

THE BOARD'S REMUNERATION REPORT FOR 2023

Introduction

This remuneration report describes how the guidelines for executive remuneration of Kinnevik AB, adopted by the 2020 Annual General Meeting, were implemented during 2023. The report also provides information on remuneration paid to Kinnevik's Chief Executive Officer (the "CEO") and Board members (in addition to ordinary Board remuneration, if any), as well as a summary description of Kinnevik's outstanding share incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Stock Market Self-Regulation Committee's *Rules on Remuneration of the Board and Executive management and on Incentive Programmes*.

Key developments during 2023

The CEO summarizes Kinnevik's overall performance in his statement on pages 4-5 in the 2023 Annual & Sustainability Report, which can be found on Kinnevik's website at www.kinnevik.com under the heading "Financial Reports" (which can be found under the section "Investor Relations").

Overview of the application of the Remuneration Guidelines during 2023

A prerequisite for the sustainable and successful implementation of Kinnevik's business strategy and safeguarding of its long-term interests is that Kinnevik is able to attract, motivate and retain the best talent in Sweden and globally. To achieve this, it is necessary that Kinnevik offers competitive and cost efficient remuneration packages to create incentives to execute strategic plans, deliver excellent operating results and to ensure financial alignment with Kinnevik's shareholders. The Remuneration Guidelines enable Kinnevik to offer Senior Executives a competitive remuneration package, which together with Kinnevik's long-term share and share-price related incentive plans promote Kinnevik's business strategy and its long-term interests and sustainability.

Under Kinnevik's Remuneration Guidelines, the remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration (a portion of which is conditional upon being invested in Kinnevik shares), pension benefits and other customary benefits. Additionally, the General Meeting may resolve on, among other things, long-term share and share-price related incentive plans.

Both the People & Remuneration Committee's evaluation and the Auditor's review have concluded that Kinnevik has complied with the applicable Remuneration Guidelines in 2023. This conclusion also encompasses the requirement to re-invest a portion of variable cash remuneration in Kinnevik shares until the Senior Executives have a shareholding in Kinnevik corresponding to their fixed annual cash salary, net after taxes, and that no derogations or deviations have been made from the Remuneration Guidelines nor the procedure for implementation of the guidelines during 2023. Subject to restrictions that may apply under law or contract, Kinnevik has the authority to reclaim variable remuneration in whole or in part in the event it was paid on incorrect grounds or based on information that was manifestly misstated. The People & Remuneration Committee has evaluated Kinnevik's performance and the Senior Executives' performance, as well as the Auditor's report, and has concluded that no claw-backs are to be made for 2023.

The People & Remuneration Committee monitors and evaluates programmes for variable remuneration to the CEO as well as for Kinnevik's organization as a whole, both ongoing and those that have ended during the year. The actual and expected outcomes of these remuneration programmes have been reported to the Board and discussed at Board meetings. The People & Remuneration Committee has during 2023 and 2024 also undertaken an in-depth review of Kinnevik's compensation framework and processes. As a result of the review, the Board has made changes to both the proposed 2024 long-term share incentive plan and the Remuneration Guidelines, and also to the total cash remuneration approved for 2024, as further described under "Changes to the compensation framework for 2024" below.

Total remuneration to the CEO during 2023 (excluding share incentive plans) ¹

	Fixed Remuneration		One-Year Variable Remuneration	Extraordinary Items	Pension Expense	Total Remuneration	Portion of Fixed and Variable Remuneration
	Base Salary	Other Benefits					
Georgi Ganev, CEO	SEK 8,928,000	SEK 200,000	SEK 4,393,000	-	SEK 2,669,000	SEK 16,190,000	73% / 27%

Application of performance criteria

The performance criteria for the CEO's variable cash remuneration are determined at the beginning of the year and are tied to specific and measurable objectives and performance metrics. The majority of the targets are directly linked to objectively quantifiable results, whereas a subset of targets requires the Board and its People & Remuneration Committee to make a more qualitative assessment of a wide variety of factors and measurable data in determining whether a specific outcome has reached the level of success required.

To increase alignment between the CEO's incentives and the interests of Kinnevik's shareholders, payment of the variable cash remuneration is conditional upon a portion of it being invested in Kinnevik shares. As the CEO has since 2018 invested SEK 36.7m into Kinnevik Class B shares and other Kinnevik instruments, and has not sold any shares or other Kinnevik instruments, he was not required to re-invest part of his variable cash remuneration into Kinnevik shares in 2023 as his current shareholding in Kinnevik exceeds his fixed annual cash salary, net after taxes. Since 2018, the CEO has acquired 110,656 Kinnevik Class B shares, 137,790 incentive shares as part of the 2021-2023 share incentive plans and 200,000 call options on Kinnevik Class B shares issued by Verdere S.à r.l. in 2018, which expired without being exercised in 2023. During the same period, the CEO has been awarded 214,357 Kinnevik Class B shares through share incentive plans vesting during 2020-2023. Accordingly, per 31 March 2024, the CEO held in total 355,563 Class B shares and 137,790 acquired incentive shares. If the CEO's shareholding would not have met such threshold, he would have been required to re-invest 20 percent of his variable cash remuneration in Kinnevik shares.

Kinnevik's ambition is to be the leading listed European growth investor. At the core of this ambition is Kinnevik's strategy to build and maintain a focused portfolio of growth businesses and to ensure that it remains dynamic, vibrant and able to deliver long-term sustainable returns through actively reallocating capital. The performance criteria for the CEO's variable cash compensation are all set to advance this strategy.

The performance criteria for variable cash compensation to the CEO for 2023 were established by the Board in the first quarter of 2023 and were divided into two categories of objectives:

1. 70 percent of the variable cash compensation was dependent on performance against Kinnevik's corporate objectives, focused on short-term objectives benefitting Kinnevik's long-term strategy (the "Corporate Objectives").
2. 30 percent of the variable cash compensation was dependent on the Board's assessment of Kinnevik's and the CEO's performance in relation to strategic execution, stakeholder management, employee engagement and team development as measured by *inter alia* performance reviews and surveys from Kinnevik's Board, employees, and investee company representatives (the "Overall Performance").

The Corporate Objectives for 2023 were divided into four categories consisting of, *inter alia*, what is outlined below.

	Category	Relative weighting of the performance criteria	Outcome
Georgi Ganev, CEO	Capital Deployment	35%	31.2% SEK 2,785,536 More than 80% of total follow-on investments into business defined as high-conviction businesses, in which Kinnevik invested 2.6x its pro-rata share of funding rounds on average and deployed SEK 1.8bn into secondary opportunities

¹ The table includes remuneration earned in 2023.

	Financial Position	14%	8.8% SEK 785,664	SEK 7.9bn in net cash by end of 2023
	Investee Performance	17.5%	13.9% SEK 1,240,992	40% value-weighted average revenue growth in a selection of Kinnevik's largest and most important private investments in line with targets, but value development relative to public comparables materially below targets
	Sustainability	3.5%	2.3% SEK 205,344	14% decrease in GHG emission intensity across the portfolio, 10 pp improvement of the 2023 annual average ESG score across portfolio compared to 2022, 7% of capital invested into new companies invested in female founded or led business on a two-year rolling basis (2022-2023)
	Total outcome before downward adjustment		56.2% / SEK 5,017,536	

The objectives for Overall Performance for 2023 included, *inter alia*, what is outlined below.

	Category	Relative weighting of the performance criteria	Outcome
Georgi Ganev, CEO	Strategic Execution	30%	Portfolio concentration in core growth companies expanded from 30 to 41% through strong operational performance and focused capital deployment. Ended the year with SEK 7.9bn in net cash enabling continued strategy execution over the medium-term
	Stakeholder Management		Several successful platform initiatives, overall excellent feedback from portfolio company representatives, founders and co-investors in the CEO's 360 Review, specifically on his capabilities within Leadership and Team & Relationship Building
	Employee Engagement		Average 2023 eNPS score of 36 (48), 2023 Employee Engagement Survey scores improved on three of four focus areas compared to 2022
	Team Development		CEO remains an appreciated and strong leader among all stakeholder groups, continued successful cross-staffing between sectors and offices to optimise deal teams in terms of performance and diversity of thought
	Total outcome before downward adjustment		20.2% / SEK 2,187,360

The evaluation of performance criteria for variable cash compensation to the CEO for 2023 outlined above indicates an award corresponding to 76.4 percent of the CEO's base salary for 2023. However, in line with the applicable Remuneration Guidelines, the People & Remuneration Committee shall ensure that any rewards of variable cash remuneration properly reflect the business performance of Kinnevik. In years of poor performance, actual awards may be lower than what the evaluation of the predetermined criteria suggests. While capital allocation during 2023 was in line with expectations and likely to generate significant value creation over the longer term, 2023 was yet another challenging year during which Kinnevik experienced weak development in its Net Asset Value and share price. This development was in part due to erroneous expectations on certain larger investee companies' operating performance and capital requirements, and in part due to not sufficiently meeting stakeholder demands for more clear and transparent communication around Kinnevik's private investee companies. Taking this into account, the Board resolved to award the CEO's a variable cash remuneration corresponding to 49 percent of his base salary for 2023, amounting to SEK 4,393,000.

Outstanding and during 2023 ended share incentive plans and the CEO's participation

Over the years, Kinnevik has implemented annually recurring long-term share and share-price related incentive plans for its employees to further align their incentives with the interests of Kinnevik's shareholders. The share incentive plans are resolved upon by the General Meeting and prepared by Kinnevik's People & Remuneration Committee in consultation with major shareholders and external advisors.

In 2018, Kinnevik introduced a new structure for its share incentive plans. Since then, the terms have been in substance the same. Simplifications have been made based on conclusions from monitoring the ongoing plans, and certain adjustments of the performance conditions have been made to reflect Kinnevik's performance, portfolio evolution and growth-focused investment strategy. Since 2021, the CEO and senior members of Kinnevik's investment team have had the opportunity to acquire additional shares in the share incentive plans at fair market value using their own capital (hence at zero cost to Kinnevik), in order to further increase their exposure to the long-term development of Kinnevik and its share price.

During 2023, Kinnevik had six ongoing share incentive plans (2018, 2019, 2020, 2021, 2022 and 2023), out of which one (2018) ended during 2023, and one (2019) ended during April 2024. The share incentive plans are based on a structure where the participants subscribe for or acquire incentive shares that are reclassified to Class B shares depending on performance conditions tied to measures of Kinnevik's value creation. To participate in the share incentive plans, participants must also satisfy certain investment and employment retention criteria. The performance-based conditions of the 2020 share incentive plan are measured over three and five years, and a portion of the incentive shares in the 2020 plan were reclassified during 2023 as a result of Kinnevik's three-year annualized total shareholder return of 15 percent meeting the predefined performance criteria. In total, 52,492 shares of Class C1 2020 and 303,180 incentive shares of Class C2 2020 were reclassified to Kinnevik shares of Class B during 2023.

In February 2018, Kinnevik's largest shareholder Verdere S.à r.l. issued and sold 200,000 call options to the CEO for SEK 5.2m in order to further align his interest with Kinnevik's shareholders. Each option entitled the purchase of one (1) Kinnevik share of Class B at a pre-defined exercise price during a three-month exercise period that ended on 9 May 2023. All options lapsed without being exercised by the CEO as Kinnevik's share price did not exceed the options' exercise price.

In 2023, the CEO received 91,650 Kinnevik Class B shares from the share incentive plan launched in 2020. Based on the volume-weighted average price of Kinnevik's Class B share during March 2023, SEK 149.08, the shares awarded were worth SEK 13,663,182. 30,550 of these shares, worth SEK 4,554,394, were awarded as compensation for paid dividends and other value transfers during 2020-2023. These dividends and other value transfers include i.a. the distributions of Kinnevik's shareholding in Zalando during 2021.

In 2023, the accounting cost recorded for the CEO's participation in outstanding share incentive plans amounted to SEK 6.482m. SEK 3.638m, or 56 percent of this accounting cost, related to in-cash payments to the Swedish Tax Authority pertaining to Kinnevik's subsidization of participation in the 2023 share incentive plan. The remaining SEK 2.844m, or 44 percent, pertained to a portion of the notional fair market values of participation in the 2019-2023 share incentive plans.

The table below sets out an overview of the CEO's participation in outstanding share incentive plans as of 31 December 2023.

	Share Incentive Plan	Allotment of Incentive Shares, 3 years	Allotment of Incentive Shares, 5 years	Acquisition of Incentive Shares, 5 years	Re-classified (vested) Incentive Shares	Total Outstanding Incentive Shares
Georgi Ganev, CEO	2019	51,000	36,000	n/a	51,000 (reclassified to Class B shares during 2022)	36,000 ²
	2020	61,100	62,400	n/a	61,100 (reclassified to Class B shares during 2023)	62,400
	2021	n/a	70,000	24,500	(Determined in 2026)	94,500
	2022	n/a	86,000	43,000	(Determined in 2027)	129,000

² All of the 36,000 Incentive Shares have been redeemed by a resolution of the Board on 22 April 2024 in accordance with the Articles of Association.

	2023	n/a	140,580	70,290	(Determined in 2028)	210,870
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Additional information on outstanding share incentive plans, including performance requirements and performance levels as per end of 2023, and details of the CEO's participation in such, is available in Note 16 to the 2023 Annual & Sustainability Report, which can be found on www.kinnevik.com under the heading "Financial Reports" (which can be found under the section "Investor Relations").

Comparative information on the change of remuneration and Kinnevik's performance³

	2019	2020	2021	2022	2023
Georgi Ganev, CEO	SEK 16,970,000	SEK 18,560,000	SEK 17,833,000	SEK 16,493,000	SEK 16,190,000
<i>Change year on year</i>		+9%	-4%	-8%	-2%
1-Year Annualised Total Shareholder Return	40%	85%	29%	-56%	-25%
5-Year Annualised Total Shareholder Return	9%	22%	30%	5%	3%
Leverage	1.3% leverage	4.5% net cash to value	8.0% net cash to value	24.0% net cash to value	19.1% net cash to value
Shareholder Remuneration	SEK 8.25 per share ⁴	SEK 7.0 per share ⁵	- ⁶	-	-
Average Remuneration of Employees of the Company ⁷	SEK 3,167,000	SEK 3,085,000	SEK 3,109,000	SEK 3,029,000 ⁸	SEK 3,423,000
<i>Change year on year</i>		-3%	+1%	-3%	+13%

Changes to the compensation framework for 2024

The People & Remuneration Committee has during 2023 and 2024 undertaken an in-depth review of Kinnevik's compensation framework and processes. The objective of this in-depth review has been to ensure that remuneration programmes offered are in line with the interests of long-term shareholders while promoting a culture of long-term sustainable value creation, ensuring cost efficiency and enabling Kinnevik to retain the competitiveness of Kinnevik's offering to the best talent in Sweden and globally. As a result of the review, the proposed 2024 long-term share incentive plan is smaller than past years' plans and entails (i) material cuts in allocations to non-Investment Professionals and a continued shift in share of allocations to Kinnevik's Investment Team, (ii) increased performance requirements, (iii) an enhanced skin in the game effect by requiring all participants to personally invest directly into incentive shares and (iv) a reduced maximum monetary outcome.

Further, the Board proposes certain adjustments to the Remuneration Guidelines by emphasizing its responsibility to use the discretion afforded them by shareholders to ensure that any reward of variable cash remuneration to Senior Executives

³ Remuneration earned in the respective years, excluding long-term share and share-price related incentive plans.

⁴ In September 2019, Kinnevik amended its shareholder remuneration policy. In 2019, before adopting the amended shareholder remuneration policy, Kinnevik paid an ordinary cash dividend of SEK 8.25 per share. In 2019, Kinnevik furthermore distributed its entire shareholding in Millicom International Cellular S.A. to its shareholders, corresponding to an extraordinary value transfer of approximately SEK 60 per Kinnevik share, which is not reflected in the table above.

⁵ In line with the shareholder remuneration policy, Kinnevik did not pay any ordinary dividend for 2020 but paid an extraordinary cash dividend of SEK 7.00 per share.

⁶ In line with the shareholder remuneration policy, Kinnevik did not pay any ordinary dividend for 2021, but Kinnevik distributed its entire shareholding in Zalando SE to its shareholders, corresponding to an extraordinary value transfer of approximately SEK 196 per Kinnevik share, which is not reflected in the table above.

⁷ Include all employees of Kinnevik AB and its wholly-owned subsidiary Kinnevik Capital Ltd excluding the CEO.

⁸ The average remuneration of employees of the company has been recalculated for 2022.

properly reflect and align with the overall financial performance of Kinnevik in any given year. In years of poor overall performance, rewards may be adjusted downwards despite achievement of predetermined criteria. The proposed guidelines also include a clarification that any variable cash remuneration under the guidelines shall exhibit a higher variance between individuals and years relative to what has been the case up until now. Finally, the Board proposes to limit awards of additional variable cash remuneration to the purpose of recruiting and retaining Senior Executives, by removing the possibility of awarding additional variable cash remuneration for exceptional performance beyond the individual's ordinary tasks. Save for said adjustments, no other material changes have been made compared to the Remuneration Guidelines adopted by the 2020 Annual General Meeting as a result of the review.

For the 2024 cash remuneration, the People & Remuneration Committee has resolved on a slight increase in total base salary and a decrease in the maximum share of annual base salary awarded as variable cash remuneration, to compensate for increased inflation rates and the shift in share of allocations under the 2024 long-term share incentive plan to Investment Professionals, resulting in an overall increase in maximum cash compensation of approximately 10 percent in total across the organisation.

Additional information available in the 2023 Annual & Sustainability Report and on Kinnevik's website

Kinnevik's current Remuneration Guidelines, adopted by the 2020 Annual General Meeting, can be found on pages 100-102 in the 2023 Annual & Sustainability Report that is available on Kinnevik's website at www.kinnevik.com under the heading "Financial Reports" (which can be found under the section "Investor Relations") and the Auditor's report regarding whether Kinnevik has complied with the guidelines is available on Kinnevik's website at www.kinnevik.com under the heading "General Meetings" (which can be found under the section "Governance").

Additional information on Kinnevik's remuneration during 2023 that is not covered by this report is available in the 2023 Annual & Sustainability Report that is available on Kinnevik's website at www.kinnevik.com under the heading "Financial Reports" (which can be found under the section "Investor Relations").

Pages 65-66	Work of the People & Remuneration committee in 2023
Note 16 on pages 100-107	Information required by Chapter 5, Sections 40-44 of the Annual Accounts Act, including detailed information on remuneration to the other Senior Executives covered by the Remuneration Guidelines adopted at the 2020 Annual General Meeting and Kinnevik's share incentive plans
Note 16 on pages 100-107	Remuneration to the Board