is an international e-commerce company for home & living, offering a curated selection of home décor and furniture products. Westwing has more than 3,500 brand partners and operates in 14 markets across Europe, Brazil and Russia.

- Number of active customers was unchanged year-on-year and totalled 1.0 million at the end of the third quarter 2017
- Revenues grew by 4% compared to the third quarter 2016, GMV increased by 8% and the adjusted EBITDA margin improved by 7 percentage points to -4% resulting from better product mix, private labels offer, and logistics improvements
- The company continued its efforts to target the most profitable and attractive customers and to increase its share of private label products

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17%
KINNEVIK STAKE

SEK 479M
FAIR VALUE

1.0M
ACTIVE CUSTOMERS

home24

Home24 is an online shop for furniture and home accessories in seven core markets in Europe and Brazil. The broad range of products includes furniture, lamps, home accessories and garden equipment.

- Number of active customers was unchanged year-on-year and totalled 1.0 million at the end of the third quarter 2017
- Revenues grew by 16% compared to the third quarter 2016, GMV increased by 23% and the adjusted EBITDA margin improved by 8 percentage points to -9%
- The integration of new processes and systems in a pan-European fulfilment platforms improved scalability at a sustained high service quality
- The company continued to focus on product quality, improving delivery performance and delivering customer service contributing to high customer satisfaction

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17%
KINNEVIK STAKE

SEK 218M
FAIR VALUE

1.0M
ACTIVE CUSTOMERS

Key data (EURm)	Jul-Sep		Jan-Sep	
	2017	2016	2017	2016
Revenue	58	56	181	174
% Growth	4%	23%	4%	13%
Gross profit	25	23	79	73
% Margin	43%	41%	44%	42%
EBITDA	-2	-6	-8	-16
% Margin	-4%	-11%	-5%	-9%

EBITDA adjusted for share-based compensation.

Key data (EURm)	Jul-Sep		Jan-Sep	
	2017	2016	2017	2016
Revenue	63	54	195	178
% Growth	16%	-1%	10%	3%
Gross profit	28	23	86	72
% Margin	44%	42%	44%	41%
EBITDA	-6	-9	-18	-35
% Margin	-9%	-17%	-9%	-20%

EBITDA adjusted for share-based compensation.

Communication



Millicom is a provider of cable and mobile services dedicated to emerging markets in Latin America and Africa. The company offers high-speed broadband and digital lifestyle services through its principal brand Tigo.

- Organic service revenue growth of 2% in the fourth quarter, up 4 percentage points from Q4 2016, with Latin America reporting growth of 3% led by Bolivia and Paraguay
- EBITDA grew 7% organically amounting to a margin of 36%, led by Latin America with 9% EBITDA growth supported by improved growth and efficiency gains
- Millicom added 3.5 million 4G customers during 2017, exceeding its target of 3.0 million. The rapid build-out of the HFC network continued with 1.3 million new homes passed during the full year
- During the quarter, Millicom completed the sale of the operations in Rwanda and signed an agreement to sell and lease back approximately 800 wireless communications towers in El Salvador
- The Board of Directors recommends a dividend for 2017 of USD 2.64 per share

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38%
KINNEVIK STAKE

SEK 20.9BN
FAIR VALUE

49M
MOBILE CUSTOMERS

TELE2

Tele2 offers mobile services, fixed broadband and telephony, data network services, content services and global IoT solutions to 15 million customers in 7 countries across Europe.

- Mobile end-user service revenue grew by 5% on a like for like basis in the quarter, or 8% including the Netherlands
- EBITDA grew 3% on a like for like basis, driven by Sweden and the Baltics with a combined 7% EBITDA growth. Tele2 exceeded its full year guidance on EBITDA and operating cash flow
- Full year free cash flow amounted to SEK 2.5bn, fully covering the dividend recommended by the Board of SEK 4.00 per share for 2017
- In December, Tele2 announced an agreement with Deutsche Telecom to combine their Dutch operations
- On 10 January 2018, it was announced that the Boards of Directors of Tele2 and Com Hem has agreed to merge the two companies, creating a leading integrated connectivity provider

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30%
KINNEVIK STAKE

SEK 15.4BN
FAIR VALUE

14.9M
MOBILE CUSTOMERS

Key data (USDm)	Oct-Dec		Full year	
	2017	2016	2017	2016
Revenue	1 558	1 526	6 024	5 979
% Growth	2%	-3%	1%	-5%
EBITDA	561	520	2 190	2 114
% Margin	36%	34%	36%	35%
EBIT	256	143	919	759
% Margin	16%	9%	15%	13%
Net profit/loss	59	-154	116	6

Figures are based on full consolidation of Guatemala (55% ownership) and Honduras (66.7% ownership) and excludes discontinued operations.

Key data (SEKm)	Oct-Dec		Full year	
	2017	2016	2017	2016
Revenue	6 642	6 340	25 024	21 190
% Growth	5%	-	18%	-
EBITDA	1 527	1 461	6 407	5 408
% Margin	23%	23%	26%	26%
EBIT	817	849	3 821	3 250
% Margin	12%	13%	15%	15%
Net profit/loss	952	204	2 672	1 601

Figures refer to continuing operations and excludes the Netherlands and items affecting comparability. TDC Sweden is included from 31 October 2016.

COM HEM



Com Hem offers broadband, TV, play and telephony services to Swedish households and companies. The company offers a range of digital TV channels and play services via set top boxes as well as on-the-go for tablets and smartphones.

- Revenues increased by 1.4%, with the Com Hem Segment growing by 4.2%
- Underlying EBITDA increased by 3.8%, with the Com Hem Segment increasing by 5.3%
- The company made further progress in its network expansion programme with 100,000 households added in the quarter. Since the start of the expansion, Com Hem has increased its footprint by 40% from 2.0 to 2.8 million addressable households
- On 10 January 2018, it was announced that the Boards of Directors of Tele2 and Com Hem has agreed to merge the two companies, creating a leading integrated connectivity provider
- The Board of Directors recommends to increase the dividend by 50% to SEK 6.00 per share for 2017, alongside the buyback program which ends no later than 20 March 2018

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19%
KINNEVIK STAKE

SEK 4.2BN
FAIR VALUE

2.8M
ADDRESSABLE HOUSEHOLDS

Key data (SEKm)	Oct-Dec		Full year	
	2017	2016	2017	2016
Revenue	1 805	1 780	7 136	5 665
% Growth	1%	40%	26%	13%
EBITDA	722	696	2 936	2 547
% Margin	40%	39%	41%	45%
Net profit/loss	96	34	461	317

EBITDA stated before disposals excluding items affecting comparability and operating currency gains/losses. Boxer is consolidated from 30 September 2016.

Entertainment



MTG is an international digital entertainment group. Its brands span TV, radio and next generation entertainment experiences in esports, digital video networks and online gaming.

- MTG had record sales and organic revenue growth of 10% in the fourth quarter, with contributions from both Nordic and International Entertainment as well as MTGx
- The EBIT margin amounted to 9% despite continued content and digital investments, M&A costs and write-downs
- MTGx reported 71% organic growth and its first ever quarterly operating profit, an important milestone for the business
- On 1 February 2018, MTG announced it has agreed to combine its Nordic Entertainment and Studios businesses with TDC Group, creating Europe's first fully convergent media and communications provider. The remaining MTG will be a pure play global digital entertainment company
- The Board of Directors recommends a dividend for 2017 of SEK 12.50 per share

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20%
KINNEVIK STAKE

SEK 4.6BN
FAIR VALUE

938 000
NORDIC SUBSCRIBERS

Key data (SEKm)	Oct-Dec		Full year	
	2017	2016	2017	2016
Revenue	5 037	4 297	17 537	14 999
% Growth	10%	9%	8%	6%
EBIT	478	418	1 264	1 060
% Margin	9%	10%	7%	7%
Net profit/loss	65	306	612	744

Excludes discontinued operations, comprising the Czech Republic, the Baltics and Africa (excluding Trace), and items affecting comparability.

Financial Services

Betterment

Betterment is an independent automated investing service in the United States. The company operates a vertically integrated platform that provides fully automated, personalised advice and access to a low cost, globally diversified investment portfolio.

- Assets under management amounted to USD 12.4bn at the end of December 2017, an increase of 83% compared to the same time last year. Number of customers totalled over 315,000, a yearly increase of 51%
- Betterment launched its Charitable Giving service during the quarter, enabling customers to donate shares directly from their accounts to charities on Betterment's platform in an easy and tax-efficient manner
- The Company also launched its Investment Review feature that provides customers with additional analyses on their approach to financial planning and the tax savings, fees, and risks associated with their investments

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16%
KINNEVIK STAKE

SEK 1.1BN
FAIR VALUE

315 000
CUSTOMERS

BAYPORT

FINANCIAL SERVICES

Bayport provides financial solutions to formally and informally employed individuals in emerging markets. The company's operations span 9 countries across Africa and Latin America.

- In 2017, Bayport's core payroll customer base grew by 15% to around 500,000, providing 36% loan book growth
- Bayport continued to grow its digital retail offering My Money in Ghana, with the number of client accounts surpassing 255,000 by December 2017
- In the fourth quarter, the company closed the previously announced USD 193m Black Economic Empowerment (BEE) consortium investment, and also announced and closed an early redemption of SEK bonds for USD 131m

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22%
KINNEVIK STAKE

SEK 1.1BN
FAIR VALUE

500 000
CORE PAYROLL CUSTOMERS



Milvik offers, under the brand BIMA, affordable and uniquely designed life and health insurance products via mobile phones. BIMA is active in 14 countries across Africa, Asia, Latin America and the Caribbean.

- At the end of December 2017, BIMA had 6.2 million active customers, representing a yearly increase of 13% excluding discontinued products
- BIMA announced a USD 107m financing round led by a USD 97m investment from global insurance company Allianz and with participation from Kinnevik

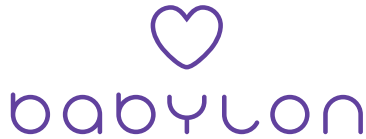
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33%
KINNEVIK STAKE

SEK 806M
FAIR VALUE

6.2M
ACTIVE CUSTOMERS

Healthcare & Other



Babylon is a digital healthcare service based in the United Kingdom. Combining mobile tech and artificial intelligence with medical expertise, Babylon's mission is to make healthcare more accessible and affordable for people everywhere.

- At the end of December 2017, Babylon had 1.3 million registrations and continued to perform its service at sector leading net promoter score
- The digital general practitioner service in collaboration with the NHS, "GP at hand", has attracted over 30,000 new user applications in total
- Babylon received an approximate USD 750,000 grant by the Gates Foundation to support and further scale its service in Rwanda

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20%
KINNEVIK STAKE

SEK 375M
FAIR VALUE

1.3M
REGISTRATIONS



Livongo is a California based consumer digital health company that empowers people with chronic conditions to live better and healthier lives. Livongo has developed a new approach for diabetes management that combines the latest technology with coaching.

- Livongo's member base reached close to 54,000 members by end of December 2017, around 2.5 times more compared to the beginning of the year
- The company made strong progress in sales to health insurance plans, signing or expanding contracts with five of the largest plans in the US. This provides Livongo access to over one third of all members of the top 200 health insurance plans in the US
- Livongo reinforced its position as a leader in the diabetes space, launching a research collaboration with global pharmaceutical company Eli Lilly

[Go to company website >](#)

3%
KINNEVIK STAKE

SEK 105M
FAIR VALUE

54 000
MEMBERS

Financial review

DIVIDEND AND CAPITAL STRUCTURE

As at 31 December 2017, Kinnevik had a net debt of SEK 1.1bn.

During 2017, Kinnevik received cash dividends from Millicom, Tele2, MTG, Com Hem and Black Earth Farming of SEK 2.3bn in aggregate, and paid out an ordinary cash dividend of SEK 2.2bn to its shareholders.

For the financial year 2017, the Board of Directors of Millicom, Tele2, Com Hem and MTG have recommended the following dividends:

Kinnevik's part of dividend recommended to be paid from listed investee companies		Amount (SEKm)
Millicom	USD 2.64 per share	794 ¹
Tele2	SEK 4.00 per share	610
Com Hem	SEK 6.00 per share	203
MTG	SEK 12.50 per share	169
Total ordinary dividends		1 776

Recommended cash distribution to Kinnevik's shareholders		
Ordinary dividend	SEK 8.25 per share	2 270

¹ Based on a USD/SEK exchange rate of 7.95

FINANCIAL TARGETS

Attractive Returns

Kinnevik's objective is to generate a long term total return to our shareholders in excess of our cost of capital. We aim to deliver an annual total shareholder return of 12-15% over the business cycle.

Low Leverage

Given the nature of Kinnevik's investments, our goal is to carry low leverage, not exceeding 10% of portfolio value.

Increasing Shareholder Remuneration

Kinnevik aims to pay an annual dividend growing in line with dividends received from our investee companies and the cash flow generated from our investment activities.

Kinnevik will make share buybacks when our shares trade at

a significant discount to their intrinsic value, as perceived by Kinnevik, and the company has significant net cash (taking into consideration its dividend expectations, net investment plan and operating cost).

INVESTMENT ACTIVITY

Investee company (SEKm)	Q4 2017	FY 2017
Com Hem	-	3 730
Babylon	-	144
Betterment	-	527
BIMA	106	106
Livongo	1	113
Home24	-	38
Other	9	116
Investments	116	4 774
Rocket Internet	-	4 071
Lazada	-	967
Glossybox	-	104
Other	3	138
Divestments	3	5 280
Net investments/divestments	113	-506

KINNEVIK'S ORGANISATION

On 17 January 2018, Kinnevik announced that Christoph Barchewitz, Investment Director, was leaving Kinnevik to join its portfolio company Global Fashion Group as Co-CEO effective 1 February 2018.

EVENTS AFTER THE REPORTING PERIOD

On 10 January 2018, Tele2 and Com Hem announced that their Boards of Directors has agreed to merge the two companies to create a leading integrated operator.

On 1 February 2018, MTG announced it has agreed to combine its Nordic businesses with TDC Group, creating a fully convergent media and communications provider.

TOTAL SHAREHOLDER RETURN

14%

Past 30 years

11%

Past 10 years

21%

Past 5 years

31%

Past 12 months

Total shareholder return is calculated on the basis of shareholders reinvesting all cash dividends, dividends in kind and mandatory share redemption proceeds into the Kinnevik share.

VALUATION OF UNLISTED FINANCIAL ASSETS

Investment (SEKm)	Kinnevik ownership	Net invested amount	Fair value 31 Dec 2017	Change in fair value and dividends received		Valuation method
				Oct-Dec 2017	Full year 2017	
<i>E-Commerce</i>						
Global Fashion Group ^{1,2}	35%	5 658	5 239	256	-402	Revenue multiple
Home24 ²	17%	871	218	127	86	Revenue multiple
Westwing ²	17%	419	479	34	50	Revenue multiple
Other ¹	Mixed	523	321	-244	-242	Mixed
<i>Marketplaces</i>						
Quikr	18%	879	1 358	-140	-177	DCF
Saltside	61%	195	195	-	-5	DCF
Other	Mixed	-	-	-	-19	Mixed
Total E-Commerce & Marketplaces		8 544	7 810	33	-448	
Entertainment	Mixed	1 072	277	-117	-140	Mixed
Bayport ³	22%	467	1 082	3	-119	Latest transaction
Betterment	16%	1 065	1 064	3	-53	Latest transaction
Milvik/BIMA	33%	257	806	307	298	Latest transaction
Other	Mixed	100	118	-5	-45	Mixed
Total Financial Services		1 889	3 070	308	81	
Babylon	20%	308	375	4	77	Latest transaction
Livongo	3%	113	105	2	-8	Latest transaction
Other	Mixed	242	45	-6	-6	Mixed
Total Healthcare & Other		663	525	-	63	
Total Unlisted Financial Assets		12 169	11 682	224	-444	

¹ Net invested amounts include SEK 1.0bn in share distributions received from Rocket Internet.

² Ownership not adjusted for employee stock option plans and employee equity at subsidiary level.

³ Ownership on a fully diluted as converted basis.

FAIR VALUES AS AT 31 DECEMBER 2017

At the end of December, the fair value of Kinnevik's unlisted financial assets amounted to a total of SEK 11,682m, to be compared with an accumulated invested amount (net after dividends received) of SEK 12,169m. The change in fair value, plus dividends received, amounted to SEK 224m in the quarter, as specified in the table on the previous page.

LIQUIDATION PREFERENCES

Kinnevik's unlisted investee companies adopt different financing structures, and at times issue shares with liquidation preference rights. Liquidation preferences determine how proceeds from a liquidity event are allocated between shareholders. This allocation may become increasingly complex as a company raises several funding rounds at different valuations. As Kinnevik's participation often varies between funding rounds, Kinnevik's share of proceeds may significantly deviate from its percentage ownership of the investee company's issued equity. Accordingly, an increase or decrease in value of an investee company's equity where liquidation preferences are applicable may result in a disproportionate increase or decrease in the fair value of Kinnevik's shareholding in that investee company.

GLOBAL FASHION GROUP

The fair value of Kinnevik's 35 percent shareholding in **Global Fashion Group** ("GFG") amounts to SEK 5,239m as at 31 December 2017, based on a total value of GFG's fully diluted equity of EUR 1.6bn. The valuation of GFG implies an average multiple of 1.3x the company's last twelve months' net revenues as at 30 September 2017. The implied average multiple corresponds to a 45 percent discount to a group of listed and profitable developed market fashion e-commerce peers, and discounts vary between GFG's different regional businesses. The implied discount not only reflects differences in growth and profitability, but also Kinnevik's assessment of equity risk premiums across GFG's partly emerging market focused footprint as may be referenced from a broader set of listed emerging market e-commerce companies.

E-COMMERCE

The fair value of Kinnevik's 17 percent shareholding in **Home24** amounts to SEK 218m as at 31 December 2017, based on a total value of Home24's fully diluted equity of EUR 296m. The valuation of Home24 applies a multiple of 1.1x the company's last twelve months' net revenues as at 30 September 2017. The applied multiple corresponds to a 40 percent discount to a group of listed e-commerce peers, and reflects differences in growth and profitability.

The fair value of Kinnevik's 17 percent shareholding in **Westwing** amounts to SEK 479m as at 31 December 2017, based on a total value of Westwing's fully diluted equity of EUR 288m. The valuation of Westwing applies a multiple of 1.3x the company's last twelve months' net revenues as at 30 September 2017. The applied multiple corresponds to a 30 percent discount to a group of listed e-commerce peers, which reflects differences in growth and profitability.

The peer group used for the valuation of Home24 and Westwing has been updated during the fourth quarter. The discounts applied has been adjusted in the quarter to reflect the relative growth and profitability of Home24 and Westwing versus the new peer group.

MARKETPLACES

The fair value of Kinnevik's 18 percent shareholding in **Quikr** amounts to SEK 1,358m as at 31 December 2017, based on a total value of Quikr's fully diluted equity of USD 935m. The valuation of Quikr is based on a discounted cash flow analysis. A number of all-stock transactions have been concluded at an approximate 66 percent premium to the USD 935m valuation, but due to the lack of a significant cash element in each of these transactions they are not considered as sufficiently robust to be used as basis for the assessment of the fair value of Kinnevik's shareholding.

The fair value of Kinnevik's 61 percent shareholding in **Saltside** amounts to SEK 195m as at 31 December 2017. The valuation of Saltside is based on a discounted cash flow analysis.

FINANCIAL SERVICES

The fair value of Kinnevik's 22 percent shareholding in **Bayport** amounts to SEK 1,082m as at 31 December 2017, based on a total value of Bayport's fully diluted equity of USD 608m. The valuation of Bayport is based on the valuation applied in a funding round during the third quarter of 2017.

The fair value of Kinnevik's 16 percent shareholding in **Betterment** amounts to SEK 1,064m as at 31 December 2017, based on a total value of Betterment's fully diluted equity of USD 800m. The valuation of Betterment is based on the valuation applied in a funding round during the third quarter of 2017.

The fair value of Kinnevik's 33 percent shareholding in **Bima** amounts to SEK 806m as at 31 December 2017, based on a total value of Bima's fully diluted equity of approximately USD 290m. The valuation of Bima is based on the valuation applied in a funding round in the fourth quarter of 2017.

HEALTHCARE

The fair value of Kinnevik's 20 percent shareholding in **Babylon** amounts to SEK 375m as at 31 December 2017. The valuation of Babylon is based on the valuation applied in a funding round during the second quarter of 2017.

The fair value of Kinnevik's 3 percent shareholding in **Livongo** amounts to SEK 105m as at 31 December 2017. The valuation of Livongo is based on the valuation applied in a funding round during the first quarter of 2017.

Condensed Consolidated Income Statement

SEK m	Note	2017 1 Oct- 31 Dec	2016 1 Oct- 31 Dec	2017 Full year	2016 Full year
Change in fair value of financial assets	4	5 055	-1 955	18 395	-4 969
Dividends received	5	-	17	2 260	1 733
Administration costs		-96	-107	-245	-261
Other operating income		28	7	41	47
Other operating expenses		0	0	0	-1
Operating profit/loss		4 987	-2 038	20 451	-3 451
Financial net		-25	-43	-90	-7
Profit/loss after financial net		4 962	-2 081	20 361	-3 458
Tax		-2	-1	-2	-1
Net profit/loss for the period		4 960	-2 082	20 359	-3 459
Net profit/loss per share before dilution		18.03	-7.56	74.00	-12.55
Net profit/loss per share after dilution		18.00	-7.56	73.90	-12.55
Other comprehensive income					
Cash flow hedging, gains/losses during the period		11	5	29	5
Total other comprehensive income for the period		11	5	29	5
Total comprehensive income for the period		4 971	-2 077	20 388	-3 454
Outstanding shares at the end of the period		275 115 735	275 115 735	275 115 735	275 115 735
Average number of shares before dilution		275 116 053	275 115 735	275 115 947	275 570 219
Average number of shares after dilution		275 514 428	275 457 381	275 492 517	275 802 078

CONSOLIDATED EARNINGS FOR THE FOURTH QUARTER

The change in fair value of financial assets amounted to a profit of SEK 5,055m (loss of 1,955) for the fourth quarter of which a profit of SEK 4,831m (loss of 1,942) was related to listed holdings and a profit of SEK 224m (loss of 13) was related to unlisted holdings. See note 4 for further details.

CONSOLIDATED EARNINGS FOR THE YEAR

The change in fair value of financial assets including dividends received amounted to a profit of SEK 20,655m (loss of 3,236) for the year of which a profit of SEK 21,099m (loss of 2,920) was related to listed holdings and a loss of SEK 444m (loss of 316) was related to unlisted holdings. See note 4 and 5 for further details.

Condensed Consolidated Cash Flow Statement

SEK m	Note	2017 1 Oct- 31 Dec	2016 1 Oct- 31 Dec	2017 Full year	2016 Full year
Dividends received	5	-	17	2 260	1 733
Cash flow from operations		-47	-80	-201	-250
Cash flow from operations before interest net and income taxes		-47	-63	2 059	1 483
Interest, received		-	-	10	54
Interest, paid		-19	-11	-76	-41
Cash flow from operations		-66	-74	1 993	1 496
Investments in financial assets		-139	-971	-4 843	-3 330
Sale of shares and other securities		3	16	5 304	480
Cash flow from investing activities		-136	-955	461	-2 850
Change in interest bearing loans		-761	395	1 222	381
Repurchase of shares		-	-	-	-500
Redemption program and dividend paid to equity holders of the Parent company		-	-	-2 201	-7 084
Cash flow from financing activities		-761	395	-979	-7 203
Cash flow for the period		-963	-634	1 475	-8 557
Cash and short term investments, opening balance		2 761	957	323	8 880
Cash and short term investments, closing balance		1 798	323	1 798	323
SUPPLEMENTARY CASH FLOW INFORMATION					
Investments in financial assets	4	-116	-971	-4 774	-3 399
Current period investments, not yet paid		-	-	-	69
Prior period investments, paid in current period		-23	-	-69	-
Cash flow from investments in financial assets		-139	-971	-4 843	-3 330

Condensed Consolidated Balance Sheet

SEK m	Note	2017 31 Dec	2016 31 Dec
ASSETS			
Fixed assets			
Financial assets accounted at fair value through profit and loss	4	91 717	73 827
Tangible fixed assets		58	63
Other fixed assets		3	3
Total fixed assets		91 778	73 893
Other current assets		46	103
Short term investments		1 750	0
Cash and cash equivalents		48	323
TOTAL ASSETS		93 622	74 319
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity attributable to equityholders of the Parent Company		90 633	72 434
Interest bearing liabilities, long term		2 863	41
Interest bearing liabilities, short term		0	1 600
Non interest bearing liabilities		126	244
TOTAL EQUITY AND LIABILITIES		93 622	74 319

Key Ratios

Ratio	Note	2017 31 Dec	2016 31 Dec
Debt/equity ratio		0.03	0.02
Equity ratio		97%	97%
Net debt for the Group, including net loans to investee companies	6	1 062	1 309
Leverage		1%	2%

Condensed Report of Changes in Equity for the Group

SEK m	Attributable to the Parent Company's shareholders				
	Share capital	Other contributed capital	Hedging reserve	Retained earnings including net result for the year	Total shareholders' equity
Opening balance 1 January 2016	28	8 840	-34	74 630	83 464
Profit for the year				-3 459	-3 459
Other comprehensive income			5		5
Total comprehensive income for the period	0	0	5	-3 459	-3 454
Transactions with shareholders					
Effect of employee share saving programme				8	8
Redemption program and cash dividend				-7 084	-7 084
Share buy-backs	-1			-499	-500
Closing balance 31 December 2016	27	8 840	-29	63 596	72 434
Profit for the period				20 359	20 359
Other comprehensive income			29		29
Total comprehensive income for the period	0	0	29	20 359	20 388
Transactions with shareholders					
Effect of employee share saving programme				12	12
Cash dividend				-2 201	-2 201
Closing balance 31 December 2017	27	8 840	0	81 766	90 633

Notes for the Group (SEKm)

NOTE 1 ACCOUNTING PRINCIPLES

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU. This report was prepared in accordance with the Annual Accounts Act and IAS 34, Interim Financial Reporting. Information in accordance with IAS 34, Interim Financial Reporting is provided in the notes as well as on other places in the interim report.

The accounting principles and calculation methods applied in this report are the same as those described in the 2016 Annual Report.

Future IFRS amendments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and introduce requirements for the classification and measurement, impairment, derecognition and requirements for general hedge accounting. Classification and measurement under IFRS 9 is based on the entity's business model for managing the financial asset and the characteristics of the contractual cash flows of the asset. Based on Kinnevik's analysis performed during the year Kinnevik does not anticipate, apart from providing more extensive disclosures on the Group's revenue transactions, that the application of IFRS 9 will have a significant impact on the financial position and/or financial performance of the Group.

IFRS 15 replaces IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations. The new standard established a single comprehensive model for entities to use in accounting for revenues (5-step approach) based on when the control of a good or service is transferred to the customer. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Based on Kinnevik's analysis performed during the year Kinnevik does not anticipate that the application of IFRS 15 will have a significant impact on the financial position and/or financial performance of the Group.

NOTE 2 RISK MANAGEMENT

Kinnevik has a model for risk management, which aims to identify, control and reduce risks. The identified risks and how they are managed are reported to the Kinnevik Board of Directors on a quarterly basis.

Kinnevik's financing and management of financial risks is centralised within Kinnevik's finance function and is conducted on the basis of a finance policy established by the Board of Directors. Kinnevik is exposed to financial risks mainly in the form of changes in the value of the stock portfolio, changes in currency and interest rates, and financing risks. Operational risks are managed within each company with an operating business. Kinnevik is also exposed to political risks since the companies in which Kinnevik has invested have substantial operations in less developed markets in Latin America, Sub-Saharan Africa and South East Asia.

For a more detailed description of Kinnevik's risks and uncertainties, as well as risk management, refer to Note 18 for the Group in the 2016 Annual Report.

NOTE 3 RELATED PARTY TRANSACTIONS

Related party transactions for the period are of the same character as the transactions described in the 2016 Annual Report.

NOTE 4 FINANCIAL ASSETS ACCOUNTED AT FAIR VALUE THROUGH PROFIT AND LOSS

Kinnevik's unlisted holdings are valued using IFRS 13 and the International Private Equity and Venture Capital Valuation Guidelines, whereby a collective assessment is made to establish the valuation method that is most suitable for each individual holding. Firstly, it is considered whether any recent transactions have been made at arm's length in the companies. For new share issues, consideration is taken to if the newly issued shares have preferential rights, such as senior liquidation preference to the company's assets than earlier issued shares. For companies where no or few recent arm's length transactions have been performed, a valuation is conducted either by applying relevant multiples to the company's historical and forecast key figures, such as sales, profit, equity, or by discounting future expected cash flows. When performing a valuation based on multiples, consideration is given to potential adjustments due to, for example, difference in size, historic growth, profitability and geographic market between the current company and the group of comparable companies.

The valuation process for Kinnevik's unlisted holdings is run by the financial department and based on financial information reported from each holding. The correctness of the financial information received is ensured through continuous contacts with management of each holding and monthly reviews of the accounts. Prior to decisions being made about the valuation method to be applied for each holding, and the most suitable peers with which to compare the holding, the financial department obtains information and views from the investment team, as well as external sources of information. Information and opinions on applicable methods and groups of comparable companies are also obtained periodically from well-renowned, valuation companies in the market. The results from the valuation is discussed firstly with the CFO and CEO following which a draft is sent to the Audit Committee as well as the companies external auditors, who analyse and discuss the outcome before it is approved.

Below is a summary of the valuation methods applied in the accounts as per 31 December 2017:

Company	Valuation method	Valuation assumptions
Global Fashion Group	The valuation is based on a sum-of-the-parts method using sales multiples for each region applying individual regional discounts to a group of listed and profitable developed market fashion e-commerce peers (Zalando, Asos and Yoox Net-a-Porter Group). The implied average multiple corresponds to a 45% discount on an aggregated level. The applied discounts reflect differences in growth and profitability as well as emerging market exposure referenced from a broader set of listed emerging market e-commerce companies. On a fully diluted basis GFG is valued at EUR 1.6bn. The valuation considers preferential rights in case of a liquidation or sale of the company.	Last 12 months sales (ending 30 September 2017) Multiple: 1.3x
Home24	The valuation is based on the average sales multiple of a group of comparable companies (including Asos, Wayfair and Maison du Monde), adjusted with a 40% discount on an aggregated level to adjust for growth and profitability. On a fully diluted basis Home24 is valued at EUR 296m. The valuation considers preferential rights in case of a liquidation or sale of the company and results in Kinnevik's 17% stake in Home24 being valued at SEK 218m.	Last 12 months sales (ending 30 September 2017) Multiple: 1.1x
Westwing	The valuation is based on the average sales multiple of a group of comparable companies (including Asos, Wayfair and Maison du Monde). The average sales multiple of the peer group has been reduced by 30% due to factors such as growth and profitability. On a fully diluted basis Westwing is valued at EUR 288m. The valuation considers preferential rights in case of a liquidation or sale of the company and results in Kinnevik's 17% stake, together with warrants worth SEK 86m, being valued at SEK 479m.	Last 12 months sales (ending 30 September 2017) Multiple: 1.3x
Quikr	The fair value of Kinnevik's 18% shareholding in Quikr valued at SEK 1.4bn is valued based on discounted cash flows valuing Quikr at USD 935m on a fully diluted basis.	
Saltside	The valuation is based on discounted cash flows valuing Kinnevik's 61% shareholding to SEK 195m.	
Bayport	The valuation is based on the latest funding round in September 2017. The transaction values all shares in Bayport at USD 608m on a fully converted and diluted basis.	
Betterment	The valuation is based on the latest funding round in July 2017. The transaction values all shares in Betterment at USD 800m on a fully diluted basis.	
Milvik/ BIMA	The valuation is based on the latest funding round in December 2017. The transaction values all shares in BIMA at approximately USD 290m.	
Babylon	The valuation is based on the latest funding round in April 2017.	
Livongo	The valuation is based on the latest funding round in March 2017.	

For the companies in the table above that are valued based on sales multiples (i.e. Global Fashion Group, Home24 and Westwing), an increase in the multiple by 10% would have increased estimated fair value by SEK 461m. Similarly, a decrease in the multiple by 10% would have decreased estimated fair value by SEK 401m.

When establishing the fair value of other financial instruments, methods that in every individual case are assumed to provide the best estimation of fair value have been used. For assets and liabilities maturing within one year, a nominal value adjusted for interest payments and premiums is assumed to provide a good approximation to fair value.

Information is provided in this note per class of financial instruments that are valued at fair value in the balance sheet, distributed in the levels stated below:

Level 1: Fair value established based on listed prices in an active market for the same instrument.

Level 2: Fair value established based on valuation techniques with observable market data, either directly (as a price) or indirectly (derived from a price) and not included in Level 1.

Level 3: Fair value established using valuation techniques, with significant input from data that is not observable in the market.

Change in fair value of financial assets	2017 1 Oct- 31 Dec	2016 1 Oct- 31 Dec	2017 Full year	2016 Full year
Black Earth Farming	-3	95	-309	100
Com Hem	296	-	496	-
Millicom	681	-2 066	6 152	-3 689
MTG	667	691	995	711
Qliro Group	-55	-141	401	-147
Rocket Internet	-	-29	81	-1 637
Seamless	-	-8	1	-7
SDS	-5	-	-13	-
Tele2	1 143	262	4 184	-1 255
Zalando	2 107	-746	6 851	1 302
Total Listed holdings	4 831	-1 942	18 839	-4 623
Babylon	4	1	77	-10
Bayport	3	69	-119	-77
Betterment	3	33	-53	52
Global Fashion Group	256	-27	-402	71
Home24	127	-30	86	-734
Lazada	-	40	261	601
Livongo	2	-	-8	-
Milvik/BIMA	307	38	298	113
Quikr	-140	-9	-177	16
Westwing	34	-	50	-16
Other	-372	-128	-457	-362
Total Unlisted holdings	224	-13	-444	-346
Total	5 055	-1 955	18 395	-4 969

31 December 2017
 (listed companies)

Book value of Financial assets	Class A shares	Class B shares	Capital/Votes (%)	2017 31 Dec	2016 31 Dec
Black Earth Farming	51 811 828	-	-	-	308
Com Hem	33 911 671	-	19.0/19.0	4 226	-
Millicom	37 835 438	-	37.6/37.6	20 942	14 790
MTG	4 461 691	9 042 165	20.2/48.0	4 645	3 650
Qliro Group	42 613 642	-	28.5/28.5	767	367
Rocket Internet	-	-	-	-	3 990
Seamless	-	-	-	-	20
SDS	587 722	-	8.5/8.5	8	-
Tele2	20 733 965	131 699 187	30.3/47.9	15 350	11 166
Zalando	78 427 800	-	31.7/31.7	34 097	27 245
Total Listed holdings				80 035	61 536
Babylon			19.6/19.6	375	154
Bayport ¹			21.8/21.8	1 082	1 201
Betterment			16.3/16.3	1 064	590
Global Fashion Group			35.4/35.4	5 239	5 641
Home24			17.0/17.0	218	94
Lazada			-/-	-	706
Livongo			3.5/3.5	105	-
Milvik/BIMA			33.4/33.4	806	464
Quikr			17.7/17.7	1 358	1 535
Saltside			60.8/60.8	195	200
Westwing			16.5/16.5	479	429
Other			-/-	761	1 277
Total Unlisted holdings				11 682	12 291
Total				91 717	73 827

¹ On a fully diluted as converted basis.

Investments in financial assets	2017 1 Oct- 31 Dec	2016 1 Oct- 31 Dec	2017 Full year	2016 Full year
Com Hem	-	-	3 730	-
Tele2	-	898	-	898
SDS	-	-	21	-
Total listed holdings	-	898	3 751	898
Babylon	-	46	144	164
Betterment	-	-	527	538
Bima	106	-	106	-
Global Fashion Group	-	-	-	1 503
Home24	-	-	38	27
Iroko	-	-	-	17
Linio ¹	-	-	-	115
Livongo	1	-	113	-
Westwing	-	-	-	58
Other	9	27	95	79
Total unlisted holdings	116	73	1 023	2 501
Total	116	971	4 774	3 399

¹ Comparable periods have been adjusted for the swap between Linio and Africa E-Commerce Holding ("Jumia").

Changes in unlisted assets (level 3)	2017 1 Oct- 31 Dec	2016 1 Oct- 31 Dec	2017 Full year	2016 Full year
Opening balance	11 344	12 330	12 291	10 692
Investments	116	73	1 023	2 501
Disposals / Exit proceeds	-3	-99	-1 188	-556
Change in fair value	224	-13	-444	-346
Closing balance	11 682	12 291	11 682	12 291

NOTE 5 DIVIDENDS RECEIVED

	2017 1 Oct- 31 Dec	2016 1 Oct- 31 Dec	2017 Full year	2016 Full year
Millicom	-	-	883	823
Tele2	-	-	797	725
MTG	-	-	162	155
Com Hem	-	-	68	-
Black Earth Farming	-	-	350	-
Other	-	17	-	30
Total dividends received	-	17	2 260	1 733
<i>Of which cash dividends</i>	-	17	2 260	1 733
<i>Of which ordinary cash dividends</i>	-	-	1 910	1 703

NOTE 6 INTEREST BEARING ASSETS AND LIABILITIES

At 31 December 2017 Kinnevik's total interest bearing assets amounted to SEK 1,801m and the total amount of interest bearing liabilities was SEK 2,863m. Kinnevik was in a net debt position of SEK 1,062m as at 31 December 2017 (net debt SEK 1,367m as at 31 December 2016).

In May 2017 Kinnevik issued a SEK 1.45bn bond with three years maturity as well as a SEK 400m tap on the SEK 1bn bond issued in March 2017 with five years maturity. The bonds were issued under Kinnevik's medium term note programme (the "MTN Programme") which was put in place in February 2017 with a framework amount of SEK 4bn, whereof SEK 2.85bn has now been utilized. The bonds are a mix of fixed and floating rate bonds. To eliminate interest rate risk Kinnevik has entered into interest rate swap agreements whereby Kinnevik will pay fixed annual interest on the full amounts.

Kinnevik's total credit facilities (including issued bonds) amounted to SEK 8,980m as at 31 December 2017 whereof SEK 6,000m related to unutilised revolving credit facilities and SEK 2,850m related to bonds.

The Group's available liquidity, including short term investments and available unutilized credit facilities, totalled SEK 7,995m as at 31 December 2017 (SEK 6,053m as at 31 December 2016).

SEKm	2017 31 Dec	2016 31 Dec
Interest bearing assets		
Loans to investee companies	-	91
Short term investments	1 750	-
Cash and cash equivalents	48	323
Other interest bearing assets	3	-
Total interest bearing assets	1 801	413
Interest bearing long term liabilities		
Debt to investee companies	-	32
Liabilities to credit institutions	-	21
Capital markets issues	2 850	-
Accrued borrowing cost	-17	-12
Other interest bearing liabilities	30	31
	2 863	73
Interest bearing short term liabilities		
Debt to credit institutions	-	-
Capital markets issues	-	1 200
Commercial papers	-	400
	-	1 600
Total interest bearing liabilities	2 863	1 673
Net interest bearing liabilities	1 062	1 260
Debt, unpaid investments/divestments	-	49
Net debt for the Group, including net loans to investee companies	1 062	1 309

The outstanding loans carry an interest rate of Stibor or similar base rate with an average margin of 0.91%. All bank loans have variable interest rates (up to 3 months) while financing from the capital markets vary between 1 to 12 months for the loans under the commercial paper program and 3 to 5 years for the outstanding bonds (as per date of issue).

As at 31 December 2017, the average remaining tenor was 3.9 years for all credit facilities including the bonds. Kinnevik had not provided any security for any of its outstanding loans.

Condensed Parent Company Income Statement

SEK m	2017 1 Oct- 31 Dec	2016 1 Oct- 31 Dec	2017 Full year	2016 Full year
Administration costs	-95	-110	-235	-245
Other operating income and costs	0	2	5	7
Operating loss	-95	-108	-230	-238
Dividends received, external	-	-	1 007	786
Result from subsidiaries	-205	-2 592	8 261	-3 431
Financial net	-20	-16	-23	-45
Profit/loss after financial items	-320	-2 716	9 015	-2 928
Group contribution	-109	100	-109	100
Profit/loss before taxes	-429	-2 616	8 906	-2 828
Taxes	-	-	-	-
Net profit/loss for the period	-429	-2 616	8 906	-2 828
Total comprehensive income for the period	-429	-2 616	8 906	-2 828

Condensed Parent Company Balance Sheet

SEK m	2017 31 Dec	2016 31 Dec
ASSETS		
Tangible fixed assets	3	4
Financial fixed assets	52 368	51 960
Short term receivables	33	121
Short term investments	1 750	0
Cash and cash equivalents	39	317
TOTAL ASSETS	54 193	52 402
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity	48 825	42 108
Provisions	26	27
Long term interest bearing liabilities	5 117	6 605
Other short term liabilities	225	3 662
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	54 193	52 402

The Parent Company's liquidity, including short-term investments and unutilized credit facilities, totalled SEK 7,918m (6,447) at 31 December 2017. The Parent Company's interest bearing external liabilities amounted to SEK 2,855m (1,627) on the same date. Investments in tangible fixed assets amounted to SEK 0m (0) during the period.

Distribution by class of shares on 31 December 2017 was as follow:

	Number of shares	Number of votes	Par value (SEK 000s)
Outstanding Class A shares, 10 votes each	41 157 144	411 571 440	4 116
Outstanding Class B shares, 1 vote each	233 959 015	233 959 015	23 396
Class B shares in own custody	350 479	350 479	35
Registered number of shares	275 466 638	645 880 934	27 547

The total number of votes for outstanding shares amounted at 31 December 2017 to 645,530,455 excluding 350,479 class B treasury shares. During the year 424 Class B shares were delivered to a participant in a long term incentive program.

The Board has authorization to repurchase up to a maximum of 10% of all shares in the Company over 12 months, ending at the AGM of 2018.

There are no convertibles or warrants in issue.

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

Kinnevik presents some performance measures in the interim report that are not defined by IFRS. Kinnevik believes that these performance measures adds valuable information to the company's investors and the company's management since they enable assessment of the Kinnevik's and its portfolio companies' performance and position. Since all companies do not calculate their performance measures in the same manner, these are not always comparable with similar measures used by other companies. Such performance measures shall therefore not be used in replacement of measures defined by IFRS.

Alternative performance measures in Kinnevik's interim report include:

Active customers	Number of customers having made at least one order within the last 12 months
Debt/equity ratio	Interest-bearing liabilities including interest-bearing provisions divided by shareholders' equity
Equity ratio	Shareholders' equity including non-controlling interest as percentage of total assets
Gross merchandise value, GMV	Total value of all sale transactions during the period, including taxes but excluding shipping costs
Internal rate of return, IRR	The annual rate of return calculated in quarterly intervals on a SEK basis that renders a zero net present value of (i) fair values at the beginning and end of the respective measurement period, (ii) investments and divestments, and (iii) cash dividends and dividends in kind
Investments	All investments in listed and unlisted financial assets, including loans to portfolio companies
Leverage	Net debt as a percentage of portfolio value
Net asset value, NAV	Net value of all assets on the balance sheet, equal to the shareholders' equity
Net cash/(net debt)	Interest bearing receivables (excluding net outstanding receivables relating to portfolio companies), short-term investments and cash and cash equivalents less interest-bearing liabilities including interest-bearing provisions and unpaid investments/divestments
Net investments	The net of all investments and divestments in listed and unlisted financial assets
Net merchandise value, NMV	Gross merchandise value after actual and provisioned returns and rejections
Portfolio value	Value of all assets on the balance sheet, less cash and cash equivalents
Total shareholder return, TSR	Annualized total return of the Kinnevik B share on the basis of shareholders reinvesting all cash dividends, dividends in kind, and mandatory share redemption proceeds into the Kinnevik B share, before tax, on each respective ex-dividend date. The value of Kinnevik B shares held at the end of the measurement period is divided by the price of the Kinnevik B share at the beginning of the period, and the resulting total return is then recalculated as an annual rate

KINNEVIK ANNUAL GENERAL MEETING 2018

The Annual General Meeting will be held on 21 May 2018 in Stockholm. Shareholders wishing to have matters considered at the Annual General Meeting should submit their proposals in writing to agm@kinnevik.com or to The Company Secretary, Kinnevik AB, Box 2094, SE-103 13 Stockholm, Sweden, at least seven weeks before the Annual General Meeting, in order for the proposal to be included in the notice to the meeting. Further details on how and when to register will be published in advance of the meeting.

NOMINATION COMMITTEE AHEAD OF THE 2017 ANNUAL GENERAL MEETING

In accordance with the resolution of the 2017 Annual General Meeting in Kinnevik, Cristina Stenbeck has convened a Nomination Committee comprising representatives of Kinnevik's largest shareholders in terms of voting interest. The Nomination Committee comprises Cristina Stenbeck representing Verdere S.à r.l., Wilhelm Klingspor representing the Klingspor family, Edvard von Horn representing the von Horn family, James Anderson representing Baillie Gifford, and Ramsay Brufer representing Alecta.

Information about the work of the Nomination Committee can be found on Kinnevik's corporate website at www.kinnevik.com.

FINANCIAL REPORTS

Kinnevik's Annual Report 2017 will be published on Kinnevik's website on 29 March 2018. Dates for 2018 reporting:

26 April	Interim Report January-March 2018
23 July	Interim Report January-June 2018
25 October	Interim Report January-September 2018

Stockholm 9 February 2018

The Board of Directors

REVIEW REPORT

Introduction

We have reviewed the interim report for Kinnevik AB for the period 1 January - 31 December 2017. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm 9 February 2018

Deloitte AB

Jan Berntsson
Authorized Public Accountant

This information is information that Kinnevik AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 08.00 CET on 9 February 2018.

For further information, visit www.kinnevik.com or contact:

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Kinnevik is an industry focused investment company with an entrepreneurial spirit. Our purpose is to build the digital consumer businesses that provide more and better choice. We do this by working in partnership with talented founders and management teams to create, invest in and lead fast growing businesses in developed and emerging markets. We believe in delivering both shareholder and social value by building well governed companies that contribute positively to society. 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.