



K I N N E V I K

# ANNUAL & SUSTAINABILITY REPORT 2022



**WE INVEST  
FOR A  
REIMAGINED  
EVERYDAY**



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**This is an interactive, clickable PDF.**

Moving between the different sections is easy with the help of a navigation menu at the top of the page for chapters and the respective menu on each chapter introduction.

The Annual Report for Kinnevik AB (publ) 556047-9742 consists of a Board of Directors' Report, financial statements and other information on pages 57-118.

The Sustainability Report on pages 12-55 has been subject to a limited assurance review. The annual accounts and consolidated accounts on pages 57-112 have been audited.

# REFLECTIONS ON 2022

The pattern of investment returns in unquoted markets shows that it is the presence of a few major successes not the absence of losers that ultimately determines returns.

**James Anderson**

Chairman of Kinnevik's Board of Directors



# STATEMENT BY THE CHAIRMAN OF THE BOARD

**It has been a difficult year for Kinnevik's shareholders.** We are intensely grateful for your continuing support and we welcome new owners. I would also like to thank the full Kinnevik team for their determined and thoughtful work in the demanding global and financial circumstances. The Board have confidence in their endeavours for the future of Kinnevik. We have had our fair share of setbacks, but the Board believes that Kinnevik has also taken many decisions that will benefit the company, all its stakeholders internal and external, and that will prove highly profitable as and when financial markets become less dismissive of the enduring value of long-term and profitable growth.

It is appropriate to leave the granular detail to the CEO. But I would stress that in aggregate our portfolio is showing significant resilience to economic conditions and is demonstrating impressive underlying growth. Many of our companies have at least doubled their sales in the last twelve months and there is no evidence of erosion in their unit economics. This too will matter again. The pattern of investment returns in unquoted markets shows that it is the presence of a few major successes not the absence of losers that ultimately determines returns.

Our balance sheet is in a solid state. We enjoy net cash and have liquid assets. We can therefore continue to deploy capital and especially to support the companies in our portfolio in 2023 and beyond. This is a significant advantage. We will, though, be increasingly firm in our efforts to distinguish between those companies that deserve enduring support and those that, however sadly, may suffer from questions over their economic sustainability.

There has been a vital structural evolution in our portfolio in the last twelve months. We have become direct investors in technologies that help fight climate change. Our investing team and our Board now have significant expertise and access to crucial companies in this area. We are proud of our progress and believe that we can play a major role in encouraging progress in this field not only in Scandinavia but also across the world.

Kinnevik - rightly - prides itself on its contribution to good governance and ethics. For us, this is about the actual impact that we can have on future sustainability but also inclusion in particular. We cannot be sucked into words and dogmatic mantras, rather concentrating on helping and encouraging companies with vital missions. Since joining Kinnevik I have come to admire both the governance philosophy that my colleagues have forged and the very practical and regular involvement that we have with our investee companies. It is

pleasing to see this recognised by external judges - we were one of the top performing Swedish companies in the Lund University sustainability ranking and the only firm to attain the top category in the Honordex Inclusive Index.

I will finish by returning to my initial theme. 2022 has been a very tough time for you and for us. But we are convinced that Kinnevik is fundamentally much stronger than the market currently believes. We intend to prove this in 2023 and beyond.

**James Anderson**  
Chairman of Kinnevik



# CHIEF EXECUTIVE'S REVIEW

**Dear Shareholders,** 2022 was a dramatic year, dominated by the war in Ukraine causing massive human suffering and geopolitical tension, and exacerbating global financial instability. Inflation and increasing interest rates have led to a steep decline in investor risk appetite after two years of abundance. This has particularly affected valuations of growth companies, and had a significant negative impact on Kinnevik's net asset value in 2022. With measures taken to improve profitability and prolong runways, our companies are entering 2023 with more resilient financial plans. This combined with our own solid financial position, long-term view and active ownership approach, enables us to remain firmly focused on the continued execution of our strategy.

## Kinnevik's 2022 Financials

Our Net Asset Value amounted to SEK 52.9bn or SEK 189 per share at the end of 2022, down by SEK 19.5bn or 27 percent compared to one year ago. The development during the year was driven by write-downs of the carrying value of our unlisted investments, reflecting significant pressure in valuation levels of comparable public market growth companies and a more cautious and uncertain outlook.

## A More Resilient Portfolio

During late 2020 and through 2021, valuations of high growth companies skyrocketed. Our private growth companies produced significant returns during these two years and raised large amounts of capital to finance expansive growth plans. In 2022, the price of growth capital has rebased materially, leading to write-downs in our private portfolio of around 50 percent. Beneath this material swing, however, we have seen great underlying operational progress across the portfolio. Our companies grew revenues by around 100 percent on average in both 2021 and 2022, quadrupling in scale.

To bring our companies' plans into line with the current cost of capital, they have now dialled down their growth ambitions as appropriate to reach profitability or at least extend their runway. With these measures, our portfolio is entering 2023 not only with valuations that reflect current market multiples but also with more cautious business plans. Almost 40 percent of our private portfolio is invested in companies that are profitable or have runways that enable them to reach profitability under their current business plans. Around 30 percent is invested in companies with runways extending beyond the end of 2024, and around 10 percent of the value of our private portfolio sits in investees whose runways end in 2023.

This is a material improvement in the average runway profile of the private part of our Net Asset Value and is a consequence of three factors. A handful of our companies have managed to raise new capital during late 2022, profitability has improved across our portfolio, and we have written down our financially frail companies more forcefully than those of our companies with a robust path to profitability.

The nature of early-stage investing is that a small number of investments deliver the lion's share of returns. During 2023, we expect this pattern to become more distinct. We will continue to focus on maximising the potential and impact from our businesses where our conviction has grown, while remaining disciplined in pruning other parts of the portfolio.

## Evolving Our Portfolio Using a Proven Method

During the last five years, Kinnevik has been on a transformational journey. We ended 2022 with almost 70 percent of our portfolio being invested in private growth companies and a SEK 10.4bn net cash position, compared to 10 percent and a SEK 1.1bn net debt position at the end of 2017. This transformation is the result of value creation and capital reallocation. Despite this year's write-downs and the considerable amount of capital we have deployed during 2021-22, the portfolio we started building in 2018 has generated an IRR of around 30 percent since inception. This, together with the substantial capital reallocated within our Growth Portfolio, are clear proof-points that our strategy works.

Building sector expertise allows us to go beyond the consensus in picking the category-defining companies of the future and is key to our long-term success. Through the years, we have built a prowess, a portfolio and a track record in three areas - healthcare, software and marketplaces. And, in each area, we have added companies in a balanced way across various stages of growth and maturity. Sector expertise does not stand in contrast to change. The healthcare portfolio is a good example of how investment theses and focus areas have evolved and will continue to do so. We built our portfolio first in virtual care, then moved into value-based care and specialty care, and most recently invested

into drug discovery through Recursion. The combination of positive sector tailwinds, our deep and evolving expertise and network, and our willingness to take long-term risk and invest early, has positioned us as one of the leading investors in the US healthcare space.

In 2022, we begun crystallising a fourth focus area by making three investments in climate tech. We have adopted a similar method to what we have leveraged in healthcare - identifying a secular growth trend, beginning to develop deep sector knowledge, and building a network of industry experts and specialist funds. We seek to back companies at the right time in their development, with a proven technology that is on the brink of commercialisation. With **Solugen**, **H2 Green Steel** and **Agreena**, we have partnered with three exciting companies in an early commercialisation phase. All three are sector leaders with proven technologies, strong potential to deliver venture and growth capital style returns, and are building businesses for a low-carbon future. With our permanent capital structure, we are uniquely placed to support and capitalise on their success.

# 10.4 bn

## Kinevik's Net Cash Position in SEK per 31 December 2022

We have a resolute intent to remain disciplined in our capital allocation, focusing our capital into the long-term winners in our portfolio.



## Outlook

We expect the recessionary environment to continue to weigh on us and our companies during 2023. Facing this headwind, we have reset our private valuations to the development in public markets, revised our expectations on our investees' performance and supported the improvements of their financial resilience. In 2023, we expect to invest around SEK 5bn split roughly 50/50 between new investments and follow-on investments in our existing portfolio. We have a resolute intent to remain disciplined in our capital allocation, focusing our capital into the long-term winners in our portfolio.

Even if the market environment is likely to remain depressed, volatile and unpredictable, we believe it will also create long-term opportunities. Opportunities both for our existing portfolio companies, as well as for making future investments. We thank our shareholders for their support as we head into 2023 with confidence that Kinnevik will emerge stronger on the other side.

**Georgi Ganev**  
CEO of Kinnevik

# 2022 IN BRIEF

## Key Events During the Year

- Made a significant entry into climate tech through investments in Agreena, Solugen and H2 Green Steel
- Doubled-down on our investment theme ‘the future of work’ through investments in Omnipresent and SafetyWing
- Budbee and Instabox joined forces, with Kinnevik remaining the largest shareholder in the new combined company Instabee
- VillageMD acquired Summit Health, combining to become a leading and profitable value-based care business
- Received double recognition for our leadership in sustainability - Kinnevik was the only firm awarded the highest category in the Honordex Inclusive Index Report 2022, and one of the top performing companies in Sweden in a sustainability ranking by Lund University
- Published Kinnevik’s inaugural Climate Progress Report to follow up on our climate target for the portfolio, and set a new climate target to reduce greenhouse gas emissions from Kinnevik’s own operations by 50% in 2030 and by 90% in 2050, with 2019 as base year
- For the full year 2022, we invested a total of SEK 5.7bn of which SEK 2.1bn into follow-on investments, SEK 3.4bn into nine new investments and SEK 256m into fund partnerships. We released a total of SEK 7.0bn through sell-downs in Tele2 and Teladoc

## Financial Position

- Net Asset Value of SEK 52.9bn (SEK 189 per share) per 31 December 2022, down SEK 19.5bn or 27% since year-end 2021
- Net cash position of SEK 10.4bn, corresponding to 24% of portfolio value by year-end 2022

## New Investments



## Outcome of 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 percent over the business cycle.

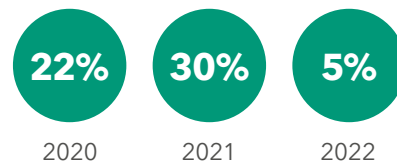
### Low Leverage

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

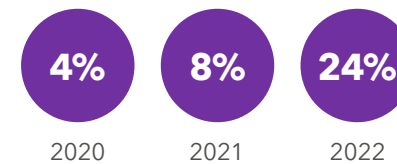
### Shareholder Remuneration

Kinnevik generates shareholder returns primarily through capital appreciation, and will seek to return excess capital generated by its investments to shareholders through extra dividends.

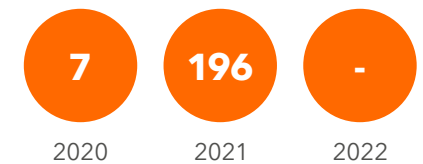
### 5-Year Annualised TSR



### Net cash to portfolio value



### Value Distributed, SEK per share<sup>1</sup>



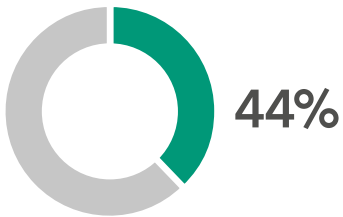
<sup>1</sup> During 2021, Kinnevik distributed its holdings in Zalando which represented SEK 54bn in value handed over to our shareholders, or more than 40 percent of our Net Asset Value at the time, corresponding to SEK 196 per share. In line with the amended shareholder remuneration policy, Kinnevik did not pay a dividend for 2022.



# KEY 2022 NUMBERS

## Share of Women in Kinnevik's Investment Team

31 December



## Reduction in GHG Emissions Intensity in Kinnevik's Portfolio

2020 vs. 2021 (target of 7% per year)



## Share of Investments Into Female Founded or Led Businesses

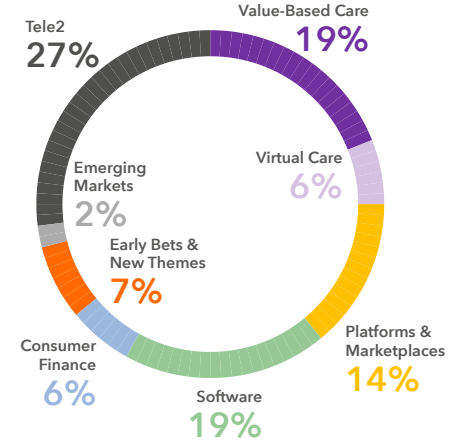
2021 and 2022 combined, only includes investments into new companies



**Note:** A maximum of 5% of total venture capital is allocated to female founded or led businesses, according to several research reports across geographic regions.

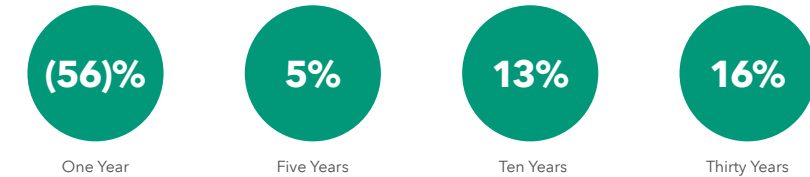
## Composition of Portfolio Value

31 December



## Annualised Total Shareholder Return

31 December



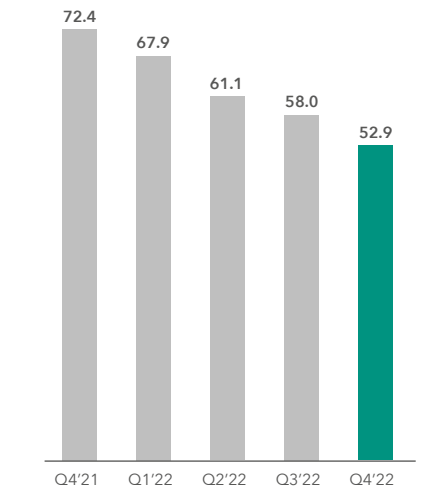
**Note:** The annualised total shareholder return includes reinvested dividends.

# 24%

## Net Cash to Portfolio Value

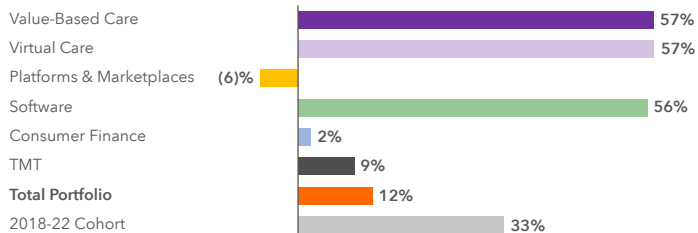
31 December

## NAV Development (SEKbn)

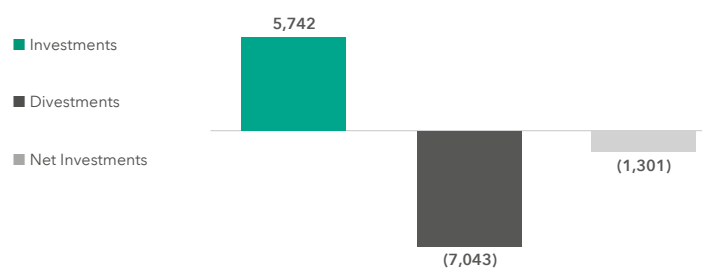


## Five-Year Annualised IRR per Category

31 December



## Investment Activity in 2022 (SEKm)



# HOW WE CREATE VALUE

Kinnevik has always focused on finding the next generation of winning businesses and working closely with them over decades of growth. With our experienced team, active ownership approach, permanent capital and strong track-record, we are very well-placed to support our companies in building long-term sustainable and successful businesses.

**Georgi Ganev**  
CEO of Kinnevik



# Our ambition is to be Europe's leading listed **growth investor**

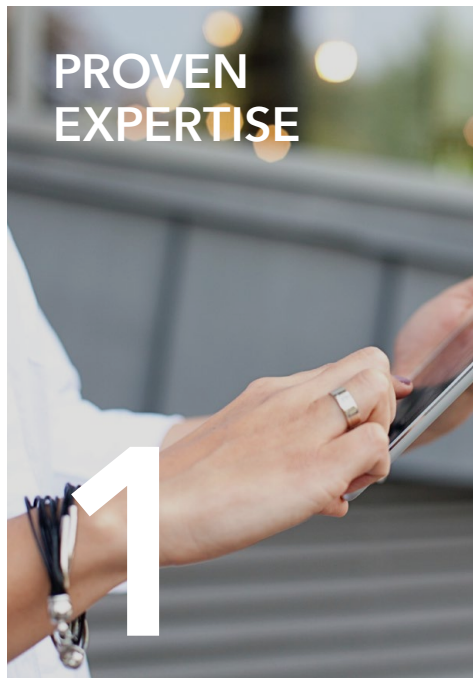
## Our strategy is to:

- Invest in businesses that **harness the power of technology** to address vital everyday needs
- Make the most of our **permanent capital** - being a bold, stage-agnostic, long-term partner and trusted advisor to talented entrepreneurs
- Focus on themes underpinned by **digital disruption** as well as the biggest challenge of our generation, climate change
- Invest in **Europe and the US**
- Leverage our experience and expertise to support our companies in building **long-term sustainable and successful businesses**



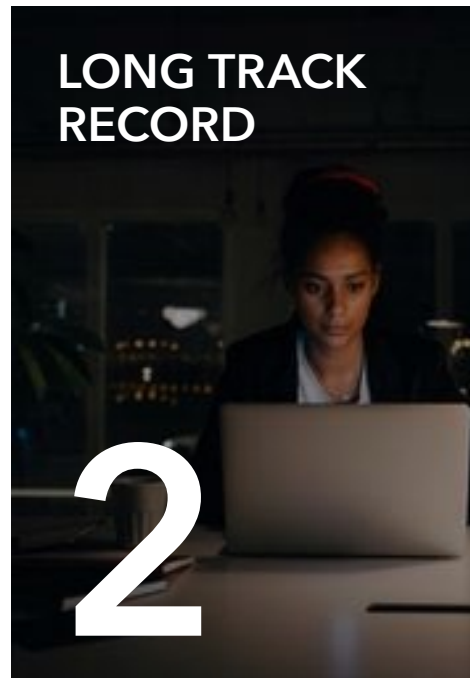
# FOUR REASONS TO BELIEVE IN OUR ABILITY TO EXECUTE OUR STRATEGY

We create long-term value by providing patient capital and operational support to passionate founders who build sustainable, transformative and successful digital businesses that make people’s lives better.



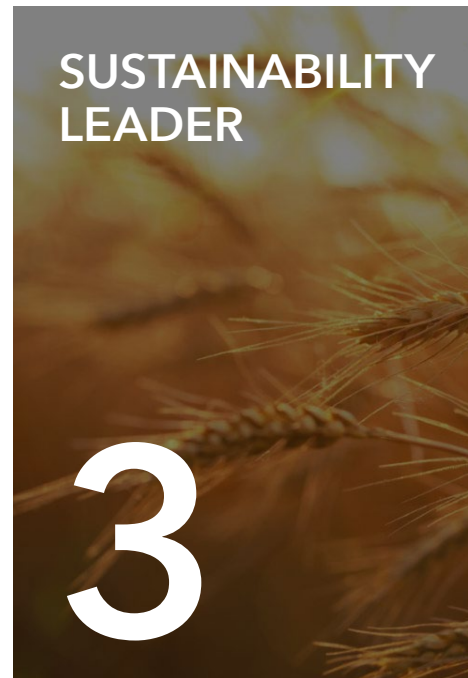
**PROVEN EXPERTISE**

We have **hands-on operational experience** in navigating complex business environments



**LONG TRACK RECORD**

We have a **strong track record** of building the next generation of winning businesses



**SUSTAINABILITY LEADER**

Sustainability is at the **core of our business and of our investment process** - we lead by example and set bold targets



**INVESTMENT ACCESS**

We give shareholders access to a portfolio of **some of the world’s most exciting businesses**

# WE GENERATE POSITIVE IMPACT AND CREATE REAL VALUE FOR OUR STAKEHOLDERS

**We have a holistic view on value creation.** To create value and positive impact on our key stakeholder groups, Kinnevik draws on various types of resources. No resource is endless, and we strive to maximise the positive impact while limiting the negative.

## Resources we draw on

### Financial

Capital available through our investment activities, dividends from investee companies and debt financing.

### Intellectual

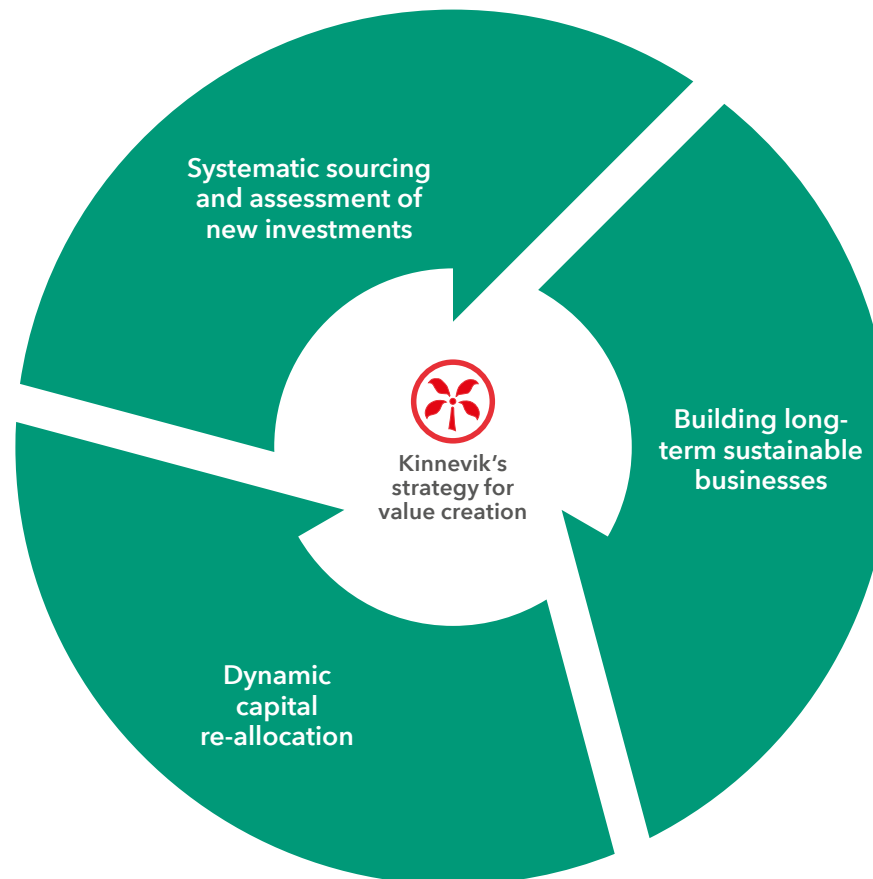
The knowledge, skills and motivation of our employees including deep sector and technical expertise. Also includes organisational capital such as systems, policies, processes and tools.

### Social

Strategic partnerships and relationships within our broad network of company leaders, subject-matter experts, advisors and alumni. Also includes our brand and reputation.

### Natural

Environmental assets that we and our portfolio companies depend on, such as water, land, air, minerals, fishing stocks, forests and biodiversity.



## Value we create for our stakeholders

### Shareholders and the Financial Community

Attractive long-term financial returns enabled by a portfolio of high-performing and well-governed companies that contribute positively to people and planet.

### Employees

Strong corporate culture, improved skills and knowledge, equal opportunities, competitive compensation, career development, diversity, inclusion and work-life balance.

### Portfolio Companies and Entrepreneurs


Financial and operational support across a variety of verticals, knowledge sharing and access to Kinnevik's broader network.

### Society and Authorities

Well-governed companies that contribute positively to society and good corporate citizenship.

# SUSTAINABILITY REPORT

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Sustainability creates real **long-term value** and **builds better businesses**. Kinnevik's bespoke approach, focused on creating real business value, sets us apart from other investors and is a deciding factor for founders to partner with us.









We create significant positive impact by being **active owners** and **allocating capital** towards solving the most pressing challenges globally.



# KINNEVIK'S MATERIAL TOPICS AND SUSTAINABILITY TARGETS

Kinnevik's material topics reflect where we can have the most significant impact on people, the planet and prosperity. They have been identified through interactive stakeholder dialogues, Board and management discussions, peer benchmarking and industry best practices.

Read more about our updated stakeholder dialogue and our contribution to the UN Sustainable Development Goals on page 40. The sustainability targets below are part of Kinnevik's overarching corporate targets and, as such, directly linked to the remuneration of our teams, read more on page 35.

<p><b>ACTIVE OWNERSHIP</b></p> <p><b>Maximise positive impact and implement ambitious ESG strategies across the portfolio</b></p> <p><b>5 percentage point improvement in annual average ESG score across the portfolio</b> ✓</p> <p>In 2022, the annual average ESG score increased by 10 percentage points on a comparative basis.</p> <p>Read more on pages 15-18</p>  	<p><b>CLIMATE IMPACT</b></p> <p><b>Meaningfully reduce our greenhouse gas emissions and contribute to global net zero</b></p> <p><b>Reduce greenhouse gas emission intensity in Kinnevik's portfolio by 50% in 2030, with 2020 as base year (scope 3 category 15 Investments)</b> ✓</p> <p>Between 2020 and 2021, the six companies in Kinnevik's portfolio reporting emissions have on aggregate and on a value-weighted basis decreased their emissions intensity by 11%, thus exceeding our annual target of 7%.</p> <p><b>Reduce greenhouse gas emissions from Kinnevik's operations by 50% in 2030 and by 90% in 2050, with 2019 as base year (scope 1-3 excluding category 15 Investments)</b> ✓</p> <p>Emissions from Kinnevik's operations were 510 tonnes CO<sub>2</sub>e in 2019 and 326 in 2022, a decrease of 36%.</p> <p>Read more on pages 19-26</p>  	<p><b>DIVERSITY, EQUITY &amp; INCLUSION</b></p> <p><b>Contribute to a more diverse, equitable and inclusive world</b></p> <p><b>Annually improve the Inclusion Score in Kinnevik's internal inclusion survey</b> ✗</p> <p>In 2022, we achieved a score of 76.9, a 0.2% decrease compared to last year likely due to an increased participation rate from 80% to 95%.</p> <p><b>10% of new capital to be invested in female founded or female led companies</b> ✓</p> <p>Per year-end 2022, on a two-year rolling basis, 17% of Kinnevik's investments into new companies was invested in female founded or led companies. Since May 2019, the share is 16%.</p> <p><b>Make follow-on investments only in companies that make sufficient progress in relation to DEI</b> ✓</p> <p>All potential follow-on investments are evaluated on DEI (diversity, equity and inclusion) performance as part of the EIC process. During 2022, 94% of portfolio companies have made progress on DEI in relation to their own relevant needs.</p> <p><b>Achieve annual incremental progress across portfolio on relevant DEI efforts</b> ✓</p> <p>Per year-end 2022, 59% of portfolio companies have implemented DEI data collection processes (target 40%), 74% have a relevant DEI strategy (target 30%) and 74% have set DEI targets (target 30%).</p> <p>Read more on pages 27-31</p>  	<p><b>CORPORATE GOVERNANCE</b></p> <p><b>Ensure sound business conduct structures and strong financial robustness</b></p> <p>Sound corporate governance structures forms the basis of Kinnevik's sustainability efforts. We work actively to uphold the highest ethical standards, compliance and business conduct, both on a Kinnevik level and in relation to our portfolio. Read more about our governance work on pages 32-36 and in our Corporate Governance Report starting on page 62.</p>  
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# WE ARE ACTIVE OWNERS

Integrating sustainability into companies' core business models and value creation proposition creates more competitive and resilient businesses over the long term.

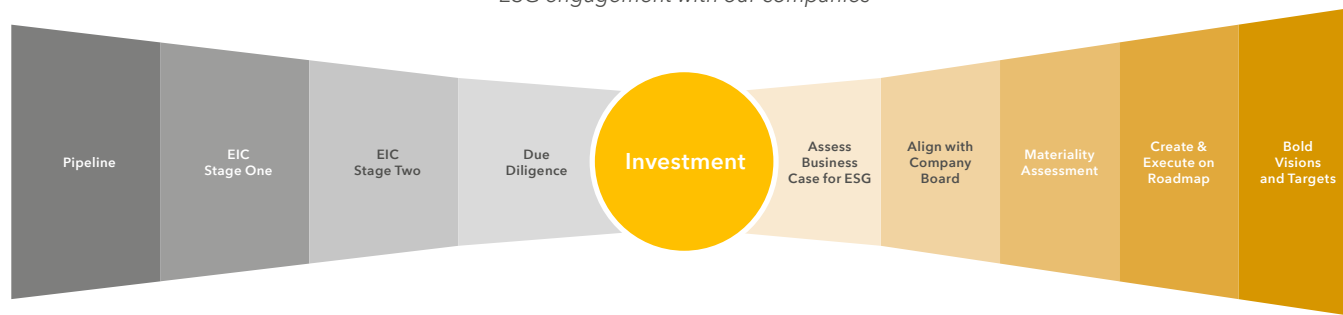
**Mathew Joseph**  
*Kinnevik's Sustainability Director*



# WE SUPPORT OUR PORTFOLIO COMPANIES IN MAXIMISING THEIR POSITIVE IMPACT

We have a structured engagement model and a bespoke approach for implementing ESG strategies in each portfolio company, with the aim of creating business value and supporting the company's overall business strategy.

Overview of Kinnevik's investment process and post-investment ESG engagement with our companies



## AN INTEGRAL PART OF OUR BUSINESS MODEL

We believe that to be a long-term successful company, you need to contribute to making the world a better place. Companies that integrate sustainability into their core operating models, and make it into a competitive advantage, will be better placed to meet the demands from more conscious customers, get access to more financing and attract the most talented employees.

Sustainability is an integral part of Kinnevik's business model and investment process. It's part of our sourcing and assessment of new business opportunities and we have a structured and bespoke engagement model post investment.

## Represented at Each Stage of the Investment Process

The Board of Directors is responsible for Kinnevik's overall strategy, including our investment activities and how sustainability is integrated into our value creation. Kinnevik's sustainability team is represented at each stage of the investment process and only companies that fit our investment ethos and share our values are brought to the Executive Investment Committee ("EIC").

The materials produced ahead of stage one of the EIC include an initial assessment of the company's sustainability performance and profile, key potential positive impact and material ESG topics as well as an assessment of the business model's alignment with a low-carbon future.

Companies that move on from stage two of the EIC are subject to a thorough due diligence process covering, among other areas, finance and tax, legal, people and culture, commercial and sustainability.

In the sustainability due diligence, companies are evaluated on their approach to and implemented structures in relation to ESG aspects, and a more thorough analysis of the key sustainability risks and opportunities is performed. The main objectives of the due diligence are to understand the tone at the top, to assess the company's culture and values, and identify a base from which we can build. This is further supplemented by the people and culture due diligence where we evaluate leadership and values including ability to build inclusive cultures and organisations. The basis for the sustainability due diligence is the Kinnevik

Standards (read more on page 18), tailored to the specific sector and development stage of the company.

## Building Long-Term Sustainable Businesses

While investing in the best companies is fundamental, how we contribute to the development of our companies after investment is essential to long-term sustainable value creation.

After investment, Kinnevik has a structured and bespoke approach to support companies in identifying, measuring and crystallising their positive impact on the world. We also support them in implementing value-adding and integrated sustainability strategies. We base our efforts on each company's unique business case and potential related to sustainable development.

We offer all our portfolio companies a materiality assessment workshop to better understand their key sustainability topics, and to identify why and how sustainability can drive business value. Based on the materiality assessment, we help the companies set bold strategic visions and targets and a concrete roadmap with priorities.

A successful sustainability strategy is dependent on buy-in throughout the organisation and, as such, Kinnevik works in close cooperation with the company's Board of Directors and management team. As the companies grow and mature, we continuously follow up and evaluate their ability to maximise positive impact, manage externalities and execute in line with their sustainability strategy. Companies are evaluated from both a financial and a sustainability perspective at our bi-annual reviews, and as they are seeking additional funding to inform Kinnevik's capital allocation decision.

Kinnevik back our companies at every step on their growth journey. We believe sustainability creates real business value and support our companies in taking full advantage of the opportunities arising from being a sustainability leader.

# CASE STUDIES FROM OUR PORTFOLIO

**Kinnevik offers our companies hands-on and bespoke support.** Below are some examples where we have supported our companies to implement holistic and value-adding sustainability strategies, and to maximise their positive impact on people and planet.

## Solugen

### Maximising the positive impact while managing externalities

Kinnevik invested in Solugen in late 2022 and the company is on a mission to decarbonise the global chemicals industry which is responsible for 6% of global CO<sub>2</sub> emissions. Solugen has developed an industrial green chemicals platform that produces organic acids and platform chemicals from sugar instead of petroleum, resulting in safer, cheaper and more environmentally friendly chemical products. With the ability to avoid billions of tonnes of CO<sub>2</sub> per year for its customers, the company can have a significant positive impact on the environment. Solugen’s ability to define and communicate its positive impact is central. To ensure the highest credibility, it’s also important for Solugen to assess and manage all its externalities.

Kinnevik is supporting Solugen in defining and articulating a holistic ESG strategy, including a materiality assessment covering all aspects of the business. This will enable the company to credibly communicate their impact and to meet expectations from all stakeholders, including their sustainability conscious clients who want to confirm and communicate their full impact from purchasing Solugen products.



## oda

### Creating real business value through long-term partnership

Since Kinnevik’s first investment in Norwegian online grocer Oda in 2018, we have worked closely with the company on developing their sustainability efforts. Early on, Oda identified sustainability as a competitive advantage that would set them apart from competitors. Kinnevik supported Oda in defining and executing their sustainability strategy which today is an integrated part of the company’s value proposition and core business strategy. Among other workstreams, we supported Oda in conducting its first GHG measurement including emissions per product category, now a much-loved feature in the company’s online shop. Oda’s supportive board and highly engaged employees were instrumental in making this strong outcome possible.

At the end of 2022, Oslo municipality awarded Oda a contract for delivering food to the city’s schools, kindergartens and nursing homes during the next four years. The contract, worth an estimated NOK 300m, was awarded to Oda in part because of its sustainable solutions and offering. A great testament to their business-integrated and strategic approach to sustainability.



# KINNEVIK HAS DEVELOPED A PROPRIETARY SET OF BEST-IN-CLASS ESG STANDARDS

**Kinnevik has influence over our investee companies** through capital allocation, board representation and ongoing operational support. We work in close collaboration with our companies in setting bold strategic visions and targets for building long-term sustainable and successful businesses. To structure and follow up on this work, we have developed a proprietary ESG assessment framework - the Kinnevik Standards.

## Annual Assessment of Our Portfolio Companies

Kinnevik's general expectations in relation to our portfolio companies' ESG performance are outlined in our Sustainability Policy. To measure performance and define best practices for our companies, Kinnevik has developed a proprietary ESG assessment framework called the Kinnevik Standards (the "Standards"). These were developed based on stakeholder dialogues, peer benchmarking and industry best practice and comprise 84 measurement points across environmental, social and governance aspects. The Standards have been subject to review by external parties such as auditors, subject-matter experts and independent ESG specialists and have also been approved by the Kinnevik Board.

Kinnevik conducts an annual assessment of our portfolio companies in accordance with the Standards and based on the outcome, agrees priorities and annual objectives for each company, including in relation to supply chain risks and compliance. The progress of these objectives is documented in a sustainability dashboard for each business.

The ESG score assigned to each company can be tracked over time for the total portfolio and for individual companies. The 2022 assessment included 37 (34) companies, 5 (4) public and 32 (30) private, corresponding to just under 100 (100)

percent of Kinnevik's portfolio value per 31 December 2022. On a comparative basis, the average 2022 ESG score across our portfolio increased by 10 percentage points, from 49% in 2021 to 59% in 2022.

The results of the annual Standards assessment for all portfolio companies are presented to Kinnevik's A&S Committee which also tracks progress regularly during the year. In 2021, the annual average ESG score across Kinnevik's portfolio was integrated into our Sustainability-Linked Financing Framework, see pages 46-47.

Some examples of the Standards and the corresponding portfolio scores are included on page 42.

## Risk Related to Our Ownership Model

Our strategy involves being a leading shareholder in our companies with a sizeable minority shareholding which provides us with influence over outcomes. While this allows us to exercise influence over our companies, mainly through board representation, we do not have direct control over them nor complete insight into their governance structures. This means there is a risk that portfolio companies develop in a direction not aligned with Kinnevik's preferred view.

## Example of Content in the Kinnevik Standards

### ENVIRONMENT

- Emissions reporting
- Reduction targets and roadmap
- Climate change part of strategy discussions
- Waste management process

### SOCIETY

- Supply chain compliance
- Human rights
- Employee development
- Health and safety
- Community outreach
- D&I strategy and targets

### GOVERNANCE

- Tone at the top
- Board representation and committees
- Risk structures
- Privacy and data protection
- Code of Conduct
- Whistleblowing system
- Management incentives

# OUR CLIMATE IMPACT

Climate change is one of the greatest global environmental and economic challenges of our time and we have a unique position to influence our companies to become sustainability leaders and to align with a low-carbon future.

**Georgi Ganev**  
CEO of Kinnevik



# MEANINGFULLY REDUCING OUR GREENHOUSE GAS EMISSIONS

The effects of climate change are causing acute harm to societies and economies globally, and expectations on businesses from the investor community and consumers are rapidly increasing. Being leaders in combating climate change is a significant opportunity for Kinnevik and our portfolio, which involves measuring our full climate impact, setting targets in line with science and defining clear pathways to reach those targets.

### Fulfilment of Kinnevik’s Climate Targets

Kinnevik has two climate targets to reduce greenhouse gas (“GHG”) emissions and to align our portfolio and organisation for a low-carbon economy:

- **Reduce greenhouse gas emission intensity in Kinnevik’s portfolio by 50% in 2030, with 2020 as base year** (scope 3 category 15 Investments)
- **Reduce greenhouse gas emissions from Kinnevik’s operations by 50% in 2030 and by 90% in 2050, with 2019 as base year** (scope 1-3 excluding category 15 Investments)

Between 2020 and 2021, the companies in Kinnevik’s portfolio that report on emissions (50% of portfolio value by 31 December 2021) decreased their emissions intensity by 11%, thus exceeding our annual target of 7%. More information about methodology and included companies is available in our Climate Progress Report 2022. The target fulfilment for 2022 will be published in our Climate Progress Report in June 2023.

In 2022, Kinnevik set a new climate target related to our own operations. This focuses on absolute emissions reductions and replaces the old target. To reach our target for our own operations by 2030, we updated our travel policy in 2021, with more restrictions related to air travel. In addition, at the start of 2023, we analysed Kinnevik’s emissions from air travel to facilitate better internal travel planning from an emissions

efficiency perspective. The analysis was done for both the management team and the different investment teams.

Kinnevik’s investment focus on Europe and the US means we will likely invest more in those regions in the coming years. We believe being physically present is important in active ownership and that the benefits of driving our sustainability agenda on site need to be balanced against the negative impact of business travel on the environment. Our ambition is therefore not to stop travelling, but to significantly increase travel efficiency.

Read more about our pathway to reach our climate targets on page 23, and our strategy to drive climate progress in our portfolio on page 24.

### Kinnevik’s Greenhouse Gas Emissions Disclosure

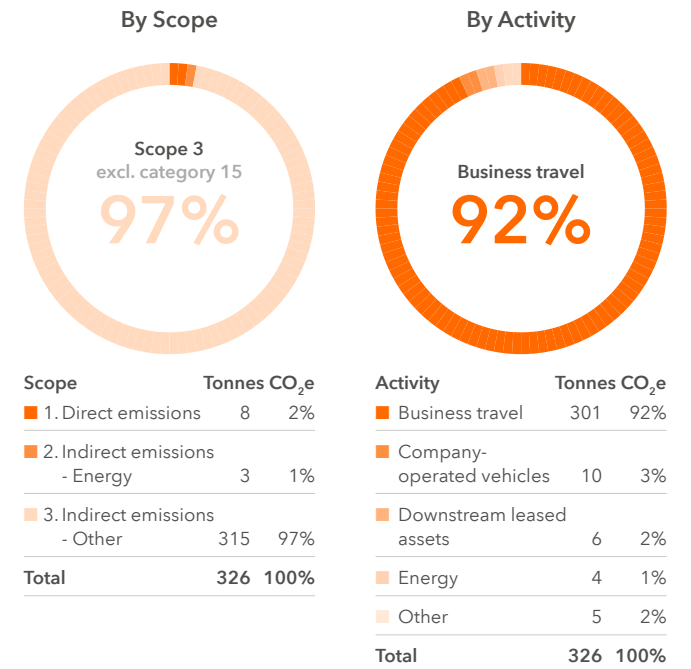
Kinnevik conducts a yearly GHG emissions disclosure quantifying our total CO<sub>2</sub>e emissions. The GHG disclosure is carried out in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. We have not included any carbon credits in our GHG calculations throughout our value chain and Kinnevik does not use any internal carbon pricing schemes. In 2022, we conducted an updated carbon footprint analysis (excluding the portfolio) which increased our own emissions compared to 2021 by 11 tCO<sub>2</sub>e like-for-like. Kinnevik’s GHG reporting in scope 1, 2 and 3 are subject to a limited assurance review, see page 56.

Kinnevik’s emissions in 2022, excluding the portfolio, amounted to 326 (90) tCO<sub>2</sub>e, corresponding to 7.3 (2.3) tonnes per FTE. Business travel (consisting almost entirely of air travel)

accounted for 92% (84%) of Kinnevik’s 2022 emissions excluding the portfolio. An account of our 2021 portfolio emissions is available on page 22.

Kinnevik’s total energy consumption in 2022, excluding the portfolio, was ca 164,000 kWh.

### Kinnevik’s 2022 Emissions in Scope 1-3 (excluding category 15 Investments)



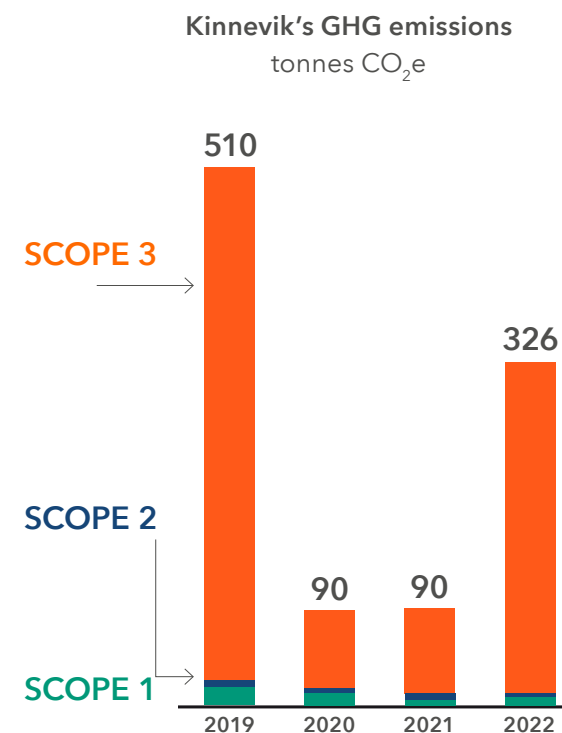
# KINNEVIK'S GREENHOUSE GAS EMISSIONS OWN OPERATIONS

## Overview of Kinnevik's Own Emissions 2019-2022

(scope 1-3 excluding category 15 Investments)

Kinnevik's emissions during 2020 and 2021 were materially lower compared to 2019 and 2022, which is the result of significantly less business travel due to the spread of the Coronavirus. In 2022, three new categories were added in scope 3; employee commuting, upstream leased assets and downstream leased assets. This increased our 2022 emissions compared to 2021 by 11 tonnes CO<sub>2</sub>e like-for-like. We aim to continue developing our reporting going forward.

Kinnevik's GHG emissions (tonnes CO <sub>2</sub> e)	2019	2020	2021	2022
Scope 1 - Total	17.5	11.7	5.3	7.7
Company-operated vehicles	17.5	11.7	5.3	7.7
Scope 2 - Total	6.9	4.8	5.5	3.2
Energy	6.9	4.8	5.5	3.2
Scope 3 - Total	485.9	73.1	79.6	315.4
Company-operated vehicles	4.0	2.7	2.0	2.4
Energy	1.3	1.4	1.3	0.8
Purchased goods and services	1.4	0.5	0.6	1.1
Waste	0.0	0.0	0.0	0.0
Business travel	479.2	68.5	75.7	300.5
Employee commuting	0.0	0.0	0.0	3.9
Upstream leased assets	0.0	0.0	0.0	0.2
Downstream leased assets	0.0	0.0	0.0	6.4
<b>Total</b>	<b>510.3</b>	<b>89.6</b>	<b>90.4</b>	<b>326.3</b>
Per FTE	12.9	2.2	2.3	7.3
Per square metre office space	0.66	0.12	0.12	0.27



The GHG Protocol classifies a company's GHG emissions into three "scopes". Scope 1 emissions are direct emissions from controlled/operated sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream. The overview of Kinnevik's GHG emissions 2019-2022 does not include our portfolio companies' emissions, and therefore scope 3 emissions consist mainly of business travel. The climate calculations are made using the operational approach and scope 2 calculations are made using the market-based method. Using the location-based method, Kinnevik's own emissions for 2022 were 329 tCO<sub>2</sub>e.

**Note:** Energy data in scope 3 for 2019-2021 has been restated to align with new calculation methods. Further, 2019 data across scope has been restated due to updated emissions factors and methodology to better align with the GHG Protocol.

# KINNEVIK'S GREENHOUSE GAS EMISSIONS PORTFOLIO

## Overview of Kinnevik's Portfolio Emissions 2021

(scope 3 category 15 Investments)

Kinnevik's largest climate impact relates to our portfolio which accounts for close to 100% of our total emissions. The emissions from our portfolio in 2021 amounted to 574,900 tCO<sub>2</sub>e, of which 99.5% are actual emissions reported by our companies and the residual is an estimate of scope 1 and 2 emissions of our non-reporting companies.

For 2021, six of Kinnevik's portfolio companies, representing 50% of portfolio value per 31 December 2021, measured their emissions in scope 1, 2 and significant scope 3 categories in accordance with the GHG Protocol: Budbee, Global Fashion Group, Mathem, Oda, Tele2 and TravelPerk.

In addition to the actual emissions of our reporting companies, the total portfolio emissions include estimates of the scope 1 and 2 emissions from our largest non-reporting portfolio companies. The estimate includes eight portfolio companies, representing 40% of portfolio value per 31 December 2021. Together, the six emission-reporting companies and the eight companies included

in the estimate represent 90% of Kinnevik's portfolio value per 31 December 2021. For the remaining 10% of portfolio companies, an assumption was made of their scope 1 and 2 emissions based on the average emissions in our portfolio scaled to the remaining companies' weight in our portfolio.

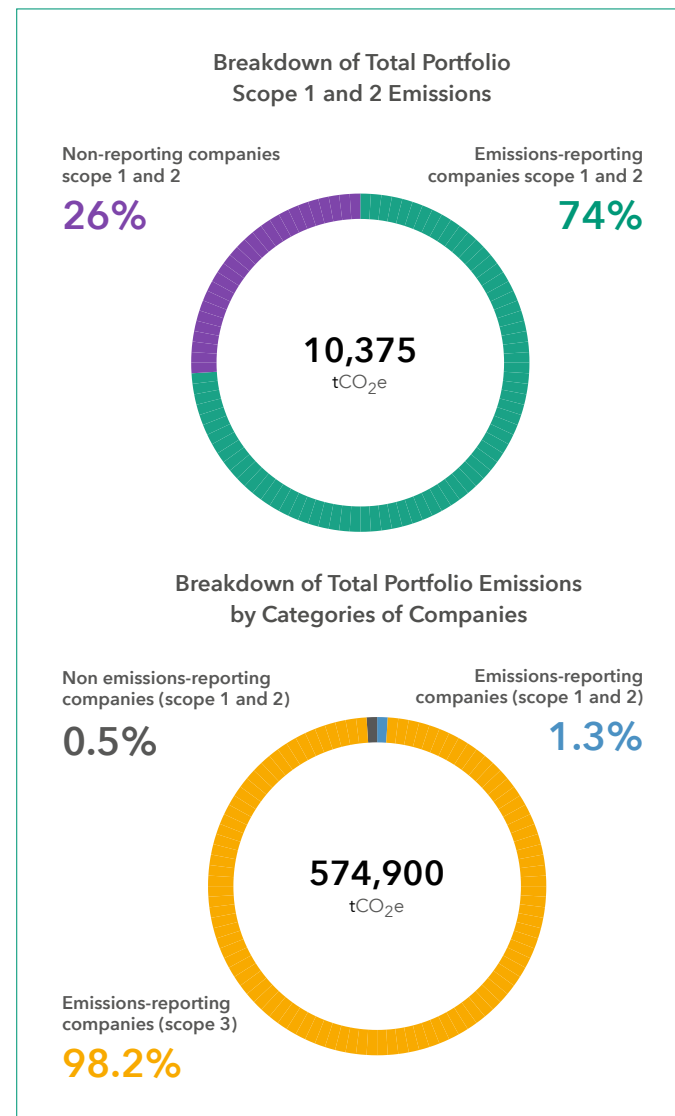
Kinnevik's total portfolio emissions for 2021 amount to 574,900 tCO<sub>2</sub>e. Out of the total, 10,375 relate to portfolio companies' scope 1 and 2 and 564,525 relate to scope 3 from the emissions-reporting companies.

Portfolio emissions for 2022 will be published in our Climate Progress Report in June 2023.

### Kinnevik's Total Portfolio Emissions Split by Categories of Companies

Categories of portfolio companies	Included scopes	tCO <sub>2</sub> e	Share of total tCO <sub>2</sub> e	Weight in Kinnevik's portfolio (31 Dec 2021)	Number of companies
Emissions-Reporting Companies	1 and 2	7,653	1.3%	50%	6
Emissions-Reporting Companies	3	564,525	98.2%		
Companies Included in Estimate	1 and 2	1,785	0.3%	40%	8
Remaining Portfolio	1 and 2	937	0.2%	10%	20+
<b>Total</b>		<b>574,900</b>	<b>100.0%</b>	<b>100%</b>	

**Note:** The emissions in the table are those attributable to Kinnevik based on our ownership stake in each company.





# PATHWAY TO FULFILMENT OF KINNEVIK'S CLIMATE TARGETS

By setting ambitious targets and working actively with our companies, we aim to futureproof them for a new, low-carbon economy and to maximise their positive impact. Kinnevik made its first larger investments into climate tech in 2022 and we are working closely with these businesses to define and articulate the significant positive impact they can make on the planet by generating avoided emissions at scale.

	2020	2021	2022	2023-2030	2030
<b>Targets and Transparency</b>	<ul style="list-style-type: none"> <li>Set climate targets for Kinnevik's own operations and portfolio companies</li> <li>Published first TCFD report</li> <li>Initiated disclosure through CDP</li> </ul>	<ul style="list-style-type: none"> <li>Issued a Sustainability-Linked Bond tied to portfolio climate target</li> <li>Published updated TCFD report</li> </ul>	<ul style="list-style-type: none"> <li>Issued a Climate Progress Report to follow up on portfolio climate target</li> <li>Set a new climate target</li> <li>Conducted a CSRD gap analysis</li> <li>Published updated TCFD report</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop our sustainability reporting and disclosure</li> <li>Maximise the positive impact from our portfolio by setting a portfolio target for avoided emissions</li> <li>TNFD biodiversity assessment</li> </ul>	<ul style="list-style-type: none"> <li>Review outcome and fulfilment of climate targets</li> <li>Set out new targets and pathway to 2040</li> </ul>
<b>Portfolio</b>	<ul style="list-style-type: none"> <li>Initiated roll-out of strategy to align the portfolio with a low-carbon future, including measuring GHG and setting climate targets</li> </ul>	<ul style="list-style-type: none"> <li>Developed our climate engagement, making it more bespoke to each company</li> <li>Introduced ESG dashboards and annual climate objectives for all companies</li> </ul>	<ul style="list-style-type: none"> <li>Further refined our engagement model to ensure strategic value to each individual company, and maximising positive impact</li> <li>Made first larger investments into climate tech</li> </ul>	<ul style="list-style-type: none"> <li>Continue supporting our companies in maximising their positive impact while limiting the negative</li> <li>Continue supporting companies in measuring emissions and setting and achieving climate targets</li> </ul>	
<b>Own Operations</b>	<ul style="list-style-type: none"> <li>Internal review of emissions in own operations</li> </ul>	<ul style="list-style-type: none"> <li>Updated travel policy with more restrictions related to air travel</li> <li>Updated company car guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Updated the GHG inventory and reporting scopes for own operations</li> </ul>	<ul style="list-style-type: none"> <li>Annually create and follow up on the internal analysis of emissions from air travel</li> </ul>	
<b>Climate Contribution</b>	<ul style="list-style-type: none"> <li>90 tonnes of CO<sub>2</sub>e permanently removed through direct air capture and storage via Climeworks</li> </ul>	<ul style="list-style-type: none"> <li>90 tonnes of CO<sub>2</sub>e permanently removed through direct air capture and storage via Climeworks</li> </ul>	<ul style="list-style-type: none"> <li>Set annual budget of SEK 3m to be allocated to a curated portfolio of contribution projects</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop our climate contributions to reflect the negative impact from our portfolio and contribute to global net zero</li> </ul>	
<b>Share of # of companies measuring GHG<sup>1</sup></b>	19%	18%	18%		
<b>Share of # of companies that have set GHG targets<sup>1</sup></b>	8%	12%	16%		
<b>Reduction in portfolio emissions intensity (full year)</b>	-	(11)%	To be published in the Climate Progress Report 2023 in June 2023		
<b>Kinnevik's own GHG emissions per FTE (full year)</b>	2.2	2.3	7.3		

<sup>1</sup> Per 31 December of each year. Since 2020, more companies have started measuring GHG and set reduction targets but Kinnevik has also added several new companies to the portfolio, and as a result the KPIs have remained fairly stable throughout the period.

# DRIVING CLIMATE PROGRESS IN OUR PORTFOLIO

**As an active owner, we support our portfolio companies in identifying the business value** of a business-integrated climate strategy. We provide hands-on support and act as a sounding board throughout our companies' journey of measuring emissions, setting targets and defining pathways to reach their targets.

## Supporting our Companies in Setting Climate Strategies

Given the different sectors and stages of our portfolio companies, we acknowledge everyone's climate journey is different. We have a bespoke climate engagement approach, and support each company individually based on their strategic rationale. We have a clear view of best practice for designing an efficient and business-integrated climate strategy.

## Kinnevik's Approach to Designing an Efficient Climate Strategy

Climate change is the biggest challenge of our time, and we all have a role to play in determining the future of our planet. Companies need to define not only how to manage the risks, but more importantly seize the opportunities of the transition towards a low-carbon future. Below are some key steps that Kinnevik believes all companies should consider when designing a climate strategy.

These considerations relate primarily to greenhouse gas emissions. However Kinnevik encourages its portfolio companies to also adopt broader strategies related to climate change, biodiversity loss and the environment at large.

### 1. Integrate into business strategy

The key to a successful climate strategy is integrating it with the overarching business strategy, product offering and value creation. There is a significant commercial opportunity in taking a position as a climate leader, offering low-carbon products and services that appeal to an ever-more climate-conscious customer base.

### 2. Measure emissions

Understand your company's footprint by annually measuring emissions across scope 1, 2 and relevant parts of scope 3, using standardised reporting frameworks.

### 3. Reduce emissions

The most important aspect of a climate strategy is emissions reduction. Set reduction targets in line with the 1.5°C trajectory across your organisation and value chain, develop a pathway with concrete actions to reach those targets, and track performance annually.

### 4. Generate avoided emissions

Contribute to decarbonisation beyond your own value chain by offering low-carbon products and services that help customers decarbonise. For some companies, the positive impact of generating avoided emissions at scale can widely surpass their operation's negative impact on the environment and therefore this can be the most material aspect to focus on.

### 5. Invest in high-integrity carbon credits

To balance out annual residual emissions, companies are encouraged to purchase high-integrity carbon credits. Removing carbon from the atmosphere does not however "cancel out" a company's own emissions. Credits can also include the prevention of biodiversity loss and protecting and restoring healthy ecosystems as it supports the mitigation of and adaptation to climate change.

### 6. Communicate purposefully

Tackling climate change is a global effort and carbon neutrality only truly matters on a global scale, not an individual company or product level. The focus of an ambitious climate strategy should be to firstly reduce emissions across the company's value chain, secondly generate avoided emissions outside of its value chain and, thirdly, remove emissions through carbon credits. Companies should refrain from describing products as "sustainable", "carbon neutral" or "climate compensated", unless the negative impacts across the entire value chain are fully reflected and compensated for with high-integrity credits.

### 7. Promote transparency

To be credible it's important to not only highlight your organisation's positive impact, but also your shortcomings and potential negative impacts. Being a sustainable company is a journey, not a destination.

# NATURE-RELATED IMPACTS AND DEPENDENCIES

**To combat climate change, protecting and preserving ecosystems and natural resources** are as important as reducing carbon emissions. These are inextricably intertwined: climate change is a main driver of biodiversity loss, and the destruction of ecosystems undermines nature's ability to regulate greenhouse gas emissions, exacerbating extreme weather.

## A Business Risk

Businesses and societies are critically dependent on nature and the services it provides, and loss of biodiversity and degradation of ecosystems therefore represent a significant risk. Businesses can also directly or inadvertently drive the destruction of nature globally through their supply chains. The Taskforce on Nature-Related Financial Disclosures is an international initiative that builds on a model developed by the TCFD (the Task Force on Climate-Related Financial Disclosures).

In anticipation of the final framework expected to be released in Q3 2023, we have made a high-level analysis of Kinnevik's nature-related dependencies and impacts to make an initial assessment of our nature-related risks and opportunities. In the coming years, we expect our companies to assess their nature-related dependencies and impacts as part of their broader sustainability materiality analyses.

## Assessing Kinnevik's Dependencies and Impacts

In the Kinnevik portfolio, many of our companies depend on nature in their supply chains, primarily our food and value-based care companies as well as Tele2. The food companies are particularly exposed to loss of natural resources. Agricultural production depends on nature for pollination of crops and clean water for agriculture. Biodiversity loss can increase the risk of severe droughts, the disappearance of pollinators, or

*"Food systems generate one third of all greenhouse gas emissions. And they're responsible for up to 80 percent of biodiversity loss. At the same time, food systems can and must play a leading role in addressing all of these challenges to realize the Sustainable Development Goals by 2030."*

**António Guterres**  
UN Secretary General

the collapse of fishing or agricultural yields. Concurrently, the use of harmful pesticides in the production of crops can harm pollinators and reduce both soil and water quality. Packaged food and meats companies both heavily impact and depend on water availability.

At the same time, there are opportunities for our companies in addressing biodiversity in supply chains and contributing to preserving natural capital. These include, for example, supply chain continuity, predictability and resilience, which improves operational performance and reduces costs. It can also result in improved access to capital and access to new markets by offering net-positive biodiversity products.

## Investing in Biodiversity

One of Kinnevik's recent investments, Agreeena, supports farmers to make a sustainable and profitable transition to regenerative agriculture. Among other benefits, regenerative agriculture reverses climate change by rebuilding soil organic matter and restoring degraded soil biodiversity - resulting in both carbon drawdown and improved water cycles. Through knowledge, support and incentives, Agreeena helps farmers shift to regenerative agriculture and leverage the buoyant voluntary carbon credit market. The company mints, verifies and sells carbon certificates generated by farmers who transition to regenerative farming.

# CONTRIBUTING TO GLOBAL NET ZERO EMISSIONS

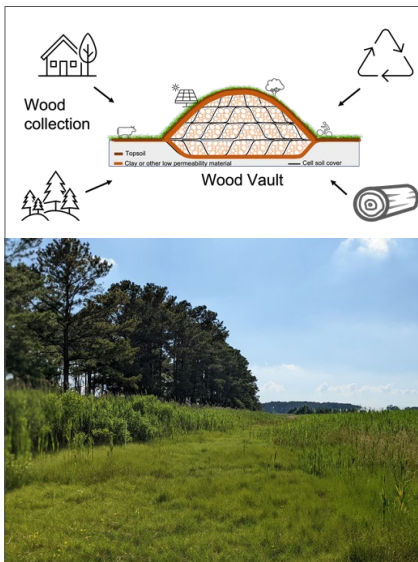
## Kinnevik invests in a portfolio of projects contributing towards achieving global net zero emissions.

### Climate Contribution Strategy

Starting in 2022, Kinnevik has committed to allocate SEK 3 million per year to contribute towards global net zero emissions. This contribution should reflect the negative impact of Kinnevik’s portfolio, including both carbon emissions and biodiversity loss. Resonating with our DNA as venture investors, we support projects in the early stage of commercial development with the aim of furthering the industry for high-integrity carbon removals. We do not intend to offset a specific amount of CO<sub>2</sub> but rather to support new technologies in coming to market by purchasing credits ex-ante, i.e. intended future emission removals.

This year, we have entered into partnerships with Carbon Direct and Agreena to invest in a mix of carbon removal technologies. It’s crucial for Kinnevik to invest in high-integrity credits. Our partners have the highest level of integrity regarding additionality, baselines, permanence, carbon leakage and carbon accounting.

Kinnevik will continue investing in a portfolio of high-integrity carbon credits in the coming years, although the constituents of the portfolio may change over time.



**Carbon Direct** combines deep science, data, and market expertise to help organizations achieve their climate goals. Global climate leaders trust Carbon Direct’s team of scientists, technologists, and market experts to provide science-led carbon footprinting, attainable strategies for emissions reductions and removals, and high-quality CO<sub>2</sub> removal portfolios.

**The Carbon Lockdown Project (CLP)** is a public benefit corporation dedicated to advancing wood harvesting and storage (WHS), a promising novel approach to carbon removal. CLP is led by Dr. Ning Zeng and has developed a science-based approach to remove CO<sub>2</sub> from the atmosphere by burying residual coarse woody biomass securely in a Wood Vault engineered to maintain the anaerobic conditions that prevent wood decomposition. The durability of stored carbon is expected to be 1,000 years or longer, and is supported by research data from the 9-year Montreal Project and analysis of naturally occurring geological and archaeological wood preservation. Kinnevik’s market-shaping purchase of more than 1,000 tonnes of carbon removal from CLP is funding a new site in CLP’s first of a kind Potomac Project.

[Read more →](#)



Note: Kinnevik is invested in Carbon Direct Capital's Fund II.



**Agreena** supports farmers transition to regenerative farming, enabling farmers to locally reduce GHG emissions as well as directly remove carbon from the atmosphere and naturally store them in their soils. The certificates Kinnevik has purchased come directly from Agreena’s portfolio of arable farmers across Europe, resulting in carbon reductions and removals equivalent to 1,808 tonnes CO<sub>2</sub>e. In addition to the direct positive climate impact, the supported regenerative practices result in additional benefits such as enhancing biodiversity, improving soil health, limiting nutrient runoff, as well as bringing strong water management benefits.

[Read more →](#)



Note: Kinnevik is invested in Agreena.

# DIVERSITY, EQUITY & INCLUSION

Kinnevik's greatest asset is and has always been our people. We prioritize diversity and inclusion both within our own team and throughout our portfolio because we believe it's a core lever for value creation.

**Anna Stenberg**

*Kinnevik's Chief People & Platform Officer*



# CONTRIBUTE TO A MORE DIVERSE, EQUITABLE AND INCLUSIVE WORLD

**Kinnevik’s greatest asset is and has always been our people** - in our own organisation and in our portfolio. As such, attracting and retaining top talent is a key priority. Kinnevik regards diversity, equity and inclusion as core levers for value creation, and we make full use of the opportunities that arise from employing a team with different backgrounds and perspectives.

## Fulfilment of Kinnevik’s Diversity, Equity & Inclusion Targets 2022

### 1. Increase Kinnevik Inclusion

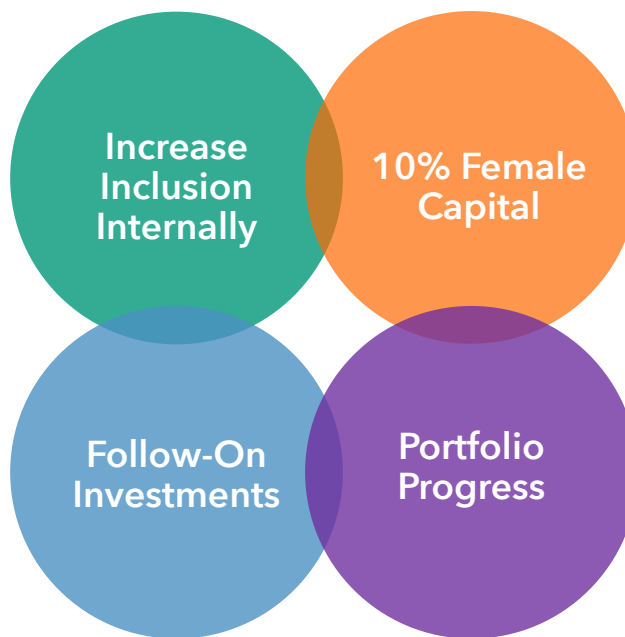
***Increase our Inclusion Score on an annual incremental basis***

The Kinnevik Inclusion Score is a clear indication of how good we are as an organisation at utilising the diversity of our team and it helps us gain insight into the perspectives of particularly vulnerable employees. In 2022, we saw a slight decrease in our Inclusion Score by 0.2 points to 76.9. Although still at very high levels and well above the industry benchmark of 71.2, this means we did not reach our 2022 objective of an incremental increase. The decrease in Score may be partly due to an increase in participation from 80% to 95%, a common trend as people experiencing the most challenges start feeling comfortable sharing feedback for the first time.

### 3. Follow-On Investments

***Only make follow-on investments in companies that are making sufficient progress in relation to diversity and inclusion***

Kinnevik has continued to make all follow-on investments in portfolio companies conditional upon satisfactory progress on diversity and inclusion. All potential follow-on investments are evaluated on DEI (diversity, equity and inclusion) performance as part of the investment evaluation process. During 2022, 97% of our portfolio companies, excluding 2022 investments, made progress on their respective DEI ambitions and gaps.



For 2023, Kinnevik’s DEI targets include the 10% Female Capital Allocation (target 2), the No Follow-On Policy (target 3) and the Portfolio Progress target with new higher target levels (target 4).

### 2. 10% Female Capital Allocation

***On a two-year rolling basis, 10% of new capital to be invested in female founded or led companies from the 2019 AGM and onward***

As more than 95% of global investments still go to companies with all-male founder and management teams, we believe there is good reason to continue pushing the industry towards closing the gender funding gap.

Per year-end 2022, on a two-year rolling basis, 17% of Kinnevik’s investments into new companies was invested in female founded or led companies. Since May 2019, the share is 16%.

### 4. Ensure Portfolio Progress

***Achieve annual incremental progress across portfolio on relevant diversity, equity and inclusion efforts***

For 2022, we set portfolio progress targets aimed at driving strategic DEI engagement at portfolio level. To achieve these, we have actively supported our companies in everything from recruitment, overall talent management processes and education as to best practice sharing between companies. As a result, by the end of 2022, 59% of our portfolio companies have implemented DEI data collection processes (target 40%), 74% have a relevant DEI strategy (target 30%), and 74% have set DEI targets (target 30%).

### A Small and Diverse Kinnevik Team

Kinnevik has a firm set of core values. Our team members share an entrepreneurial spirit, as well as a belief in building long-term sustainable businesses. Kinnevik’s organisation comprised 45 (40) people on average during 2022 (full-time equivalents “FTE”, including wholly owned subsidiaries), with 31 people based in the Stockholm office and 14 people in the London office. The investment team consisted of 15 professionals. All employees but one were on permanent contracts.

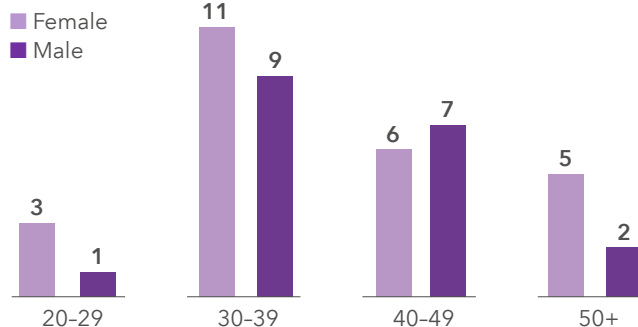
According to a voluntary and anonymous survey sent to the full Kinnevik team in November 2022, 18% of team members self-identified as of an ethnic minority background. The response rate of the survey was 95%.

Kinnevik performed a Gender Pay Gap analysis in 2022 in collaboration with an external consultant. This included both unjustified pay gaps for equal jobs and underlying structural obstacles for equal opportunity. The analysis concluded that there are no unjustified pay gaps in terms of equal jobs. The analysis is done by comparing different groups of employees within the same role based on seniority. In the corporate team, women earn 10% more than men and in the investment team, women earn 1% more than men. This result is however affected by the small number of observations at Kinnevik and that very few comparable groups include both male and female observations.

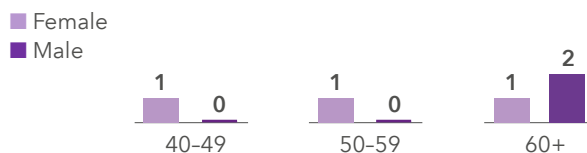
### We Strive to Be an Attractive Employer

Kinnevik offers its employees continuous opportunities for personal and professional growth to develop their skillset and to take increasing responsibility for value creation at Kinnevik and our portfolio companies. The small size of our organisation enables us to personalise career development and training opportunities for each employee. These include individualised coaching, mentoring and educational programmes such as leadership courses and bespoke training sessions, as well as hands-on operational experience through secondment at a portfolio company.

Age distribution of employees in 2022 (FTEs)



Age distribution of the Board of Directors in 2022 (FTEs)

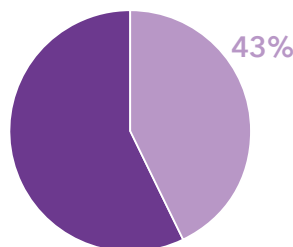


Ongoing assessments of employees’ performance and success in meeting their objectives are central to ensure that Kinnevik offers the right personal development tools at an individual and group level. All employees participate in yearly performance reviews and have individual objectives that are reviewed twice a year. Individual objectives are set based on the overarching corporate objectives determined each year for the full organisation.

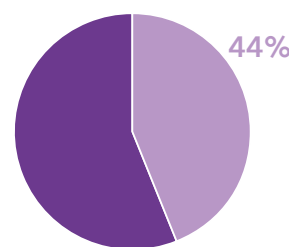
### Employee Well-Being is a Top Priority

Kinnevik is committed to promoting a good, safe and healthy work environment for all employees across physical, organisational and social aspects to prevent risk of occupational injuries and to maintain good health. The goal is to strengthen the employees’ motivation, effectiveness, health and well-being. As stated in Kinnevik’s Work Environment Handbook, if an employee is involved in an incident, accident or any other situation of ill-health they should immediately inform their manager. During 2022, Kinnevik did not report any incidents to the Swedish Work Environment Authority (Swe: Arbetsmiljöverket). The low level of sick leave, around 3 percent of total working time, highlights Kinnevik’s efforts to improve our employees’ health through healthcare insurance, fitness subsidies and other initiatives.

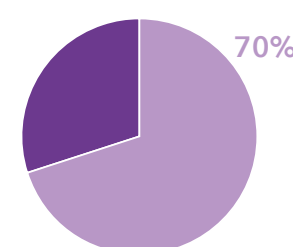
Share of women in the management team  
31 December 2022



Share of women in the investment team  
31 December 2022



Share of women in the corporate team  
31 December 2022



\*Only includes permanent employees.

**New employee hires and turnover during 2022 (FTE)**

New Hires	20-29	30-39	40-49	50+	Total	Rate
<b>Stockholm</b>						
Women	0.2	1.0	-	-	1.2	2.6%
Men	3.0	-	-	1.0	4.0	9.0%
<b>London</b>						
Women	1.0	1.0	-	-	2.0	4.5%
Men	-	-	-	-	-	-
<b>Total</b>					<b>7.2</b>	<b>16.1%</b>

Turnover	20-29	30-39	40-49	50+	Total	Rate
<b>Stockholm</b>						
Women	-	-	-	1.0	1.0	2.2%
Men	-	-	-	-	-	-
<b>London</b>						
Women	-	-	-	-	-	-
Men	-	-	-	-	-	-
<b>Total</b>					<b>1.0</b>	<b>2.2%</b>

**Note:** The new hire and turnover rate is calculated in relation to the average number of FTEs in 2022.

In order to assess how our employees feel about working for Kinnevik and include employees’ perspectives into assessments on potential impacts on our workforce, we conduct periodic follow-ups of employees’ well-being, health, satisfaction and engagement throughout the year, as well as an annual in-depth survey. The results of the survey in 2022 did not indicate any significant issues with regards to human rights, equal opportunities or work environment. The Chief People & Platform Officer is responsible for the employee engagement process.

Out of the 90% of employees that responded to Kinnevik’s 2022 employee survey, Kinnevik received a 2022 eNPS score of 48 (48) (scale of -100 to +100, where a score above +30 is considered excellent) when asked if the employees would recommend Kinnevik as an employer to a friend.

**We Support Parents and Flexible Working**

Kinnevik encourages parental leave for both men and women. In 2022, the average parental leave taken was 5 (11) weeks for men and 4 (38) weeks for women. This refers to parental leave that started during 2022 and includes the full number of weeks requested. The leave may therefore be completed during the following year.

***Kinnevik’s parental leave policy stipulates that every permanent employee is eligible for nine months paid parental leave with 100 percent of their fixed salary, regardless of location (Stockholm and London). The policy reflects our ambition to be at the forefront regarding equal opportunities and to promote health and well-being and a good work-life balance.***

Kinnevik aim to be at the forefront of how we work, how we lead and how we create the best working environment for us and our future talents. We provide a more flexible work week allowing our employees to meet the demands of both their professional and personal life. As outlined in Kinnevik’s flexible work guide, two days in the week, Wednesday to Friday, employees can choose to work from wherever they prefer - remotely or from the office. In addition, it’s also possible to temporarily work from a location other than the main office for up to four weeks per year. Kinnevik also allows flexible working hours to suit individual needs while maintaining the same level of performance and number of working hours per the week.

Kinnevik has facilitated working from home through the use of existing IT infrastructure and provided work from home allowances for employees to ensure ergonomic workspaces. In addition, regular surveys have been conducted to monitor well-being and work-life balance.

**Income Protection**

Kinnevik’s employees are insured and receive rehabilitation and financial protection if they were unable to work because of long-term illness or injury. Kinnevik aims to provide financial security and peace of mind to our employees by providing financial compensation in the event of long-term sick leave and the insurance, combined with sick pay from the National Insurance Agency, covers for part of the employee’s loss of income. Further, the insurance provides employees access to comprehensive health and well-being support to keep them healthy and help prevent unnecessary sickness absence.



# DRIVING DIVERSITY, INCLUSION & EQUITY PROGRESS IN OUR PORTFOLIO

## Supporting our Companies in Setting DEI Strategies

In 2022 we updated our diversity, equity and inclusion portfolio targets to apply a broader diversity definition and more agile approach to our portfolio engagement on diversity, equity and inclusion. This also meant focusing on helping our companies implement bespoke and business integrated diversity, equity and inclusion strategies. The purpose of the targets is to actively support our companies in developing their DEI performance to make their organisations even more high-performing and capture the full capacity of their teams.

To support our portfolio companies in these efforts, we provide hands-on support in diversifying management teams and boards by for example helping them perform needs analyses and team design reviews as well as with concrete recruitments. We also offer individualised advisory sessions, workshops and best practice sharing opportunities to help them define and execute their DEI strategies. In addition, we provide advice and guidance on how to develop action plans, define measures and set targets on an individual company level. Most importantly, we provide knowledge and insights about the importance of DEI and inclusive leadership. We also have DEI and People & Culture Toolkits which include examples, suggested actions, tools, case studies and relevant research, as well as useful templates. We have developed a network of preferred external partners to support our portfolio companies in their DEI and people & culture efforts in their day-to-day work.

Our increased support, the updated framework and the Kinnevik Platform initiatives have contributed to a positive development in our portfolio during 2022. We can clearly see the effects of supporting companies build diverse teams and inclusive cultures.

## Social Risks Related to Kinnevik's Portfolio

For some of Kinnevik's companies, particularly in e-commerce, certain employee groups' work environment is characterised by more monotonous tasks and a lower level of influence. Therefore, some employee groups are at higher risk of psychosocial health issues, for example those in warehouse operations. In addition to the moral and ethical aspects, this also poses a reputational risk for Kinnevik.

To mitigate this, our portfolio companies have structured onboarding programme for new employees and periodic mandatory health and safety training. Hours worked are actively monitored and the companies have controls to ensure that employees are not overworked. Middle and lower-level managers are offered leadership development programme. Most of our companies have active whistleblower hotlines where employees can address issues that are being overlooked by their immediate managers. Kinnevik continuously works with portfolio companies to keep health and safety on the agenda of the Board and management teams. Furthermore, some of Kinnevik's companies, particularly in e-commerce, due to the global nature of their operations have an elevated risk of human rights violations in their supply chain.

To mitigate this, all Kinnevik's companies are in the process of rolling out, or already have in place, supplier Codes of Conduct. In addition, companies are encouraged to perform a risk-based audit of compliance with the Code of Conduct. For high-risk suppliers where portfolio companies have significant influence over practices within the supply chain (e.g. with private label suppliers), the suppliers are also to be audited periodically to ensure that they comply with the Company's Code of Conduct. Corrective Action Plans are put in place for material gaps that are identified during such audits, which are followed up periodically by the supply chain compliance team. Commercial agreements are to be terminated if suppliers are unable to demonstrate satisfactory progress.



## The Kinnevik Platform

Providing our companies access to the Kinnevik Platform allows them to tap into the shared expertise, tools, resources and network of the full Kinnevik Group. By facilitating interaction and knowledge sharing, the aim is to support each company's development in key business areas and processes, and thereby contribute to Kinnevik's overall value creation.

As part of our platform initiatives in 2022, we have hosted a series of tailored events to share best practice in smaller groups. These have gathered the founders and CEOs in our companies as well as senior executives within People and Culture, Finance, Sustainability, Legal and HR. We have also expanded our network of advisors within different fields and sectors which our companies can access. Furthermore, we have continued to build out the Kinnevik Greenhouse, a talent network containing around 10,000 top leaders in our key markets, of which around 65% are women. The network enables us to provide our companies with strong long-lists of candidates to fill vacancies at management and board level. This is a service led by Kinnevik's Chief People & Platform Officer and which is in high demand among our companies. It ensures that the Kinnevik portfolio has the best leadership and the most high-performing teams in place.

# SOUND GOVERNANCE STRUCTURES

For Kinnevik to be a robust and resilient company, and to be a role model for our portfolio, it is important for us to have sound governance, risk management and compliance structures in place.

**Mathew Joseph**  
*Kinnevik's Sustainability Director*



# ENSURE SOUND BUSINESS CONDUCT STRUCTURES AND STRONG FINANCIAL ROBUSTNESS

**Maintaining sound corporate governance structures** including risk management and compliance is fundamental to building robust and resilient companies. In addition, being a financially strong company is imperative in Kinnevik’s role as an active owner, enabling us to efficiently drive our sustainability strategy.

### Implementing Sound Governance Structures in Our Portfolio

Many of our companies are in the early stages of their operational and sustainability development, and implementing sound business conduct structures is central. This work is part of a broader effort to create holistic and bespoke ESG strategies to enable sustainable growth.

During 2022, we have worked together with the Boards and management teams of our nine new portfolio companies to set up more structured processes to improve governance and controls. We have supported several companies in conducting a materiality assessment to determine material topics and set a baseline to build from. We also continued to work with all our existing companies to improve their internal control environment, risk management, compliance frameworks and cyber security.

During the year, many of our companies invested more resources to drive the development of sustainability initiatives. We have continued to encourage our companies to include sustainability on the agenda of the Board to set the right tone at the top to facilitate development of sustainability initiatives.

### Governance Structures at Kinnevik

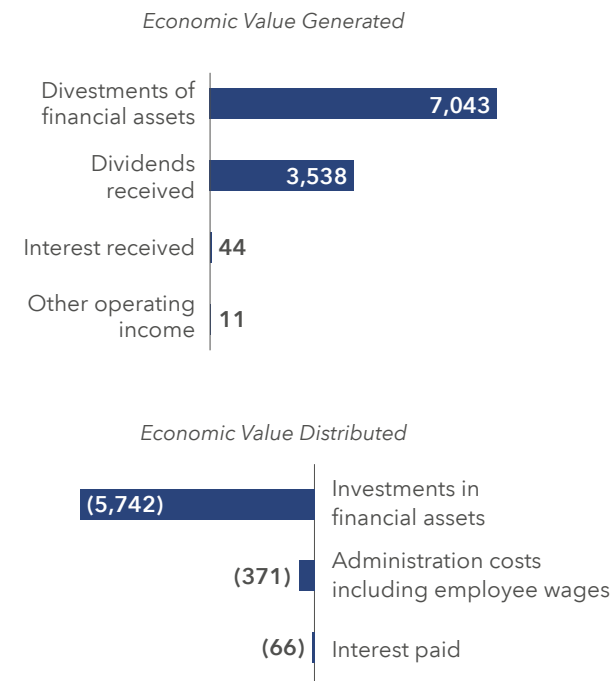
The basis for corporate governance in Kinnevik is Swedish legislation, Nasdaq Stockholm’s Rule Book for Issuers, and regulations and recommendations issued by relevant self-regulatory bodies. Kinnevik also follows the Swedish Corporate Governance Code.

Kinnevik’s Board of Directors is responsible for our overall strategy, including how sustainability is an integrated part of our value creation, and is well informed about Kinnevik’s policies and procedures. Further, the Board of Directors is specifically responsible for identifying risks and opportunities related to sustainability, including climate change, that may impact Kinnevik, our portfolio and strategy, and for defining appropriate guidelines to govern Kinnevik’s conduct in society. This is embedded in the work and delegation procedures of the Board of Directors.

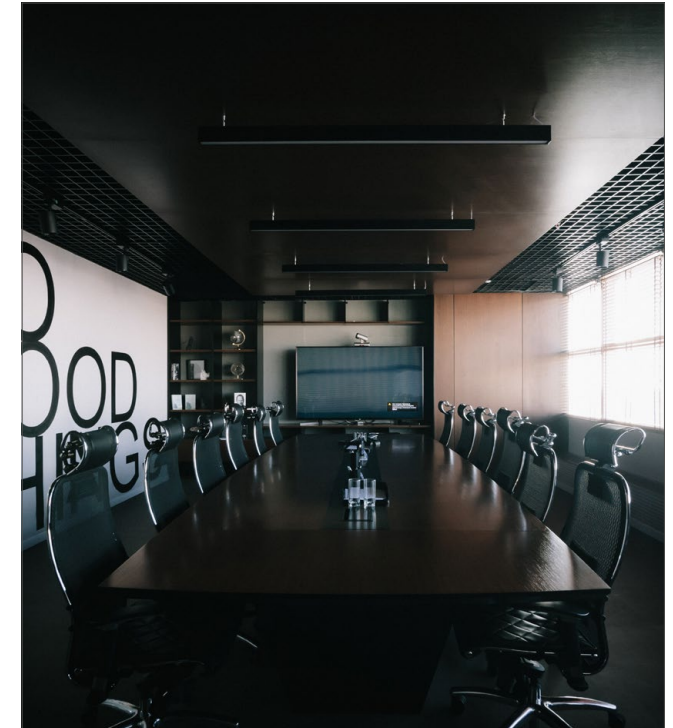
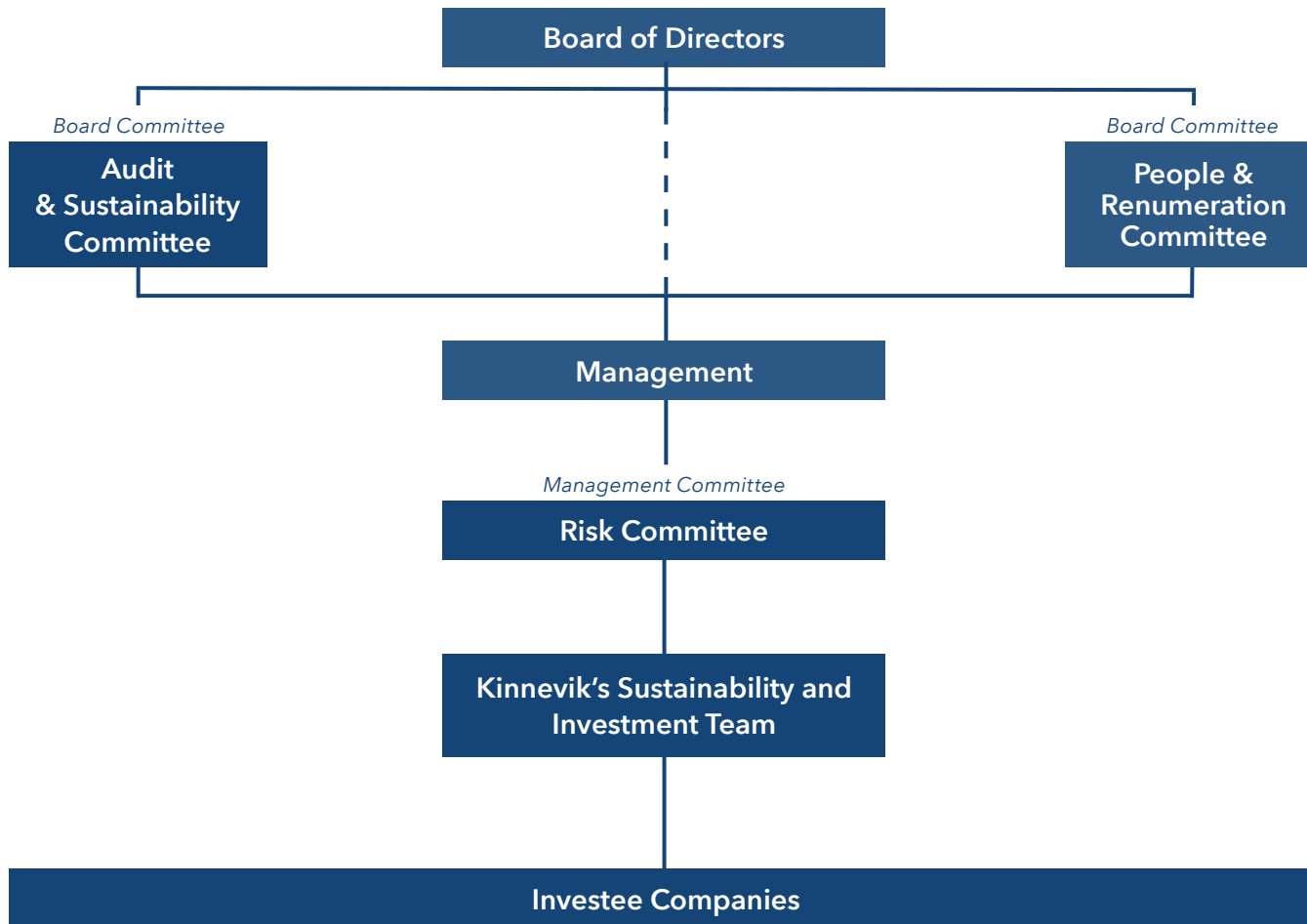
To assist the Board in fulfilling its responsibilities, it has appointed an Audit & Sustainability (“A&S”) Committee which is a subset of the Board. The A&S Committee assists the Board in monitoring the governance structures of Kinnevik’s investee companies, Kinnevik’s risk management process and compliance with laws, regulations, and codes of conduct. It also specifically monitors the implementation of the Kinnevik Standards across our portfolio companies, including the annual ESG assessment and scoring (read more on page 18).

To drive the implementation of our sustainability strategy and assess potential ESG risks and opportunities including climate change, Kinnevik has a dedicated sustainability team. The sustainability team, together with the investment team, is responsible for driving sustainability initiatives across our portfolio companies. The sustainability team regularly reports to the Kinnevik management team, A&S Committee and the Board on progress made and objectives going forward.

### Overview of economic value generated and distributed by Kinnevik during 2022, SEKm



## Overview of Kinnevik's Governance and Sustainability Organisation



### OUR CORPORATE GOVERNANCE

The basis for corporate governance within Kinnevik is Swedish legislation, the NASDAQ Stockholm Rules for Issuers and Issuer Agents and the regulations and recommendations issued by relevant self-regulatory bodies. Click here to read more about corporate governance at Kinnevik.

[GO →](#)

**All Kinnevik employees' individual annual objectives, which form the basis for their short-term incentives, are derived from our overarching corporate targets which include targets related to sustainability. For example, members of the investment team have individual annual objectives tied to driving climate and DEI (diversity, equity and inclusion) engagement in their respective portfolio companies. Read more about the link between Kinnevik's sustainability targets and the remuneration of our teams in our Annual Remuneration Report.**

The overall responsibility for Kinnevik's risk management process lies with Kinnevik's CEO, who has delegated the responsibility to the CFO. Kinnevik has established a Risk Committee, comprising the CEO, the CFO and other members of management to oversee our risk management framework. The Risk Committee meets at least twice a year to review key risks and developments since the previous meeting, the efficiency of any mitigating actions and our overall risk appetite. Kinnevik's CFO and Sustainability Director oversee the development and mitigation of risks in between Risk Committee meetings, and report the progress to Kinnevik's management team. The work of the Risk Committee is presented at each A&S Committee meeting. More information about Kinnevik's governance bodies and their work is available in the Corporate Governance Report 2022.

Kinnevik's Lobbying Policy and Government Relations Strategy guides our activities and commitments related to any political influence. In 2022, Kinnevik has not engaged in any such activities or commitments.

An account of all Kinnevik's key governance policies is available on page 41.

#### Compliance at Kinnevik

Kinnevik's compliance framework is mainly focused on compliance with the laws and regulations that govern listed companies in Sweden, such as Nasdaq Stockholm's Rule Book for Issuers, the European Union Market Abuse Regulation (No 596/2014), the Swedish Companies Act, and other laws and regulations relating to Kinnevik's operations and investment activities. The A&S Committee receives periodic updates on compliance status. A compliance review in relation to the laws and regulations that govern Swedish listed companies is performed annually to ensure full compliance and identify potential areas for improvement.

Kinnevik conducts mandatory annual compliance training, including Code of Conduct and Insider Trading Rules, for all employees, as well as periodic deep dives on specific matters such as anti-corruption and supply chain management.

### Risk Management at Kinnevik

Kinnevik’s Board is responsible for internal control in accordance with the Swedish Companies Act (Swe. Aktiebolagslagen) and the Swedish Corporate Governance Code. To identify, assess and manage risks for Kinnevik on an ongoing basis, the Board has adopted a Risk Management Policy. To facilitate its implementation, Kinnevik has a detailed risk assessment process which is overseen by the CFO and run by the sustainability team.

As a diversified investment company, a material level of Kinnevik’s risk exposure sits within our portfolio, which is why the risk assessment process is performed at both the Kinnevik and portfolio levels. The Kinnevik Risk Register and Portfolio Risk Register are used to record the results of this assessment process.

Kinnevik’s risk exposure is not static and consequently the risk assessment process is performed and updated at least twice a year. The sustainability team meet with all relevant internal teams to identify Kinnevik and portfolio risks which are documented in the Risk Registers. Based on a qualitative analysis, each risk is awarded a score based on likelihood and impact, which in turn classifies the risk as either “high”, “medium” or “low”. Based on

this score, all risks are assigned a relevant risk response and/or mitigation actions. Following each assessment, the updated Kinnevik and Portfolio Risk Registers are presented to the Risk Committee. The Risk Committee reviews key risks, developments since the previous meeting, the efficiency of any mitigating actions and overall risk appetite. The work of the Risk Committee is presented at each meeting of the A&S Committee.

On a Kinnevik level, climate-related risks are assessed in relation to our existing portfolio, new investments, strategy and reputation as our companies are increasingly scrutinised from a climate change perspective. For example, during 2021, the Risk Committee specifically discussed whether Kinnevik’s current climate ambitions and engagement are enough to address and drive climate change mitigation and adaption to future-proof our portfolio for a low-carbon economy. As a consequence, a thorough review of Kinnevik’s sustainability strategy was conducted during 2022, including a peer benchmark and structured stakeholder dialogue (read more on page 40), resulting in updated material topics and sustainability strategy.

### The Classification of Risks

Likelihood is calculated as:

Score	Likelihood	Description
1	< 5%	Very Unlikely
2	5% - 10%	Unlikely
3	10% - 20%	Maybe
4	20% - 25%	Possible
5	> 25%	Likely

Impact is calculated as:

Score	Impact (EURm)	Description
1	< 25	Immaterial
2	25 - 50	Low
3	50 - 100	Medium
4	100 - 250	High
5	> 250	Critical

Based on the combined risk score (likelihood x impact), risks are classified as:

Classification	Risk Score	Suggested Actions
Low	< 7	Monitor development to ensure exposure remains low
Medium	≥ 7 and ≤ 15	Mitigate and monitor risks to maintain current level of risk exposure
High	> 15	Implement mitigating actions to reduce exposure

### Kinnevik’s risk assessment process



# ADDITIONAL SUSTAINABILITY INFORMATION



# EXTERNAL FRAMEWORKS AND THE UN'S AGENDA 2030 FOR SUSTAINABLE DEVELOPMENT

Through our active ownership and sustainability strategy, Kinnevik strives to make a positive impact on people and planet. Through our business activities, and in our work to achieve our sustainability targets, we are contributing to the UN's Agenda 2030 and the Sustainable Development Goals.

## Global Frameworks

Kinnevik is a signatory of the UN Global Compact, the world's largest corporate sustainability initiative. A part of this initiative's multi-year strategy is to drive business awareness and action in support of achieving the Global Goals by 2030. This Sustainability Report serves as Kinnevik's annual Communication on Progress to the UN Global Compact, containing our implementation of its principles on human rights, labour, environment and anti-corruption. Kinnevik also recognises the special importance of international standards on responsible business conduct, such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The Sustainability Report 2022 is prepared in accordance with the Global Reporting Initiative's ("GRI") Standards 2021. The GRI index is available on pages 52-54.

In addition to the above, this document also relates to the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB). These indexes can be found on page 48 and 55, respectively.

Kinnevik is currently not covered by or obligated to report on the EU taxonomy. However, we are continuously assessing the potential effects of the same as market practice develops and the EU continues to build out the framework.

## Agenda 2030 and the Sustainable Development Goals

Sustainable development has been defined by the UN as *"Development that meets the needs of the present without compromising the ability of future generations to meet their own needs."*

Sustainability is the foundation of today's leading global framework for international cooperation - the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs). Adopted by all United Nations Member States in 2015, the 2030 Agenda is a broad and universal policy agenda with 17 Global Goals split into 169 associated targets to be achieved by 2030. The Global Goals are integrated, indivisible and balance economic, social and environmental sustainability.

Kinnevik has evaluated the SDGs and identified those most relevant to our business and stakeholders, and on which we can have the most impact. We have classified each of the 169 targets into one of four categories depending on their relevance to us - central, meaningful, general or irrelevant. The targets identified as central or meaningful were further categorised as relevant for either Kinnevik and/or our portfolio in general or for specific portfolio companies, as well as whether or not we or our companies should actively contribute to them. The targets categorised as central, relevant to Kinnevik and/or our portfolio in general and which we should contribute to actively, a total of nine targets, are listed on page 40. In an updated analysis done in 2022, we removed target 12.5 related to reducing waste generation. While a very important topic for society at large, it was not identified as one of the key areas where Kinnevik can make the most impact, nor is it one of our key areas of current or future negative impact.

## Boundaries of Reporting and KPIs

Kinnevik's Sustainability Report is published annually and is integrated in the Annual Report. The Sustainability Report 2022 refers to the period 1 January to 31 December 2022 and was published on Kinnevik's website on 4 April 2023. Contact point for questions regarding the report is Torun Litzén, Kinnevik's Director of Corporate Communications, +46 70 762 00 50.

Our strategy involves being a leading shareholder in our companies with a sizeable minority shareholding which provides us with influence over outcomes. This means that while we can exercise influence over our companies, mainly through board representation, we do not have direct control over them. The issues identified as relevant for investee companies relate to those organisations at group parent level. The focus of this report is on the sustainability performance, structures and initiatives in Kinnevik's own operations. Additional information on the portfolio companies is provided on an aggregated level and in the form of case studies on specific initiatives.

The portfolio level KPIs outlined on page 42 is a quantitative representation of our portfolio's sustainability performance and a tool to measure progress. They do not cover the full extent of Kinnevik's or our portfolio companies' efforts. Many of our companies are in the early stages of their operational and sustainability development, which is reflected in the outcome of the KPIs. We cannot expect all companies to fully meet our expectations with regards to sustainability at the point of investment, and we define a clear roadmap for our companies with key priorities and objectives each year (read more on page 16).



# OUR COMPANIES ARE CONTRIBUTING DIRECTLY TO AGENDA 2030 THROUGH THEIR BUSINESS MODELS

The United Nation’s Agenda 2030 and the Sustainable Development Goals are an exciting business opportunity and represent significant unmet demand across the globe. Many of our portfolio companies contribute to the Global Goals by virtue of their core business models. Below are a few examples from our portfolio of companies contributing to the Global Goals.

## Climate tech - Contributing to global decarbonisation

Kinnevik made its first larger investments into climate tech in 2022. These companies can make a meaningful contribution towards global decarbonisation and a low-carbon future.

- **H2 Green Steel:** Producer of green steel reducing carbon emissions by up to 95 percent compared to traditional steelmaking
- **Solugen:** Green chemicals producer providing cheaper, safer chemicals without using fossil fuels (see case study on page 17)
- **Agreena:** Supporting farmers’ transition to regenerative agriculture practices through the voluntary carbon market
- **Vay:** Mobility company on track to launch a mobility service with teledriven electric VayCars on European public streets

Contributing to the UN SDGs:



## Healthcare - Making care more accessible and affordable

Kinnevik has been invested in the healthcare space for several years and has a portfolio of leaders within their respective fields. A common denominator is the companies’ ambition to make high-quality care more accessible and affordable for people.

- **VillageMD:** A leading US-based provider of primary care and a pioneer in the delivery of value-based care
- **Cityblock:** Value-based healthcare provider in the US focused on underserved urban populations with complex care needs
- **Spring Health:** Making mental health fundamental, providing employers with the most diverse, comprehensive care for employees and their families
- **Parsley Health:** America’s largest holistic virtual-first consumer subscription service, caring for and supporting chronic conditions for women
- **Quit Genius:** The world’s first digital clinic delivering a comprehensive Medication-Assisted Treatment programme for multiple addictions, 100% virtually

Contributing to the UN SDGs:



# UPDATED MATERIALITY ANALYSIS AND STAKEHOLDER DIALOGUE

## Process for Identifying Material Topics

In 2022 Kinnevik conducted an updated materiality analysis with the aim of identifying our material topics from a double materiality perspective. We did this by identifying a long list of over 20 relevant sustainability matters derived from a longer list of matters based on the complete GRI and sector-specific SASB standards. Each matter on the long list was rated from an outside-in and inside-out perspective, assessing both Kinnevik’s current and future potential impact, and the current and potential future impact on Kinnevik. Negative and positive impact on people, planet and economy was considered. Each matter was assigned a score of 1-6 based on its overall significance, and matters with a score of 5 or higher were considered material.

To verify our results, we held a structured dialogue with our key stakeholder groups: shareholders, sell-side analysts, portfolio companies, the Kinnevik Board and the Kinnevik team. We held 22 interviews and sent out an internal survey. The long list of matters were discussed with each stakeholder group from a double materiality perspective. The material topics as identified by Kinnevik were in essence confirmed by the stakeholder dialogue and are presented on the right hand side of this page. The identified material topics have been discussed and agreed in Kinnevik’s management team and by the Board of Directors. The Board bears the ultimate responsibility for the materiality analysis.

A change from last year is that “Active Ownership” was added as a standalone material topic to reflect Kinnevik’s important impact through the engagement with our portfolio. The three other topics, “Climate Impact”, “Diversity, Equity & Inclusion” and “Corporate Governance” reflect specific areas where we are having, and can continue to have, significant positive impact on people, planet and society. The four material topics also reflect the areas where we see the largest risks related to sustainability and where we need to continuously manage our negative impact, at Kinnevik and in our portfolio. Kinnevik has sustainability targets tied three of our material topics, see page 14.

Through our business activities, and in our work to achieve our sustainability targets, we are contributing to the UN Agenda 2030 and the Sustainable Development Goals. The most important targets are outlined on the right-hand side of this page.

In connection with the updated materiality analysis, we conducted a gap analysis related to the EUs upcoming Corporate Sustainability Reporting Directive (CSRD). The directive will not initially apply to Kinnevik but we will strive to implement it incrementally in the coming years.

## Summary of Findings from Stakeholder Dialogues

One of the most important topics raised across stakeholder groups is Kinnevik’s role in creating real positive impact through our portfolio. As an investor, we have a unique position to create impact through our capital allocation and the active support we offer companies. Our stakeholders think we should invest in companies with a strong mission and support them in crystallising their positive impact on the world. Our portfolio companies and shareholders in particular want us to focus on implementing strong ESG strategies in our companies, establishing a social licence to operate, and integrating it into companies’ core business strategies. It is critical to be bespoke and support each company individually in ways that create business value.

A topic raised by shareholders, sell-side analysis and employees in particular is Kinnevik’s ability to attract and retain top talent, which is broadly seen as a key success factor. This requires offering the right incentives, and a culture and way of operating that resonate with people’s personal beliefs. While we have already made strong impact on DEI related to gender, stakeholders believe we have more work to do on ethnicity and other aspects of diversity.

Climate and decarbonisation was highlighted by all stakeholder groups as the most pressing challenge facing humanity globally and investing to combat climate change can be a real differentiator for Kinnevik.

Our Board and sell-side analysts particularly highlighted the importance of implementing sound governance structures in our, often early-stage, companies. Employment conditions, human rights, anti-discrimination and broader business ethics should also remain a high priority for Kinnevik.

Kinnevik’s Material Aspects	Contributing to the UN SDGs		
<p><b>ACTIVE OWNERSHIP</b> Maximise positive impact and implement ambitious ESG strategies across the portfolio</p>	<p>TARGET 17-16  ENHANCE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT</p>	<p>TARGET 8-1  SUSTAINABLE ECONOMIC GROWTH</p>	<p>TARGET 8-2  DIVERSIFY, INNOVATE AND UPGRADE FOR ECONOMIC PRODUCTIVITY</p>
<p><b>CLIMATE IMPACT</b> Meaningfully reduce our greenhouse gas emissions and contribute to global net zero</p>	<p>TARGET 13-2  INTEGRATE CLIMATE CHANGE MEASURES INTO POLICIES AND PLANNING</p>	<p>TARGET 12-6  ENCOURAGE COMPANIES TO ADOPT SUSTAINABLE PRACTICES AND SUSTAINABILITY REPORTING</p>	
<p><b>DIVERSITY, EQUITY &amp; INCLUSION</b> Contribute to a more diverse, equitable and inclusive world</p>	<p>TARGET 5-5  ENSURE FULL PARTICIPATION IN LEADERSHIP AND DECISION-MAKING</p>	<p>TARGET 8-8  PROTECT LABOUR PARTICIPATION AND PROMOTE SAFE WORKING ENVIRONMENTS</p>	
<p><b>CORPORATE GOVERNANCE</b> Ensure sound business conduct structures and strong financial robustness</p>	<p>TARGET 8-1  SUSTAINABLE ECONOMIC GROWTH</p>	<p>TARGET 16-5  SUBSTANTIALLY REDUCE CORRUPTION AND BRIBERY</p>	<p>TARGET 16-6  DEVELOP EFFECTIVE ACCOUNTABLE AND TRANSPARENT INSTITUTIONS</p>

# KEY GOVERNANCE POLICIES

## Key Governance Policies

- **Code of Conduct:** outlines Kinnevik's commitment to conducting business to the highest ethical standards and with respect for people and the planet. Includes provisions on anti-bribery, corruption, business ethics. The policy covers the overarching topics of the UN Convention Against Corruption. That said, Kinnevik do not plan to implement the convention separately.
- **Sustainability Policy:** outlines Kinnevik's expectations on how its portfolio companies should manage their impact in relation to Kinnevik's material sustainability topics, which align with the UN 2030 Agenda for Sustainable Development. The policy includes climate-related issues and how to manage material impact from such on Kinnevik and our portfolio.
- **Lobbying Policy:** outlines Kinnevik's processes and procedures in relation to local government authorities and key policy makers.
- **Tax Policy:** outlines Kinnevik's approach to tax procedures.
- **Whistleblower Policy:** outlines the procedures for any complaint or concern about any wrongdoing in relation to Kinnevik. Further, the policy includes a zero tolerance for reprisals against any person reporting potential violations via the whistleblower service.

All employees, representatives of Kinnevik and third parties engaged with Kinnevik are expected to fully comply with our governance policies. Kinnevik has an onboarding process for new employees that introduces them to the policies and procedures. Kinnevik conducts mandatory annual Code of Conduct training, including anti-corruption and anti-bribery, for all employees. All managers are responsible for ensuring that their team members complete the annual Code of Conduct training and attend any additional compliance and policy-related training. Kinnevik only accepts 100% participation and completion.

The Code of Conduct is shared with all relevant suppliers on

a yearly basis whereby their obligation to comply with the policy is clarified. Taking a risk-based approach, given that most of Kinnevik's direct suppliers are large professional services firms such as audit and law firms, we do not perform further supply chain compliance activities at Kinnevik level. More information on how Kinnevik works to ensure its portfolio companies apply a robust supply chain compliance process is available on page 18.

As outlined in the Whistleblower Policy, Kinnevik expects all employees, as well as any relevant third parties, to come forward and voice all serious concerns about any aspect of Kinnevik's work, including the areas of human rights, labour, environment, anti-corruption, and anti-discrimination. Kinnevik's whistleblowing service is managed by the external party WhistleB. All reports received via the external service are handled confidentially by the Chairman of the A&S Committee, if needed with the assistance of Kinnevik's General Counsel. The Chairman of the A&S Committee promptly assesses if an investigation should be initiated upon receiving a report and is in such cases allowed to involve relevant senior executives and/or external advisors to ensure independence and objectivity. In 2022, Kinnevik did not receive any whistleblower reports through WhistleB and no substantial incidents were reported to the company through any other means of communication. No actions have been taken due to any corruption or bribery-related incidents in 2022.

These policies have been communicated to all employees and members of the Board and are available on our website. The policies are subject to a yearly review and are approved yearly by the Board.

## Corporate Policies on DEI and Employee Well-Being

Kinnevik's policies, processes and rules relating to diversity, equity and inclusion as well as employee well-being, health & safety and benefits including related management of impacts on our own workforce are outlined in Kinnevik's corporate policies. These include the Employee Handbook, Talent Management

Policy and Work Environment Handbook and apply to all Kinnevik employees. Below is a summary of the key aspects related to diversity, equity and inclusion at Kinnevik.

- **Equal opportunities:** advancement within Kinnevik shall be based on merit. All Kinnevik employees and candidates shall have equal opportunities based on competencies, experience and performance regardless of age, race, gender, religion, nationality, disability, sexual orientation, marital or parental status, political opinion, union membership, or ethnic background. This applies to recruitment, promotion, training and all other types of development steps in the company.
- **Fair and equal pay:** no Kinnevik employee shall be paid less than the minimum total wage required by applicable law and all employees shall receive equal pay for equal work.
- **Anti-victimisation, harassment and bullying:** Kinnevik is committed to promoting and ensuring a working environment where individuals are treated with respect. Victimisation, harassment and/or bullying, such as racial or sexual harassment, and harassment due to disabilities or on the grounds of sexual orientation or religious beliefs, are unacceptable and will not be tolerated. Such conduct will not be ignored, and any complaints will be taken seriously and investigated as a matter of urgency.
- **Parents and flexible working:** all Kinnevik employees shall be able to combine parenthood and work under equal conditions. The rules and regulations for parental pay differ between countries. However, all permanent Kinnevik employees, regardless of gender, office location and caretaker status, are entitled to paid parental leave of up to 39 weeks and during this period employees will receive 100% of their ordinary fixed salary. Kinnevik supports appropriate flexible working both in relation to working hours and working locations.

# PORTFOLIO-LEVEL KPIs

	2022				2021			
	% of Companies Actual	% of Companies Comparable	% of Portf. Value Actual	% of Portf. Value Comparable	% of Companies Actual	% of Companies Comparable	% of Portf. Value Actual	% of Portf. Value Comparable
<b>ENVIRONMENT</b>								
Measures GHG emissions for scope 1 and 2	32%	30%	48%	46%	18%	25%	52%	16%
Measures GHG emissions for relevant scope 3 categories	18%	27%	42%	42%	18%	25%	52%	16%
Has set relevant GHG reduction targets in line with 1.5 degree pathway/Paris Agreement	16%	17%	34%	33%	12%	15%	45%	10%
Integrates climate change into overall strategy discussions with the Board and/or relevant sub-committees	11%	10%	31%	30%	3%	0%	36%	0%
Has a process for efficient measurement and management of waste and hazardous waste	24%	23%	37%	35%	24%	30%	51%	15%
<b>SOCIETY</b>								
Has implemented a Supplier Code of Conduct based on international standards	26%	33%	43%	43%	24%	25%	56%	12%
Has incorporated anti-corruption principles in the Company's policies	82%	93%	89%	85%	76%	85%	95%	42%
Reports on occupational health incidents to the Board	92%	93%	97%	91%	71%	80%	83%	30%
Conducts periodic employee surveys	82%	83%	94%	88%	97%	100%	99%	43%
Has incorporated anti-discrimination principles in the Company's policies	84%	87%	90%	85%	82%	90%	90%	42%
Has conducted/provided training for management on D&I related topics	61%	73%	87%	87%	56%	70%	88%	38%
Has set time-based D&I targets and KPIs	29%	30%	52%	49%	21%	25%	60%	18%
<b>GOVERNANCE</b>								
Has implemented a Code of Conduct across its organisation	82%	87%	95%	89%	79%	90%	96%	42%
Has implemented a whistleblowing system	45%	53%	78%	76%	50%	55%	84%	34%
Has conducted a risk assessment including rating risks based on likelihood and impact	39%	47%	70%	68%	35%	40%	77%	31%
Has a defined risk limits statement to monitor risk levels	16%	20%	36%	36%	15%	15%	45%	8%
Sustainability is a standing item on the Board agenda	50%	60%	76%	76%	32%	35%	79%	29%
Senior management is incentivised based on sustainability performance	8%	7%	31%	29%	15%	10%	43%	6%
Conducts regular compliance training	84%	87%	95%	89%	85%	95%	97%	42%

**Note:** The actual KPIs for 2022 and 2021 include the companies in Kinnevik's portfolio per 31 December 2022 and 2021, respectively. The comparable KPIs for 2022 and 2021 are based on the same set of companies for comparability. This set includes only the companies that Kinnevik was invested in at the end of 2021 and in which we were still invested at the end of 2022 and does not include any companies invested in during 2022. All KPIs exclude emerging markets companies and fund investments.



## We work towards a brighter future for children and youth

Kinnevik is one of the founding partners of Reach for Change, an international non-profit founded in Sweden. The vision of Reach for Change is a world where all children and youth reach their full potential. The organization is working towards this vision by unleashing the power of local social entrepreneurs and enabling them to go from ideas to innovative solutions and sustainable organizations.

As a cornerstone partner Kinnevik is committed to support Reach for Change in its impact goals and the ambition to lead a global movement of social entrepreneurship. Kinnevik provides not only financial support, but strategic and operational support through Board engagement and Kinnevik team members have the opportunity to coach, mentor and assist the entrepreneurs directly.

**In Sweden, Reach for Change aims to find entrepreneurs where no one else is looking. The organisation believes that the entrepreneurs that are the most marginalised have solutions that can empower youth and inspire them to a productive future outside of criminality and polarisation. The 2022 Christmas gift from Kinnevik went to Kassim Nagwere, one of such entrepreneurs to support his inspirational mission of motivating and helping disadvantaged children.**



A few years ago Kassim found himself at a crossroads. He wanted to make a difference for children. The question was whether he would do it by becoming a professional basketball player, earning money that he could then give away; or rolling up his sleeves and launching something of his own. Today his organization Drömstort is a meeting place that gives young people from disadvantaged areas in Sweden a sense of community, role models to follow, and helps them dare to dream big.

One of the Drömstort participants is Adji Joof, an aspiring singer who performed for the first time on the stage during the 2022 edition of Partnering for Change - a memorable Reach for Change event.



In 2022 with support from Kinnevik Reach for Change has impacted

## 42 entrepreneurs

in Incubator and Rapid Scale programmes in Sweden, Bulgaria, Ghana and Senegal.

**91%**  
of the SEs were satisfied with the support provided within the incubator

**94%**  
report that they would have developed less without this support



Reach for Change also believes in the power of entrepreneurship in lifting people out of poverty and inequality. Thus over 500 young people and women were engaged in policy dialogues and feedback sessions about their economic rights in Ghana.



### Torun Litzen, Director Corporate Communications

spoke at the 2022 edition of Partnering for Change event in the breakout “Investing for Impact”.

# KINNEVIK RECEIVED DOUBLE RECOGNITION IN 2022 FOR OUR LEADERSHIP IN SUSTAINABILITY

## The top performing venture capital fund in Honordex Inclusive Index 2022

Kinnevik was recognised as the Top Performing Venture Capital Fund for achievements in equality, diversity and inclusion in Honordex Inclusive Index 2022. Kinnevik was the only company classified as “leader”, the highest possible classification, out of the 282 firms scored.

*Honordex is a comprehensive scoring tool developed by Equality Group that measures Equality, Diversity and Inclusion performance based on publicly available data. It is based on academic research and industry expertise. Honordex allows organisations to benchmark themselves to peer organisations. It develops meaningful actions to continually improve on social sustainability performance.*



*The Honordex Inclusive Index 2023 was published in March 2023, and for the third year in a row Kinnevik ranked first in the VC category, having raised our score each year.*

## Top performer in Lund University's sustainability ranking of Swedish listed companies

Kinnevik was placed first in the Investment Companies sector, and joint sixth in the overall list, according to an annual ranking performed by Dagens industri, Aktuell Hållbarhet and Lund University. This makes us one of the top performing companies in Sweden on corporate governance, risk management and climate-related scenario analysis.

*In 2022, for the fifth consecutive year, Lund University conducted a sustainability ranking of Swedish listed companies comprising 131 of the largest listed companies across different sectors. The ranking is done based on companies' publicly available reports and websites, as well as a survey.*



***“It’s not despite, but because of the many uncertainties facing businesses today, that now is the time to raise the bar in sustainability. Kinnevik’s long-term view means that we are building businesses for generations, not just the coming quarters. We are proud and humbled by these awards, but there’s always more work to do and we have an ambitious agenda for the coming years.”***

**Georgi Ganev**  
CEO of Kinnevik

# REPORTING & TRANSPARENCY



# SUSTAINABILITY-LINKED FINANCING

In November 2021, Kinnevik published a Sustainability-Linked Financing Framework (the "Framework") as a next step in integrating our commitment and ambition to be a sustainability leader into our financing solutions. The Framework is aligned with the Sustainability-Linked Bond Principles as published by the International Capital Market Association (ICMA) in June 2020, and the Sustainability Linked Loan Principles, as published by the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA) and the Loan Syndications and Trading Association (LSTA) published in July 2021. Under this Framework, Kinnevik may issue Sustainability-Linked Securities including but

not limited to bonds and loans.

As the majority of Kinnevik's potential sustainability impact lies at portfolio level through Kinnevik's active ownership, the KPIs and annual sustainability performance targets ("SPTs") included in the Framework relate to the portfolio and reflect already established sustainability targets under each dimension of ESG in accordance with Kinnevik's Sustainability Strategy, see page 14.

On 16 November 2021, Kinnevik announced that it had issued SEK 2.0bn in new sustainability-linked bonds in the Nordic bond market under the Framework (ISIN SE0013360534 and ISIN SE0013360542). The final redemption price of the sustainability-

linked bonds depends on Kinnevik's ability to meet the SPTs listed in the table below. All three SPTs are measured annually. Hence performance against the selected climate KPI and SPT requires that our Portfolio Companies report on their 2022 emissions. As this data is yet to be received, we will report on performance against the climate SPT in our Climate Progress Report to be published by 30 June 2023. During 2021, a sustainability link was also incorporated into Kinnevik's SEK 5bn Revolving Credit Facilities.

The Framework is available on our website.

	Environmental responsibility and reduced climate impact	Social equality and good corporate citizenship	Sound governance structures and economic growth
<b>KPI</b>	Reduction in greenhouse gas emission intensity from Kinnevik's portfolio year on year	New capital allocation to female founded or led companies	Annual average ESG Score across portfolio
<b>SPT</b>	7% reduction in greenhouse gas emission intensity from Kinnevik's portfolio from year to year, resulting in a total reduction of 50% by 2030 compared to 2020	On a two-year rolling basis, at least 10% of the capital invested into new companies by Kinnevik should be invested in female founded or led companies	5 percentage point improvement in annual average ESG score from year to year across portfolio
<b>Rationale</b>	The lion's share of our emissions come from scope 3, i.e. from our portfolio companies. As an active owner, we need to use our influence to ensure our portfolio companies are prepared for a low-carbon economy and sustainable growth.	More than 95% of global investments still go to all-male founding and management teams. As part of our ambition to be Europe's leading growth investor, we recognise our shared responsibility to close the gender funding gap.	As an active owner, it is our responsibility to ensure our portfolio companies stay focused on the entire spectrum of ESG and show continuous results.
<b>2022 Performance</b>	<b>To be confirmed -</b> As portfolio companies are yet to report on their 2022 emissions, we will not be able to report on performance until 30 June 2023 at the latest	<b>Achieved -</b> 2021-2022: 17% On a two-year rolling basis, 2021-2022, we have invested 17% of the capital invested into new companies in female founded or led companies. The 17% relates to our investments in Spring Health, Parsley Health, Agreena and SafetyWing.	<b>Achieved -</b> 2021: 49% 2022: 59% We have achieved a 10 percentage point improvement from 2021 to 2022 on a comparative basis.



	Environmental responsibility and reduced climate impact	Social equality and good corporate citizenship	Sound governance structures and economic growth
<b>Methodology</b>	<p>Performance against the SPT is based on change in intensity per company from previous year which requires that i) a portfolio company has measured and reported on their GHG emissions for at least two years in a row and ii) been part of Kinnevik's portfolio during this period. The calculation consists of three steps:</p> <ol style="list-style-type: none"> <li>1. The GHG intensity for each individual reporting portfolio company is calculated by dividing total GHG emissions by an individually selected denominator.</li> <li>2. The year-on-year percentage change in GHG intensity is calculated for each individual reporting portfolio company.</li> <li>3. The year-on-year change in intensity for all reporting portfolio companies is aggregated and weighted by reported fair value at the end of the reporting period, resulting in a weighted change in GHG intensity compared to the previous year.</li> </ol>	<p>Performance against the SPT is based on the amount of capital invested into new companies being female founded or led companies divided by the total amount of capital being invested into new companies on a two-year rolling basis.</p> <p>A company qualifies as a female founded company if, at the time of investment -</p> <ul style="list-style-type: none"> <li>• at least 50% of the founding team active in the company are women, or</li> <li>• at least 1/3 of the founding team active in the company are women and serve in the most senior level of the company, or</li> <li>• a woman co-founder also serves as CEO or Chairman of the Board.</li> </ul> <p>“Active in the company” is defined as still working operationally for the company or serving on the board.</p> <p>A company qualifies as a female led company if, at the time of investment -</p> <ul style="list-style-type: none"> <li>• at least 50% of the senior management team are women, or</li> <li>• a woman serves as CEO and at least 30% of the senior management team are women.</li> </ul>	<p>Kinnevik performs a yearly assessment of all our portfolio companies based on the Kinnevik Standards. As part of this assessment, Kinnevik scores the companies on their fulfilment of the Standards. Each standard is in turn weighted based on Kinnevik's view of the importance of the same. The assessments are performed by the Kinnevik Sustainability Team through interviews with the companies and our board representatives.</p> <p>The Standards include 84 metrics which in turn are split into two levels, one for small companies (equity value of &lt; USD750m) and one for large companies (equity value of &gt;USD750m), with the latter being more comprehensive and advanced. While small companies are only scored against the small company standards, large companies are scored on both small and large company standards. When a company is re-classified as a large company, we score the company as both a small and large company to have comparable scores between years. Should a standard not be deemed applicable to a certain company's business model and/or sector/market, it is up to the Sustainability Team to decide whether such company should be scored against that standard or not. Fund investments are not included in the yearly assessment.</p>
<b>Portfolio Coverage</b>	<p>For 2022, we expect 42% of our current portfolio companies, that were also part of our portfolio in 2021, to have measured their greenhouse gas emissions.</p> <p>The SPT relates to a year-on-year change. Only portfolio companies that were in Kinnevik's portfolio during the two previous years at the Target Observation Date will be included.</p>	<p>The SPT includes the entire amount of capital being invested into new companies during the current two-year rolling period, full year 2021 and 2022.</p>	<p>The SPT refers to change in the average ESG score of the portfolio from the previous year, meaning that only companies which were in Kinnevik's portfolio during the full year of 2021 and 2022 will be included in the calculation. Hence, the 2022 SPT includes all existing portfolio companies except Sure (due to lack of a 2021 ESG Score) and SimpleFeast (due to lack of a 2022 ESG Score) and the new companies invested in during 2022 (Transcarent, Solugen, Recursion, SafetyWing, Omnipresent, Mews, H2 Green Steel, Agreena, Gordian).</p> <p>In 2022, two companies were re-classified as large, Oda and TravelPerk. For comparability in relation to 2021 we therefore used a small company score for them.</p>

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

**Understanding our climate-related risks and opportunities is key.** The effects of climate change are clearly visible and will have an increasingly tangible impact on Kinnevik and our portfolio. Implementing the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) enables us to identify, assess and manage our most material climate-related risks and opportunities.

Kinnevik are official supporters of the TCFD and have implemented its recommendations. Our first TCFD Report was published in June 2020, and we have subsequently published updated versions in 2021 and 2022, all available on our website. The summary of our most material climate-related risks and opportunities and our scenario analysis is available on the following pages. For ease of reference, to the right is an overview of the TCFD recommendations and page number where the information can be found in Kinnevik’s Sustainability Report 2022.



GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS AND TARGETS
Disclose the organisation's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	Disclose how the organisation identifies, assesses and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

**RECOMMENDED DISCLOSURES**

a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.				
Page	33	Page	49-50	Page	36	Page	20-22

b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	b) Describe the organisation's processes for managing climate-related risks.	b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.				
Page	35	Page	49	Page	36, 50	Page	20-22

	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.			
	Page	51	Page	36	Page	20

# TCFD: CLIMATE-RELATED RISKS AND OPPORTUNITIES

**This section aims to describe the actual and potential material impacts of climate-related risks and opportunities on Kinnevik's business, strategy and financial planning.**

## Methodology and Process

As we first set out to identify our most material climate-related risks and opportunities in 2020, Kinnevik's CEO convened a workshop for Kinnevik's management team and sustainability team. The potential implications of climate change on Kinnevik's business, strategy and financial planning were discussed. Each of Kinnevik's sectors and sub-sectors was analysed individually, with particular emphasis on the companies with the highest climate-related risks and opportunities, as well as those that are most material in terms of share of our portfolio value.

To deepen our understanding, in the beginning of 2021, we discussed each portfolio company with the investment team to assess key risks and opportunities under two different climate scenarios. Read more about our scenario analysis on page 51.

During 2022, we updated our analysis to reflect changes in our portfolio, mainly the distribution of our Zalando holding and increased exposure to the healthcare sector, as well as the most recent science and research on the expected effects of climate change, including the IPCC's Sixth Assessment Report. The sectors and sub-sectors deemed to be most relevant, and thus included in our updated analysis, are Value-Based Care, Virtual Care, Platforms & Marketplaces (sub-sector food), Software (sub-sector SaaS and travel), Consumer Finance and TMT. The most relevant sectors are represented by 10 companies constituting 60% of Kinnevik's portfolio value per 31 December 2022. Based on a materiality assessment, particular emphasis has been put on our healthcare and food businesses.

The assessment of climate-related risks and opportunities has been done from Kinnevik's perspective as an owner and focuses on the implications for Kinnevik's business, strategy, and financial planning, as opposed to assessing each portfolio

company individually. As an investment company, we do not have the same level of insight into all our portfolio companies that an operating company would perhaps have into its own operations. However, implementing the TCFD recommendations provides us with an overview and a base from which to continue our active dialogue with our companies.

## Implications on Kinnevik's Business, Strategy, and Financial Planning

We have identified near-, mid- and long-term risks and opportunities for the most relevant sectors and sub-sectors. Transition risks related to market, reputation and policy & legal are the most material climate-related risks for the Kinnevik portfolio. On the latter, all our companies are to some degree exposed to transition risks stemming from increased pricing of greenhouse gas emissions and increased emissions reporting obligations. These risks are even more relevant and topical today compared to when we did our initial analysis in 2020. Carbon pricing mechanisms and more rigorous regulations related to emissions reporting could have implications for our companies' costs, their ability to operate and our return on investment.

Increasing awareness about climate change will continue to impact customer preferences, leading to increased demand for products and services with a low climate impact. The risk of not being able to meet these demands by making the transition to a low-carbon economy may have a significant impact on our companies' competitiveness. This is relevant for all our companies, although perhaps less so for our healthcare businesses in the short term as their customers primarily prioritise other aspects when choosing a care provider.

Chronic physical risks have also become more prominent in

recent years. For our healthcare companies, extreme variability in weather patterns and rising temperatures may lead to reduced revenues as insurers, governments and customers struggle to adapt to new climate-related medical conditions and illnesses. Our food companies and Tele2 are to a larger degree reliant on physical assets and facilities for their production and offices, with more complex supply chains. They would therefore be more affected by severe weather events such as heat waves, floods and forest fires - generally referred to as acute physical risks. The consequences could include reduced product availability, increased repair costs of damaged buildings and inventory loss, which would have a negative impact on sales and lead to increased costs.

**We estimate that all 10 companies included in our updated analysis are exposed to transition risks and eight companies are exposed to physical risks (representing 60% and 49% of portfolio value per 31 December 2022).**

Meanwhile, we see several opportunities related to climate change, particularly as our strategy is to invest in technology-enabled and innovative businesses. The main opportunity is to be consumers' preferred choice by leveraging new technology to take the lead in developing products and services with a low or positive climate impact. Compared to more analogue business models, our companies are in a good position to accelerate the pace of transformation to meet the growing demands of their increasingly climate-conscious customer base. More details on the climate-related risks and opportunities for each of our sectors and sub-sectors, as well as case studies of our companies taking the lead in combatting climate change, are available on Kinnevik's website.

**We estimate that nine companies included in our updated analysis are aligned with climate-related opportunities (representing 58% of portfolio value 31 December 2022).**

### Influencing the Transition to a Low-Carbon Economy

Kinnevik is actively working with its portfolio companies to support them in measuring emissions, setting climate targets, reducing their environmental impact and improving climate-related disclosures. We view the fight against climate change as a business opportunity and support our companies on their transformational journey towards making sustainability part of their core offering and business strategy. Read more about our engagement model on page 16 and about how we work actively with our companies in developing their climate strategies on page 24.

### Overview of key risks and opportunities per Kinnevik sector

		RISKS						OPPORTUNITIES				
		TRANSITION				PHYSICAL						
		Policy & Legal	Technology	Market	Reputation	Acute	Chronic	Resource Efficiency	Energy Source	Products & Services	Markets	Resilience
<b>Timeline</b> (time until realisation)		SHORT	MID	SHORT	SHORT	SHORT	MID	SHORT	SHORT	SHORT	SHORT	N/A
<b>Classification</b>		MID	HIGH	HIGH	HIGH	LOW	LOW					
Value-Based Care		•		•		•	•			•		
Virtual Care		•					•					
Platform & Marketplaces	Food	•		•	•	•	•	•		•	•	
	SaaS			•								
Software	Travel	•	•	•	•		•			•	•	
	Consumer Finance	•		•	•					•	•	
TMT		•	•	•	•	•	•	•	•	•		

**Timeline:** SHORT TERM <3 years  
 MID-TERM 3-5 years  
 LONG TERM 5-30 years

**Classifications:** LOW Monitor development to ensure risk exposure remains low  
 MID Mitigate and monitor risks to maintain current level of risk exposure  
 HIGH Implement mitigating actions to reduce exposure

**Note:** Timeline and classification refer to overall portfolio level and are not sector-specific. More information about the risk classifications is available on page 36.

# TCFD: SCENARIO ANALYSIS

## Methodology and Process

In 2020, we conducted our first scenario analysis to better understand the future impact on our business, strategy and financial planning of different scenarios of global warming. During 2022, we updated our analysis to reflect changes in our portfolio and the most recent climate change science and research.

We started with a top-down analysis of our five focus sectors: Value-Based Care, Virtual Care, Platform & Services, Software and Consumer Finance, and our largest company, Tele2. Based on a materiality analysis, we put particular emphasis on those sectors and sub-sectors with the highest impact from climate-related risks and opportunities, as well as those that are most material to Kinnevik in terms of share of our portfolio value – namely Value-Based Care, Virtual Care and Platform & Services (sub-sector food). Following the top-down analysis, we conducted a more in-depth analysis of each sector together with our investment managers.

## Scenarios Used

For our scenario analysis, we used two Representative Concentration Pathways, reflecting two very different climate outcomes; the Stringent Mitigation Scenario (RCP2.6) where emissions decline and become negative by end of the century resulting in a global mean temperature increase of 1.7 degrees by 2100, and the Very High Emissions Scenario (RCP8.5) where emissions continue to rise ending up at three times higher than the present, resulting in a global mean temperature increase of 4.6 degrees by 2100. These were considered in combination with two Shared Socioeconomic Pathways; in our description of RCP2.6 we included the SSP1 narrative, and for RCP8.5 we included the SSP5 narrative.

## Summary Results of Scenario Analysis

As our strategy is to invest in digital companies operating primarily a marketplace model, our portfolio generally has relatively low dependency on complex supply chains, physical assets and fossil fuels (excluding food and Tele2). Hence, our strategy shows relative resilience in a Very High Emissions Scenario. However, in this scenario the overall benefits of sustainability and low-emissions services are not recognised by consumers, impacting businesses trying to use sustainability as a competitive advantage.

As an investor in consumer-facing sectors, Kinnevik is exposed to a broad set of transition risks in the Stringent Mitigation Scenario, particularly related to market and reputation, i.e. shifting consumer behaviour as a result of increased climate consciousness and a decrease in discretionary consumption. We are also across all sectors affected by transition risks related to policy & legal, i.e. increasing climate-related disclosure requirements and stakeholder demands, and regulators catching up on increasing climate risks. Meanwhile, this scenario also offers the largest climate-related opportunities with regards to Kinnevik's strategy to invest in digital companies disrupting legacy industries through innovation, new technology and a more sustainable approach.

Based on our analysis, the scenario with the largest potential negative impact on Kinnevik's business, strategy and financial planning is the Very High Emissions Scenario. The most favourable scenario is conversely the Stringent Mitigation Scenario, as the climate-related opportunities in our portfolio in this potential future would likely outweigh the climate-related risks. The climate-related risks identified in both scenarios may however lead to slower growth and lower profits for our companies leading to lower investment returns for Kinnevik, which in turn may lead to

implications on our investment strategy and capital allocation decisions.

The results of the scenario analysis were first presented to Kinnevik's Risk Committee in February 2021, and to the Audit & Sustainability Committee in March 2021. The updated analysis conducted in 2022 was shared with the management team in June 2022 and presented to the Audit & Sustainability Committee in September 2022. More details on the conclusions of our scenario analysis are available on Kinnevik's website.

## Implications on Kinnevik's Business, Strategy, and Financial Planning

In the Stringent Mitigation Scenario, our strategy may be affected as we will likely put increasing emphasis on climate aspects in capital allocation decisions, and increasingly look to invest in companies that will thrive in a low-carbon economy. In the Very High Emissions Scenario, our strategy may be affected as we may decrease our exposure to businesses with complex supply chains.

In 2022, Kinnevik made its first larger investments into climate tech, allowing us to further seize the opportunities of the transition towards global emissions neutrality.

# GRI CONTENT INDEX

Kinnevik has reported in accordance with the GRI Standards 2021 for the period 1 January 2022 to 31 December 2022. A description of how we identified the Material Topics is available on page 40. The Sustainability Report 2022 has been subject to a limited assurance review, see statement on page 56.

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION - PAGE NUMBER	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GENERAL DISCLOSURES					
	2-1 Organizational details	58			
	2-2 Entities included in the organization's sustainability reporting	58-59, 79			
	2-3 Reporting period, frequency and contact point	38			
	2-4 Restatements of information	-			No significant restatements have been made
	2-5 External assurance	56			
	2-6 Activities, value chain and other business relationships	7, 11, 16			Kinnevik's purchases include services and products to office operations in Stockholm and London and consultancy services in relation to the acquisition and sales processes as well as development procedures. Suppliers operate primarily in the Nordic countries and the UK.
	2-7 Employees	29, 30			
	2-8 Workers who are not employees	-			Not applicable
	2-9 Governance structure and composition	33-35, 62-67			
	2-10 Nomination and selection of the highest governance body	62-65			
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	62-63, 66			
	2-12 Role of the highest governance body in overseeing the management of impacts	33, 35, 64			
	2-13 Delegation of responsibility for managing impacts	35, 64			
	2-14 Role of the highest governance body in sustainability reporting	33, 35, 40, 64			
	2-15 Conflicts of interest	66-67			Any relevant conflicts of interest are assessed, prevented and mitigated in line with Swedish law and generally accepted sound practice on the securities market, including the Swedish Corporate Governance Code.
	2-16 Communication of critical concerns	41			
	2-17 Collective knowledge of the highest governance body	40, 66-67			The Board is continuously updated and educated on Kinnevik's sustainability strategy and underlying relevant topics through regular updates from the Audit & Sustainability Committee and the sustainability team.
	2-18 Evaluation of the performance of the highest governance body	64			
	2-19 Remuneration policies	64, 95-101			
	2-20 Process to determine remuneration	95-97			
	2-21 Annual total compensation ratio	-	2-21 a,b,c	We currently do not have the data to report on the metric but aim to include it in next year's Sustainability Report.	

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION - PAGE NUMBER	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	13-14, 15-18, 19-26, 27-31, 32-36			
	2-23 Policy commitments	16, 18, 41			Kinnevik applies the precautionary principle, see our Sustainability Policy on <a href="http://www.kinnevik.com">www.kinnevik.com</a> .
	2-24 Embedding policy commitments	14, 16, 18, 28, 31, 41			
	2-25 Processes to remediate negative impacts	20, 31, 41			The effectiveness of Kinnevik's whistleblower service is evaluated based on any potential new whistleblower regulations as well as inbound requests/complaints.
	2-26 Mechanisms for seeking advice and raising concerns	41			
	2-27 Compliance with laws and regulations	33-35			During 2022, no fines or non-monetary sanctions were incurred or paid due to any non-compliance with laws and regulations.
	2-28 Membership associations	-			Stockholm Chamber of Commerce, Stockholm School of Economics and Reach for Change.
	2-29 Approach to stakeholder engagement	40			
	2-30 Collective bargaining agreements	-			No employees are covered by such agreements. However, freedom of assembly and association is clearly stated in our Code of Conduct.
<b>MATERIAL TOPICS</b>					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	40			
	3-2 List of material topics	14, 40			
<b>GOVERNANCE</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	16, 33, 40			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	33			
	201-2 Financial implications and other risks and opportunities due to climate change	49-51			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	18, 42			
	205-2 Communication and training about anti-corruption policies and procedures	35, 41			Kinnevik's Code of Conduct covers anti-corruption and is communicated to all employees and Board members. Kinnevik conducts mandatory annual Code of Conduct training for all employees. The Code of Conduct is shared with all relevant suppliers on a yearly basis whereby their obligation to comply with the policy is clarified. Given that most of Kinnevik's direct suppliers are large professional services firms, we do not perform further supply chain compliance activities at Kinnevik level. There is no data available on how many employees in the portfolio companies have received anti-corruption training.
	205-3 Confirmed incidents of corruption and actions taken	41			

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION - PAGE NUMBER	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>ENVIRONMENT</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	16, 20, 40			
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	25	304-2 b	No available data	Kinnevik has not yet assessed its significant direct and indirect positive and negative impacts with reference to species affected, extent of areas impacted, duration of impacts and reversibility or irreversibility of the impacts.
GRI 305: Emissions 2016	305-1 Direct (scope 1) GHG emissions	20-21			Company-owned/ leased vehicles
	305-2 Energy indirect (scope 2) GHG emissions	20-21			Power consumption and district heating
	305-3 Other indirect (scope 3) GHG emissions	20-22			Primarily Kinnevik's business trips and portfolio companies' emissions
	305-4 GHG emissions intensity	20			
	305-5 Reduction of GHG emissions	20-21, 23-24			
<b>SOCIAL</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	28-30, 40, 41			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	30			
	401-3 Parental leave	30			
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	29			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	29			
<b>ACTIVE OWNERSHIP</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	16, 18			
GRI-FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	16, 18, 42			All potential new investments into private companies are subject to a sustainability due diligence based on the Kinnevik Standards, which includes environmental and social issues.
GRI-FS11	Percentage of assets subject to positive and negative environmental or social screening	16, 18			All potential new investments into private companies are subject to a sustainability due diligence based on the Kinnevik Standards, which includes positive and negative environmental and social screening.
SASB: Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	29			Kinnevik measures gender representation on all levels and ethnic minority background for all employees (on voluntary and anonymous basis).
SASB: Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulation	-			Kinnevik did not sustain any monetary losses in the reporting period as a result of legal proceedings associated with the conduct described.
	Description of whistleblower policies and procedures	41			Kinnevik has an external whistleblowing service managed by the external party WhistleB.
SASB: Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	16			Sustainability, including environment, social aspects and governance, is an integral part of our business model and investment process.



# SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

Below is an overview of the Sustainability Accounting Standards Board (SASB) standards relevant to Kinnevik's industry (Asset Management & Custody Activities) and page number where the information can be found in Kinnevik's Sustainability Report 2022.

**Table 1. Sustainability Disclosure Topics & Accounting Metrics**

TOPIC	ACCOUNTING METRIC	CODE	COMMENT	PAGE
Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-AC-270a.1	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	FN-AC-270a.2	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
	Description of approach to informing customers about products and services	FN-AC-270a.3	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	FN-AC-330a.1	Kinnevik measures gender representation on all levels and ethnic minority background for all employees (on voluntary and anonymous basis).	29
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	FN-AC-410a.1	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	FN-AC-410a.2	Sustainability, including environment, social aspects and governance, is an integral part of our business model and investment process.	16
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-AC-510a.1	Kinnevik did not sustain any monetary losses in the reporting period as a result of legal proceedings associated with the conduct described.	-
	Description of whistleblower policies and procedures	FN-AC-510a.2	Kinnevik has an external whistleblowing service managed by the external party WhistleB.	41
Systemic Risk Management	Percentage of open-end fund assets under management by category of liquidity classification	FN-AC-550a.1	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	FN-AC-550a.2	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
	Total exposure to securities financing transactions	FN-AC-550a.3	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
	Net exposure to written credit derivatives	FN-AC-550a.4	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-

**Table 2. Activity Metrics**

ACTIVITY METRIC	CODE	COMMENT	PAGE
(1) Total registered and (2) total unregistered assets under management (AUM)	FN-AC-000.A	The metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
Total assets under custody and supervision	FN-AC-000.B	The metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-

# AUDITOR'S LIMITED ASSURANCE REPORT ON KINNEVIK AB'S SUSTAINABILITY REPORT

**TO KINNEVIK AB (PUBL), CORPORATE IDENTITY NUMBER 556047-9742**

## Introduction

We have been engaged by the Board of Directors and Executive Management of Kinnevik AB (publ) to undertake a limited assurance engagement of Kinnevik AB's Sustainability Report for the year 2022. Kinnevik AB has defined the scope of the Sustainability Report to page 12-55 in this document.

## Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with applicable criteria, as explained on page 52-54 in the Sustainability Report, that are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or mistakes.

## Auditor's Responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have per-

formed. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. A limited assurance engagement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Kinnevik AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

## Conclusion

Based on the limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

Stockholm, 3 April 2023

KPMG AB

**Mårten Asplund**

Authorised Public Accountant

**Torbjörn Westman**

Special member of FAR

# BOARD REPORT

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# BOARD OF DIRECTORS' REPORT

Kinnevik's ambition is to be Europe's leading listed growth investor. We back the best digital companies for a reimagined everyday and to deliver significant returns. We understand complex and fast-changing consumer behaviours, and have a strong and expanding portfolio in healthcare, software, marketplaces and climate tech. As a long-term investor, we strongly believe

that investing in sustainable business models and diverse teams will bring the greatest returns for shareholders. We back our companies at every stage of their journey and invest in Europe, with a focus on the Nordics, and in the US. 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.

Kinnevik's registered address is Skeppsbron 18, Box 2094, SE-103 13 Stockholm, Sweden. The company's corporate registration number is 556047-9742.

Five-year summary (SEKm)	2022	2021	2020	2019	2018
Equity	52 906	72 391	111 671	73 295	70 503
Equity/assets ratio, %	92%	92%	96%	94%	95%
Net cash/(Net debt)	10 387	5 384	4 817	-930	-2 887
Debt/equity ratio, multiple	0.07	0.07	0.03	0.07	0.04
Net asset value	52 906	72 391	111 671	73 295	70 503
Net asset value per share, SEK	189	260	402	265	256
Net asset value change	-27%	16%	52%	31%	-22%
Kinnevik market capitalization	40 191	90 246	115 929	63 232	58 728
Market price Class B share at 31 December, SEK	144	324	417	229	213
NAV Premium / (Discount)	-24%	25%	4%	-14%	-17%
Cash dividend per share, SEK	-	-	7.00	-	8.25
Dividend in kind per share, SEK, accounting	-	196.22		60.09	15.36
Dividend in kind per share, SEK, for TSR purpose		172.75		56.22	15.53
Total shareholder return %	-56%	29%	85%	40%	-16%
Fair value, Value-Based Care	8 342	11 594	8 208	3 545	500
<i>Share of portfolio value</i>	19%	17%	8%	5%	1%
Fair value, Virtual Care	2 507	5 534	12 302	2 968	700
<i>Share of portfolio value</i>	6%	8%	11%	4%	1%
Fair value, Platforms & Marketplaces	5 943	6 717	53 255	33 539	19 981
<i>Share of portfolio value</i>	14%	10%	50%	45%	27%

Five-year summary (SEKm)	2022	2021	2020	2019	2018
Fair value, Software	8 320	10 530	1 527	1 361	730
<i>Share of portfolio value</i>	19%	16%	1%	2%	1%
Fair value, Consumer Finance	2 538	2 646	1 399	1 698	1 355
<i>Share of portfolio value</i>	6%	4%	1%	2%	2%
Fair value, Early Bets & New Themes	2 965	1 414	752	347	353
<i>Share of portfolio value</i>	7%	2%	1%	0%	0%
Fair value, Emerging Markets	1 005	4 631	9 523	5 332	28 635
<i>Share of portfolio value</i>	2%	7%	9%	7%	39%
Fair value TMT	11 752	24 240	20 450	25 440	21 172
<i>Share of portfolio value</i>	27%	36%	19%	34%	29%
Total Portfolio value	43 385	67 541	107 556	74 230	73 430
Change in fair value of financial assets (incl. dividends received)	-19 318	14 958	41 539	21 879	-13 297
Profit/loss for the year	-19 519	14 777	40 274	21 572	-13 656
Earnings per share, after dilution	-69.83	53.12	145.22	78.02	-49.58
Cash flow from operations (excluding dividend received)	-359	-376	-362	-271	-316
Cash flow from investments in financial assets	-5 954	-6 014	-2 170	-4 586	-2 710
Cash flow from sale of shares and other securities	7 335	5 799	8 383	6 162	1 589
Dividends received	3 538	1 689	1 689	2 907	1 887
Cash dividend paid	-	-44	-1 928	-2 271	-2 270
Cash flow for the year	3 350	2 955	3 702	3 401	-1 312

For definitions of financial key ratios, refer to page 118.

The financial statements were approved by the Board of Directors on 3 April 2023 and the Board of Directors and the CEO hereby present the annual report and consolidated financial statements for the 2022 financial year. The balance sheets and the income statements for the Group and the Parent Company will be presented for adoption at the Annual General Meeting on 8 May 2023.

The consolidated accounts comprise only subsidiaries that only own shares in investee companies or provide services mainly to the Parent Company. Other subsidiaries are valued at fair value through the income statement.

The figures in this report pertain to the full-year 2022. The figures in parentheses pertain comparative figures for 2021 unless otherwise stated.

#### KEY EVENTS DURING 2022

During full-year 2022, we deployed a total of SEK 5.7bn in capital split SEK 2.1bn into follow-on investments, SEK 3.4bn into nine new investments, and SEK 256m into fund partnerships.

We released more than SEK 7.0bn primarily from Tele2 and Teladoc during the first half of 2022, meaning net investments amount to a positive inflow of SEK 1.3bn during the year.

Our Net Asset Value amounted to SEK 52.9bn or 189 per share at the end of 2022, down by SEK 19.5bn or 27% compared to one year ago and our net cash amounted to SEK 10.4bn, corresponding to 24% of portfolio value and 20% of Net Asset Value by year-end.

In 2022, the valuations of publicly listed growth companies contracted materially, leading to material write-downs of many of our private investments. The average underlying write-down of our private investments amounted to around 50% when excluding companies that raised new financing towards the end of 2022. Beneath this material downward revision, however, operational progress was in general strong across the portfolio. Our companies grew revenues by around 100% on average in

both 2021 and 2022, effectively quadrupling in scale.

During the last five years, Kinnevik has been on a transformational journey. We ended 2022 with almost 70 percent of our portfolio being invested in private growth companies and a SEK 10.4bn net cash position, compared to 10 percent and a SEK 1.1bn net debt position at the end of 2017. This transformation is the result of value creation and capital reallocation. Despite this year's write-downs and the considerable amount of capital we have deployed during 2021-22, the portfolio we started building in 2018 has generated an IRR of around 30 percent since inception.

During 2022, Kinnevik received double recognition for our leadership in sustainability - we were the only firm awarded the highest category in Honordex Inclusive Index Report 2022, and one of the top performing companies in Sweden in a sustainability ranking by Lund University.

#### CONSOLIDATED EARNINGS

The change in fair value of financial assets, including dividends received, amounted to a loss of SEK 19,318m (profit of 14,958) for the year of which a loss of SEK 10,876m (loss of 1,640) was related to listed holdings and a loss of SEK 8,442m (profit of 16,598) was related to unlisted holdings.

The administration costs amounted to SEK 371m (319). The increase is mainly explained by a decrease of value of outstanding long-term options in 2021 and higher investment activity in 2022. The increased financial net from SEK 134m to SEK 160m is mainly attributable to revaluation of SWAP agreements partly offset by decreased value of short term investments in Money Market funds and foreign currency differences.

#### CASH FLOW AND INVESTMENTS

The Group's cash flow from operating activities amounted to SEK 3,179m (1,313) during the year, of which dividends received amounted to SEK 3,538m (1,689). Paid investments in shares and

other securities amounted to SEK 5,954m (6,014) and divestments of shares and other securities contributed to the cash flow by SEK 7,335m (5,799), see Note 6 for the Group for more details.

#### LIQUIDITY AND FINANCING

The net interest bearing assets amounted to SEK 10,720m and Kinnevik was in a net cash position of SEK 10,387m as at 31 December 2022.

Kinnevik's total credit facilities amounted to SEK 8,630m as of 31 December 2022, of which SEK 5,000m in unutilized revolving credit facilities and SEK 3,500m in outstanding bonds with maturities in 2025-28.

During the first quarter, SEK 1,210m in bonds matured and were repaid.

The Group's available liquidity, including short term investments and available unutilized credit facilities, totalled SEK 19,264m as at 31 December 2022 (SEK 15,869m as at 31 December 2021). For more information about the interest-bearing liabilities, see Note 10 for the Group.

Borrowing primarily occurs in SEK and the Group's cash flows in foreign currencies pertain mainly from investment and divestment activities.

#### RISKS AND UNCERTAINTIES

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 managed by Kinnevik's finance function and 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 its investment portfolio, changes in currency and interest rates, and financing risks.

Operational risks at the investee-level are managed within a

risk management framework established by the Board of Directors, and takes into account Kinnevik's ability to influence and exposure to the respective investee company.

Contracting valuations and a more difficult fundraising environment had a significant negative impact on Kinnevik's Net Asset Value in 2022. With measures taken to improve investee profitability and prolong runways, Kinnevik's investee companies are entering 2023 with more resilient financial plans. This combined with Kinnevik's own solid financial position, long-term view, and active ownership approach, enables Kinnevik to remain firmly focused on the continued execution of our strategy.

For a more detailed description of Kinnevik's risks and uncertainties, as well as risk management, refer to Note 17 for the Group.

#### PARENT COMPANY

The main financial items 2022 for the Parent Company were the following:

- Administration costs: SEK -331m (-310)
- Result from subsidiaries: SEK -14,492m (positive 9,346)
- Profit after financial items: SEK -16,684m (positive 8,617)

During the year, the Parent Company paid shareholders' contributions to subsidiaries totalling SEK 6,033m (2,559) to finance reallocation of portfolio companies between subsidiaries as well as external investments.

Payback of shareholders' contribution and dividends received from subsidiaries amounted to SEK 46,344m (25,980) and the net of write-downs and reversed write-downs of shares in subsidiaries and other portfolio companies amounted to SEK -59,934m (14,456) due to change in value as well as decreased capital through dividends paid.

#### SHARE CAPITAL

As of 31 December 2022, the number of shares in Kinnevik AB amounted to 280,154,247, of which 33,755,432 are class A shares carrying ten votes each, 242,683,858 are class B shares carrying one vote each and 3,714,957 are reclassifiable, sub-ordinated, incentive shares held by the participants in Kinnevik's long-term incentive plan launched in 2018-2022 (of which 77,940 shares from LTIP 2022 held in treasury).

The total number of votes for outstanding shares amounted at 31 December 2022 to 583,875,062, excluding 78,073 votes from treasury shares.

During April, 264,532 Class B shares were issued to cover dividend compensation related to Kinnevik's long term incentive programs. In addition, and similar to LTIP 2021, a new issue of 1,212,450 reclassifiable, subordinated, incentive shares, divided into two classes, to the participants in Kinnevik's long-term share incentive plan resolved on by the AGM on 9 May 2022 were registered by the Swedish Companies Registration Office (Sw. Bolagsverket) during June 2022. During July, 265,742 incentive shares from LTIP 2019 were converted to Class B shares.

As per 31 December 2022, there were two shareholders owning shares representing more than 10% of the total number of the votes in the company; Verdere S.à.r.l. with 19.1% and Alces Maximus LLC with 11.6%. To the knowledge of the Board, there are no shareholder agreements or share associations in Kinnevik.

#### GUIDELINES FOR REMUNERATION FOR SENIOR EXECUTIVES

The principles and guidelines for remuneration for senior executives approved by the 2020 Annual General Meeting shall be in force until 2024 or until new guidelines are adopted by the General Meeting. The Board will not propose any changes to the guidelines ahead of the 2023 Annual General Meeting.

For the detailed principles and guidelines and remuneration for the Senior Executives paid out during 2022, please refer to Note 16 for the Group.

#### CAPITAL ALLOCATION FRAMEWORK

Our expectations are to:

- Invest half of our capital into new investments, and the other half into follow-on investments in our existing portfolio
- Add up to eight new companies per year
- Continue to evolve our thematic and sectorial focus
- Seek to build an adequate level of influence in our companies, rather than specific ownership stakes
- Build and maintain a portfolio across different stages of maturity, with 10-20 companies making up the lion's share of portfolio value

#### 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.

##### Shareholder remuneration policy

Kinnevik will generate shareholder returns primarily through capital appreciation, and will seek to return excess capital generated by its investments to shareholders through extra dividends.

## Outcome in 2022

Area	Target	Outcome 2022
Return	Annual TSR of 12-15% over the business cycle <sup>1)</sup>	-56% (1 years) +5% (5 years) +13% (10 years)
Leverage	Low leverage	No leverage

<sup>1)</sup> TSR is calculated on the assumption that shareholders have reinvested all cash dividends and dividends in kind into the Kinnevik share.

## SUSTAINABILITY REPORT

A sustainability report that describes Kinnevik's work with sustainable value creation is provided on pages 12-55 and also on the company's website at [www.kinnevik.com](http://www.kinnevik.com).

## ORGANISATION

In September, Kinnevik appointed Samuel Sjöström as Chief Financial Officer from 1 November 2022, replacing Erika Söderberg Johnson who moved into a role as Senior Advisor.

## FUTURE DEVELOPMENT

In 2023, we expect to invest around SEK 5bn split roughly 50/50 between new investments and follow-on investments into the existing portfolio.

The Group's future development depends mainly on the performance of our current and future investee companies. In addition, financial markets can have a significant impact on the Group's reported earnings and position.

The Board of Directors of Tele2 has recommended a total dividend of SEK 6.80 per share for the financial year 2022 which corresponds to an aggregate expected dividend to Kinnevik amounting to SEK 936m.

## PROPOSED TREATMENT OF UNAPPROPRIATED EARNINGS

The following amounts in SEK are at the disposal of the Parent Company's Annual General Meeting:

Retained earnings	45,246,817,348
Share premium	1,615,929,594
<b>Total</b>	<b>46,862,746,942</b>

The Board and the CEO propose that the unappropriated earnings and share premium at the disposal of the Annual General Meeting be disposed of as follows:

In line with Kinnevik's shareholder remuneration policy, the Board of Kinnevik does not propose an ordinary dividend for the financial year 2022.

In accordance with § 4 of the Articles of Association and the terms of Kinnevik's long-term incentive plans for 2018 and 2020, the Board proposes a dividend payment as compensation to participants in Kinnevik's long-term incentive plan 2018 and 2020 for paid dividends and other value transfers since 2018 and 2020, respectively, of SEK 212.41 per share of Class G 2018 and SEK 106.48 per share of Class C1 2020 and Class C2 2020 for which the performance condition for each of the incentive share classes has been fulfilled during 1 April 2018 - 31 March 2023 and 1 April 2020 - 31 March 2023, respectively. The size of such compensation will amount to in total SEK 101m, assuming maximum fulfillment of the performance conditions for each incentive share class.

Kinnevik's remaining retained earnings and share premium is accordingly to be carried forward.

# CORPORATE GOVERNANCE REPORT

Corporate Governance in the Kinnevik Group is based on Swedish legislation and generally accepted sound practice on the securities market. Kinnevik applies the Swedish Corporate Governance Code (the "Code")<sup>1)</sup>.

During 2022, Kinnevik did not deviate from the Code.

## ANNUAL GENERAL MEETING

The Swedish Companies Act (2005:551) (the "Swedish Companies Act") and the Articles of Association determine how the notice to the Annual General Meeting and extraordinary general meetings shall occur, and who has the right to participate in and vote at such meetings. There are no restrictions on the number of votes each shareholder may cast at the general meeting. Class A shares entitle to ten votes, whereas other shares entitle to one vote. Upon a resolution of the Board, distance participation and voting at general meetings is possible.

Information on major shareholders in the Company is provided on page 54 and on our webpage [www.kinnevik.com](http://www.kinnevik.com).

## NOMINATION COMMITTEE

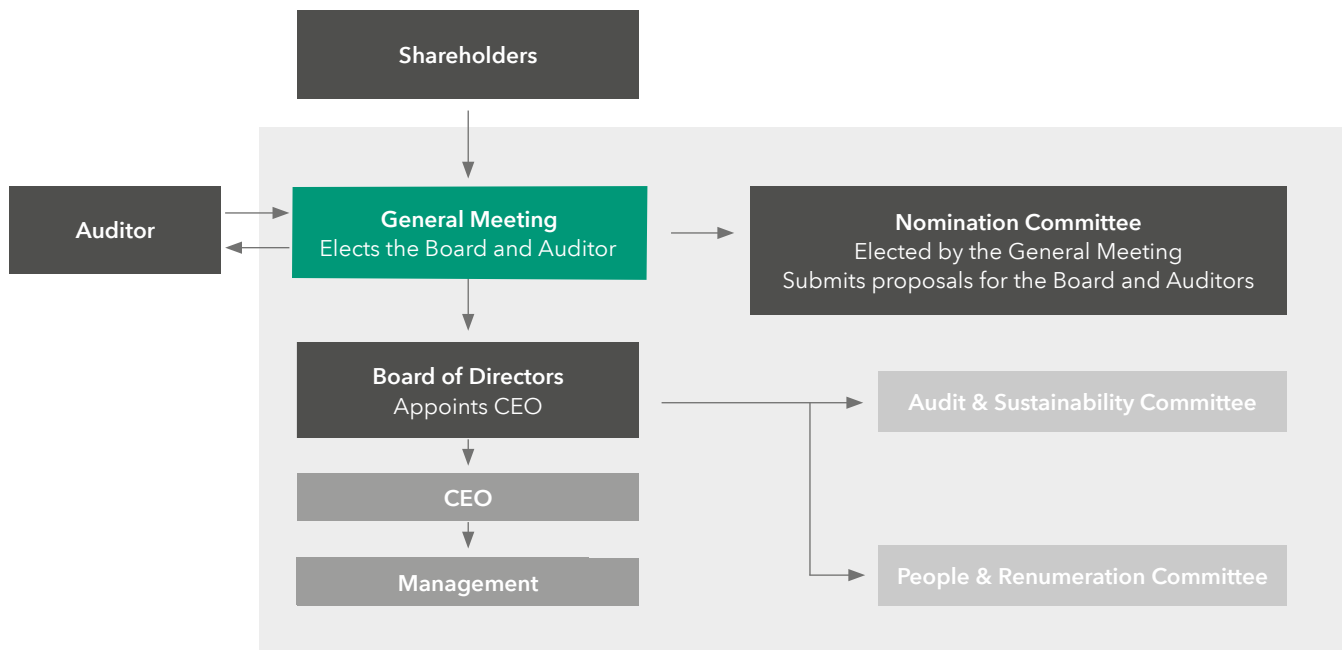
In accordance with the procedural guidelines for the Nomination Committee adopted at the 2021 Annual General Meeting, the Nomination Committee is elected by the Annual General Meeting for the period until a subsequent General Meeting has elected new members. The Nomination Committee consists of a maximum of five members including the Chairman of the Board, proposed by the Nomination Committee and submitted to the Annual General Meeting. The Nomination Committee shall contact the largest shareholders, or groups of shareholders, measured by voting rights, as of the last trading day in February and invite them to propose members to the Nomination Committee to be elected by the Annual General Meeting. The composition of the Nomination Committee shall reflect not only ownership, but also diversity of mentality, mindset, geographical experience and a balance of business and investment expertise.

In accordance with the procedural guidelines, the 2022 Annual General Meeting elected a Nomination Committee consisting of Anders Oscarsson, nominated by AMF, Hugo Stenbeck, nominated by Alces Maximus LLC, Marie Klingspor, and Lawrence Burns, nominated by Baillie Gifford, and the Chairman of the Board, James Anderson. Anders Oscarsson was elected Chairman of the Nomination Committee.

The Nomination Committee's task is to prepare proposals for the Board of Directors and auditors, in the event auditors shall be elected, and fees to the Board of Directors and auditors, a proposal for the Chairman of the Annual General Meeting as well

as any changes to the procedure for the Nomination Committee ahead of the 2023 Annual General Meeting.

In its work, the Nomination Committee applies rule 4.1 of the Code as its diversity policy. The Committee believes the composition of the Board is fit-for-purpose in respect of several dimensions of diversity, enjoying a strong mix of individuals with Swedish and international backgrounds and a broad range of geographical exposure and investment know-how from predominantly growth businesses. The Committee is committed to continue its efforts to compose the most competent Board, capable of capturing Kinnevik's full potential. 60% of the Board members elected



<sup>1)</sup> The Code is available on <https://www.bolagsstyrning.se>.



by the 2022 Annual General Meeting are women. Further information may be found in the Nomination Committee's motivated statement regarding its proposals to the 2022 Annual General Meeting.

### AUDITORS

According to the Articles of Association, the Company shall have not more than three auditors, with not more than three deputies, or a registered audit firm. At the 2021 Annual General Meeting, the registered accounting firm KPMG AB was elected as new Auditor until the end of the 2022 Annual General Meeting and at the 2022 Annual General Meeting they were re-elected until the end of the 2023 Annual General Meeting. The authorized public accountant Mårten Asplund, born 1972, is auditor-in-charge. The auditor's independence is ensured by legislation and professional ethics and the audit firm's internal guidelines, as well as by adhering to the Audit Committee's guidelines governing the type of assignments that the audit firm may conduct in addition to the audit. Information regarding audit fees is provided in the Annual Report's Note 12 for the Group and Note 5 for the Parent Company, Auditors' Fees.

### BOARD OF DIRECTORS AND SENIOR EXECUTIVES

Board members are elected at the Annual General Meeting for a period ending at the close of the next Annual General Meeting. The Articles of Association contains no restrictions pertaining to the eligibility of Board members. According to the Articles of Association, the number of Board members can be no less than three and no more than twelve members elected by shareholders.

At the 2022 Annual General Meeting, following a proposal by the Nomination Committee, James Anderson, Susanna Campbell, Harald Mix, Cecilia Qvist and Charlotte Strömberg were re-elected members of the Board. The Annual General Meeting further re-elected James Anderson as Chairman of the Board.

## BOARD AND COMMITTEE COMPOSITION

Board Director	Position	Audit & Sustainability Committee	People & Remuneration Committee
Susanna Campbell	Member	Member	Member
Charlotte Strömberg	Member	Chairman	-
Cecilia Qvist	Member	Member	-
James Anderson	Chairman	-	Chairman
Harald Mix	Member	-	Member
Brian McBride	Member (until April 2022)	Member (until April 2022)	-

## BOARD AND COMMITTEE MEETING ATTENDANCE

Board Director	Board	Audit & Sustainability Committee	People & Remuneration Committee
Susanna Campbell	9/10	8/10	5/5
Charlotte Strömberg	10/10	10/10	-
Cecilia Qvist	9/10	9/10	-
James Anderson	10/10	1/1	5/5
Harald Mix	10/10	-	5/5
Brian McBride (until April 2022)	3/3	5/5	-

The independence of Board members in relation to the Company and its management, and to the major shareholders of the Company, is specified on pages 66-67. None of the Board members are employed within the Group. Per end of 2022, Senior Executives in Kinnevik included Chief Executive Officer Georgi Ganev, Chief Financial Officer Samuel Sjöström, Director of Corporate Communications Torun Litzén, Senior Investment Director Natalie Tydeman, Senior Investment Director Andreas Bernström, Chief People & Platform Officer Anna Stenberg and General Counsel Mattias Andersson. For information about Senior Executives, please see [www.kinnevik.com](http://www.kinnevik.com) and Note 16 for the Group, Personnel.

#### BOARD WORK

Kinnevik's Board of Directors is responsible for the overall strategy of the Group and for organizing its administration in accordance with the Swedish Companies Act. The Board's work and delegation procedures, instructions for the Chief Executive Officer, and reporting instructions are updated and approved at least annually following the Annual General Meeting.

Significant issues addressed by Kinnevik's Board during 2022 include the sell-down of a 7.2 percent stake in Tele2, Kinnevik's corporate and portfolio strategy and capital reallocation plans, including material investments and divestments. As the basis for discussions concerning investee companies, Kinnevik's management presented independent analyses of certain companies' strategies, operations and future opportunities within the markets in which they are active. Furthermore, Chief Executive Officers of several unlisted investee companies held presentations and discussions with the Kinnevik Board.

Compliance with laws and regulations, responsibility and market confidence in Kinnevik are some of the key issues which the Board actively focuses on. Kinnevik's Code of Conduct and Sustainability Policy, both adopted by the Board, describes

Kinnevik's policy on issues pertaining to social responsibility, environmental considerations, governance and ethics.

In 2022, a People & Remuneration Committee and Audit & Sustainability Committee have been established within the Board. These committees are preparatory bodies of the Board and do not reduce the Board's overall responsibility for the governance of the Company and decisions taken. The General Counsel and Company Secretary, Mattias Andersson, is responsible for ensuring that rules of procedure are complied with, and all Board members can turn to the Secretary for advice and assistance in their Board work.

During 2022, Kinnevik's Board of Directors held ten meetings (including the constituent meeting), of which three were extra meetings to discuss larger investments.

#### EVALUATION OF THE WORK OF THE BOARD OF DIRECTORS

The Board complies with an annual performance review process to assess how well the Board, its committees and processes are functioning and how they might be improved. In certain years and upon request by the Board or Nomination Committee, a more extensive Board evaluation is undertaken either by an independent Board member or an external consultant.

The evaluation of the Board's work during 2022 was conducted by an external consultant by way of a questionnaire and individual interviews with the Board members and the CEO, covering areas such as the Board's performance against its key duties, the Board's composition and process, information and reporting, culture, strategy as well as the performance of individual Board members. The results of the evaluation were presented by the external consultant to the Board and to the Nomination Committee.

#### PEOPLE & REMUNERATION COMMITTEE

The People & Remuneration Committee's assignments are stipulated in Rule 9.1 of the Code, and comprise issues concerning

salaries, pension terms and conditions, incentive programs and other conditions of employment for the senior executives. Further, the People & Remuneration Committee oversees Kinnevik's relevant talent and performance processes including succession planning. The remuneration guidelines applied in 2022 are presented in Note 16 for the Group, Personnel. The People & Remuneration Committee shall strive to meet not less than twice a year, and more frequently as required. Minutes are kept at the People & Remuneration Committee's meetings and are reported to the Board at its next meeting.

#### AUDIT & SUSTAINABILITY COMMITTEE

The Audit & Sustainability Committee's assignments are stipulated in Chapter 8, Section 49b of the Swedish Companies Act and Rule 7.2 of the Code. These tasks include monitoring the Company's financial reporting and the efficiency of the Company's internal controls, as well as maintaining frequent contacts with the external auditors. The Audit & Sustainability Committee's work primarily focuses on the quality and accuracy of the Group's financial accounting and the accompanying reporting, in particular as it relates to the assessed valuations of Kinnevik's unlisted investments, as well as the internal financial controls within the Group. Furthermore, the Audit & Sustainability Committee evaluates the auditors' work, qualifications and independence. The Audit & Sustainability Committee monitors the development of relevant accounting policies and requirements, discusses other significant issues connected with the Company's financial reporting and reports its observations to the Board. The Committee also assists the Board in monitoring the governance structures of Kinnevik's investee companies, Kinnevik's risk management process and compliance with laws, regulations, codes of conduct and sustainability, including Kinnevik's sustainability framework and efforts. The Audit & Sustainability Committee shall meet not less than four times annually, and typically meets ten times per

year. Minutes are kept at the Audit & Sustainability Committee's meetings and are reported to the Board at its next meeting.

#### **THE BOARD'S DESCRIPTION OF INTERNAL CONTROL PERTAINING TO THE FINANCIAL REPORTING FOR THE 2021 FINANCIAL YEAR**

The Board is responsible for internal control in accordance with the Swedish Companies Act and the Code. This description has been prepared in accordance with the Code's Rule 7.3 and 7.4, and Chapter 6, Section 6 and Chapter 7, Section 31 of the Annual Accounts Act (1995:1554), and is thus restricted to the internal control pertaining to the financial reporting.

#### **CONTROL ENVIRONMENT**

The purpose of the Board of Directors' rules of procedure and instructions for the Chief Executive Officer and Board Committees is to ensure a distinct division of roles and responsibility that promotes the efficient management of operational and financial risks. The Board has also adopted a number of fundamental guidelines of significance to activities involving internal controls, which are described in Kinnevik's Policy and Procedure Manual and include instructions governing the financial reporting of results, authorization procedures, purchasing policies, investment policies, accounting principles, financial risk management and internal audits. The Company's management reports regularly to the Board in accordance with established procedures. In addition, the Audit & Sustainability Committee report on its work. The Company's management is responsible for the system of internal controls required for managing risks associated with ongoing operations. This includes guidelines for the employees to ensure that they understand the importance of their particular roles in efforts to maintain efficient internal control. The Company's operational and financial risks are reported each quarter to the Board, including an analysis of their consequences and financial

impact in the event of them materializing, and how and who exercises ongoing control over each risk and how these can be mitigated in part or in full.

#### **RISK ASSESSMENT AND CONTROL ACTIVITIES**

Kinnevik has implemented a model for assessing the risk of errors in accounting and the financial reporting. The most significant items and processes in which the risk of significant errors can typically arise encompass financial assets and instruments in the income statement and balance sheet, and the investment process. Kinnevik has established documented work routines and continuously evaluates how well the controls function in relation to these items and processes operate.

#### **INTERNAL AUDITS & THIRD PARTY REVIEWS**

The Board of Directors evaluates the need for a separate internal audit function on a yearly basis. Kinnevik does not currently have a separate internal audit function, taking into account the size of the company's operations. Instead Kinnevik, on instructions from the Audit & Sustainability Committee, engages internal auditors to follow up and evaluate work relating to inter alia valuations of unlisted investments, risk management and internal control. The internal auditors report the results of their examination in the form of written reports to the Audit & Sustainability Committee. During 2022, Kinnevik procured a third party review of Kinnevik's methods for valuing its larger unlisted investments as at 31 March 2022 without remarks.

#### **INFORMATION AND COMMUNICATION**

Kinnevik's Policy and Procedure Manual and other guidelines of importance to financial reporting are updated at least once annually. Both formal and informal information channels to the Company's management and Board of Directors are available for internal communication. For external communication, guide-

lines have been compiled in an Information Policy ensuring the Company complies with the demands for timely and accurate information to market participants and other various constituencies, such as shareholders, Board members, employees and suppliers.

#### **FOLLOW-UP**

The Board of Directors continuously evaluates the information provided by management, the Audit & Sustainability Committee and the People & Remuneration Committee. The work to monitor the efficiency of management's efforts in this area is of particular importance to the follow-up of internal controls. This work includes ensuring that action is taken concerning those shortcomings and proposed measures that result from external and internal audits.

# BOARD OF DIRECTORS

## James Anderson Chairman

**Born:** 1959

**Nationality:** UK citizen.

**Independence:** Independent of the Company and management and independent of major shareholders.

**Direct or related person ownership:** 550,000 class B shares.

**Committee work:** Chairman of the People & Remuneration Committee.

James Anderson was elected Chairman of the Board of Kinnevik in 2021. James became partner at Baillie Gifford in 1987 and led the European Equity Team and co-founded the Long Term Global Growth Strategy in 2003 and Chaired the International Growth Portfolio Construction Group 2003-2019, including as co-manager of the Vanguard International Growth Fund. He was also manager of Scottish Mortgage Trust during 2000-2015 and joint manager 2015-2022. James is currently trustee at Johns Hopkins University and member of the Investment Committee, Senior advisor to the Board of Antler Group and Chair of Panmure House Prize Panel, and member of the investment committee of University College, Oxford. He has studied at the universities of Oxford, Carleton and Johns Hopkins.



## Susanna Campbell Board director

**Born:** 1973

**Nationality:** Swedish citizen.

**Independence:** Independent of the Company and management and independent of major shareholders.

**Direct or related person ownership:** 4,000 class B shares.

**Committee work:** Member of the Audit & Sustainability Committee, member of the People & Remuneration Committee.

Susanna Campbell was elected a Director of the Board of Kinnevik in 2019. She serves as Chairman of Network of Design and is a Board member of Indutrade, Northvolt, Estrid and H2 Green Steel, as well as Senior Advisor of Norrskan VC. Between 2012-2016, she was the Chief Executive Officer of Swedish investment firm Ratos, having joined the company in 2003 from McKinsey & Co. Susanna holds an MSc from Stockholm School of Economics.



## Harald Mix Board director

**Born:** 1960

**Nationality:** Swedish citizen.

**Independence:** Independent of the Company and management and independent of major shareholders.

**Direct or related person ownership:** 25,000 Class A-shares.

**Committee work:** Member of the People & Remuneration Committee.

Harald Mix was elected Director of the Board of Kinnevik in 2021. He worked in management consulting and private equity at Booz Allen & Hamilton and at First Boston in New York before returning to Europe in 1990. He began his private equity career in 1990 and was one of the co-founders of the Swedish private equity firm Industri Kapital where he was active until late 2001. Harald Mix later co-founded Altor Equity Partners in 2003 where he currently is the CEO. He is also Board member of Nordic Leisure Travel Group, Carneo AB and Carnegie Investment Bank and Chairman of H2 Green Steel. Harald Mix graduated in 1983 from Brown University, Rhode Island, and from Harvard Business School in 1987.



## Charlotte Strömberg Board director

**Born:** 1959

**Nationality:** Swedish citizen.

**Independence:** Independent of the Company and management and independent of major shareholders.

**Direct or related person ownership:** 4,000 class B shares.

**Committee work:** Chairman of the Audit & Sustainability Committee.

Charlotte Strömberg was elected a Director of the Board of Kinnevik in 2018. She currently serves as a director of Clas Ohlson AB, Höganäs AB and Lindéngruppen AB and Deputy Chairman of Sofina SA. Charlotte is a member of the Swedish Securities Council, and a co-founder of DHS Venture Partners. She is also independent member of the Nasdaq Stockholm Listing Committee. During 2006-2011, she served as Chief Executive Officer of the Nordic operations of Jones Lang LaSalle. Prior to that, she was Head of Equity Capital Markets, and Head of Investment Banking, at Carnegie Investment Bank. She holds an MBA from the Stockholm School of Economics.



### Cecilia Qvist Board director

**Born:** 1972

**Nationality:** Swedish citizen.

**Independence:** Independent of the Company and management and independent of major shareholders.

**Direct or related person ownership:** 4,000 class B shares.

**Committee work:** Member of the Audit & Sustainability Committee.

Cecilia Qvist was elected a Director of the Board of Kinnevik in 2020. She is currently CEO of Leia Inc. and director of Polarium. Before joining Leia, she was president of LEGO Venures. Prior to joining LEGO she was Global Head of Markets and a senior advisor overseeing global growth strategy at Spotify. Before joining Spotify in 2017, Cecilia held senior positions at Ericsson, Swedbank and NASDAQ. Cecilia holds an MBA from the University of Edinburgh.



### Georgi Ganev CEO

**Born:** 1976

**Nationality:** Swedish citizen.

**Direct or related person ownership:** 263,913 class B shares and 200,000 call options on class B shares, issued by Verdere S.à r.l.

Georgi Ganev has been CEO of Kinnevik since 2018. He is Board member of Tele2, Global Fashion Group, Babylon Health and Reach for Change. Georgi was CEO of Dustin 2012-2017. Prior to Dustin, Georgi was CMO at Telenor Sweden AB between 2010-2012, CEO of Bredbandsbolaget AB 2007-2010 and Sales & Marketing Director and Product Manager at Tele2 2002-2007. Georgi holds a MSc in Engineering in Information Technology from Uppsala University.



# FINANCIAL STATEMENTS

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# GROUP FINANCIAL STATEMENTS

## Consolidated Statement of Comprehensive Income

For the period 1 January-31 December (SEK m)	Note	2022	2021
Change in fair value of financial assets	3	- 22 856	13 269
Dividends received	3	3 538	1 689
Administration costs	16	- 371	- 319
Other operating income		11	10
Other operating expenses		- 1	- 3
<b>Operating profit/loss</b>		<b>- 19 679</b>	<b>14 646</b>
Interest income and other financial income		346	210
Interest expenses and other financial expenses	4	- 186	- 74
<b>Profit/loss after financial net</b>		<b>- 19 519</b>	<b>14 782</b>
Tax	7	0	- 5
<b>Net profit/loss for the year</b>		<b>- 19 519</b>	<b>14 777</b>
<b>Total comprehensive income for the year</b>		<b>- 19 519</b>	<b>14 777</b>
Net profit/loss per share before dilution, SEK		- 69.83	53.12
Net profit/loss per share after dilution, SEK		- 69.83	53.12
Outstanding shares at the end of the year		280 076 174	278 677 265
Average number of shares before dilution		279 503 330	278 177 851
Average number of shares after dilution		279 503 330	278 177 851

## Consolidated Statement of Cash Flow

For the period 1 January-31 December (SEK m)	Note	2022	2021
Dividends received	3	3 538	1 689
Cash flow from operating costs		- 337	- 321
Interest, received		44	0
Interest, paid		- 66	- 55
<b>Cash flow from operations</b>		<b>3 179</b>	<b>1 313</b>
Investments in financial assets	6	- 5 954	- 6 014
Sale of shares and other securities	6	7 335	5 799
<b>Cash flow from investing activities</b>		<b>1 381</b>	<b>- 215</b>
Repayment of loan	6	- 1 210	- 190
Borrowing	6	0	2 000
Sale of treasury shares		0	91
Dividend paid to equity holders of the Parent company		0	- 44
<b>Cash flow from financing activities</b>		<b>- 1 210</b>	<b>1 857</b>
<b>Cash flow for the year</b>		<b>3 350</b>	<b>2 955</b>
Short term investments and cash, opening balance		10 544	7 589
Revaluation of short term investments		-46	0
Short term investments and cash, closing balance		13 848	10 544



## Consolidated Balance Sheet

31 December (SEK m)	Note	2022	2021
<b>ASSETS</b>			
<b>Fixed assets</b>			
Financial assets held at fair value through profit or loss	2,3	43 385	67 541
Tangible fixed assets		44	46
Right of use asset		3	6
Other fixed assets		130	210
<b>Total fixed assets</b>		<b>43 562</b>	<b>67 803</b>
<b>Current assets</b>			
Other current assets		320	240
Short-term investments	8	10 738	6 684
Cash and cash equivalents	8	3 110	3 860
<b>Total current assets</b>		<b>14 168</b>	<b>10 784</b>
<b>TOTAL ASSETS</b>		<b>57 730</b>	<b>78 587</b>

## Consolidated Balance Sheet

31 December (SEK m)	Note	2022	2021
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>	9		
Share capital		28	28
Other contributed capital		8 840	8 840
Retained earnings including net profit/loss for the year		44 038	63 523
<b>Total shareholders' equity</b>		<b>52 906</b>	<b>72 391</b>
<b>Long-term liabilities</b>			
Interest-bearing loans	10	3 488	3 484
Provisions for pensions		18	21
Tax liability	7	923	852
Other liabilities	11	4	10
<b>Total long-term liabilities</b>		<b>4 433</b>	<b>4 367</b>
<b>Short-term liabilities</b>			
Interest-bearing loans	10	0	1 210
Other liabilities	11	391	619
<b>Total short-term liabilities</b>		<b>391</b>	<b>1 829</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>57 730</b>	<b>78 587</b>

## Consolidated Statement of Changes in Equity

	Share capital	Other contributed capital	Retained earnings including net result for the year	Total shareholders' equity
<b>Opening balance 1 January 2021</b>	<b>28</b>	<b>8 840</b>	<b>102 803</b>	<b>111 671</b>
Profit/Loss for the period			14 777	14 777
<b>Total comprehensive income for the year</b>			<b>14 777</b>	<b>14 777</b>
<b>Transactions with shareholders</b>				
Effect of employee share saving programme			36	36
Sale of own shares			91	91
Distribution in kind <sup>1)</sup>			- 54 140	- 54 140
Cash dividend <sup>2)</sup>			- 44	- 44
<b>Closing balance 31 December 2021</b>	<b>28</b>	<b>8 840</b>	<b>63 523</b>	<b>72 391</b>
Profit/Loss for the period			- 19 519	- 19 519
<b>Total comprehensive income for the year</b>			<b>- 19 519</b>	<b>- 19 519</b>
<b>Transactions with shareholders</b>				
Effect of employee share saving programme			34	34
<b>Closing balance 31 December 2022</b>	<b>28</b>	<b>8 840</b>	<b>44 038</b>	<b>52 906</b>

<sup>1)</sup> In accordance with the resolution at the AGM on April 29, 2021, the distribution of the Zalando shares was effected on June 18, 2021. The value corresponds to the fair value at that time in accordance with IFRIC17.

<sup>2)</sup> The AGM 2021 resolved in favor of paying cash dividend compensation to the participants in Kinnevik's long term incentive program from 2018.

# NOTES FOR THE GROUP

## Note 1 Summary of significant accounting policies

### STATEMENT OF COMPLIANCE

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS). Since the Parent Company is a company that is active in the EU, only EU-approved IFRS are applied. The consolidated accounts have also been prepared in accordance with Swedish law, with application of the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting regulations for Groups.

The Parent Company's annual accounts have been prepared in accordance with Swedish law, and with application of the Swedish Financial Reporting Board's recommendation RFR 2 Reporting for legal entities. This means that the IFRS valuation and disclosure rules are applied with the deviations reported in the Parent Company's accounting principles.

Kinnevik meets the criteria for an Investment Entity according to IFRS 10 which provides a better representation of Kinnevik's financial position and performance. This means that also operating subsidiaries are valued at fair value through profit and loss instead of being consolidated.

### NEW STANDARDS THAT HAVE NOT YET STARTED TO BE APPLIED

Kinnevik has not yet reviewed the effects of the change in IAS 1 relating to accounting principles and which is applicable for financial years beginning on January 1, 2023 and later. Of the EU's other approved new and amended standards and interpretation statements from the IFRS Interpretations Committee, none are currently deemed to affect Kinnevik's results or financial position to a significant extent. The same applies to Swedish regulations.

### CLASSIFICATION AS INVESTMENT ENTITY

Kinnevik believes that the Company meets the criteria to qualify as an Investment Entity and the following key considerations were observed in conjunction with the assessment:

- Kinnevik raises capital from its shareholders in order to invest in companies. Kinnevik then support the development of its investee companies in order to generate returns in the form of both dividend yield and value appreciation on the investment. Investments are made both in listed and unlisted companies.
- Kinnevik continually monitors and evaluates its investments in portfolio companies on the basis of fair value.
- Kinnevik currently focuses on investments in a number of different sectors. The company does not have an explicit investment time horizon with regards to the divestment of any particular investment; instead, the investment strategy is assessed on an on-going basis and the focus changes over time.

### HOLDINGS IN SUBSIDIARIES

A subsidiary is a company which the parent company, directly or indirectly, controls or exercises a controlling influence over. An investor has a controlling influence over the investee company when it is exposed to, or has the right to, dividends or other returns resulting from its interest in the investee company and has the ability to influence those returns through its controlling influence over the investee company.

An Investment Entity shall not consolidate its holdings in subsidiaries or apply IFRS 3 Business Combinations when they reach controlling influence except for subsidiaries performing services connected to the Investment Entity's investment activity. Instead, subsidiaries are valued at fair value through profit and loss in accordance with IFRS 9 Financial instruments.

### HOLDINGS IN ASSOCIATED COMPANIES

An associated company is an entity over which the parent company has significant influence, through the ability to participate in decisions concerning the business' financial and operational strategies, but not a controlling influence or joint controlling influence over these strategies. A holding of 20-50% of the voting power (directly or through subsidia-

ries) indicates significant influence. Kinnevik is an Investment Entity. In accordance with IAS 28 Investments in Associates and Joint Ventures, associated companies are valued at fair value through profit and loss in accordance with IFRS 9 Financial Instruments.

### SEGMENT REPORTING

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are reviewed regularly by the entity's chief operating decision maker as a basis for decisions on the allocation of resources to the segment and assessment of its results and for which stand-alone financial information is available. The chief operating decision maker is the function that assesses the performance of the operating segment and makes decisions about resource allocation. Kinnevik considers its chief operating decision maker to be the CEO. In the regular internal reporting to the CEO, results are reported for the investment company as a whole. The CEO does not regularly review the results on a lower level to make decisions about allocation of resources and assess the performance of different parts of the investment company. The investment company is therefore considered one single operating segment.

### BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group as of 31 December each year. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies.

The consolidated financial statements have been prepared on a historical cost basis, except for investments in derivative financial instruments and financial assets valued at fair value through profit or loss. The consolidated statements are presented in Swedish kronor (SEK) and all values are rounded to the nearest million except when otherwise indicated.

The consolidated financial statements include the Parent Company and subsidiaries that serve in a supporting function to the Parent Com-

pany while subsidiaries and associated companies that are investments (investee companies) are not consolidated, but are stated at fair value. Consolidated subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where control of a subsidiary ceases, its results are only included for the part of the reporting year during which the Group had control over the subsidiary.

The consolidated accounts are prepared using the purchase method. The difference between the acquisition value of shares in a subsidiary, excluding the transaction costs which are recognised directly through the income statement, and the fair value of identifiable assets and liabilities of that subsidiary at the time of acquisition is reported as goodwill.

Intercompany transactions, balance sheet items and unrealized gains on transactions between companies are eliminated. Unrealized losses are also eliminated, unless the transaction evidences the need to write down the transferred asset.

#### FOREIGN CURRENCY TRANSLATION

The functional and presentation currency of the Parent Company and its Swedish subsidiaries is Swedish kronor (SEK). Transactions in foreign currencies are initially recorded in the functional currency exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange at the balance sheet date. Realized and unrealized exchange gains/losses on receivables and liabilities of an operating nature are reported in operating income, while exchange rate differences on financial assets and liabilities in foreign currencies are reported among financial items.

As at the reporting date, the assets and liabilities of subsidiaries that have not the same functional currency as the Group (SEK) are translated at the rate of exchange at the balance sheet date. Their income statements are translated at the average exchange rates for the year. The exchange differences arising on the translation are taken in other comprehensive income and as a separate component of equity. On disposal of a foreign

entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the income statement through Other comprehensive income.

Long-term monetary balances between the Parent Company and subsidiaries may be deemed to represent an extension or a contraction of the Parent Company's net investment in the subsidiary. Foreign currency differences arising on such balances are therefore charged as Other comprehensive income as a translation difference.

#### TANGIBLE ASSETS

Tangible assets are recognized at cost less deduction of accumulated depreciation and any impairment. Depreciation is calculated on a straight-line schedule based on the acquisition value of the asset and its estimated useful life. The assets residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year-end.

#### FINANCIAL INSTRUMENTS

Financial assets in Kinnevik's Statement of Financial Position includes Financial assets accounted to fair value through profit or loss, Trade receivables, Other current assets, and Cash and cash equivalents. On the liability side, it includes Interest-bearing loans, Trade payables and partly Other payables.

A financial asset or financial liability is recognized in the balance sheet when the Company becomes a party to the instrument's contractual terms. Accounts receivable are recognized when the invoice is sent. A liability is recognized when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been sent.

A financial asset is derecognized from the balance sheet when the rights in the contract are realized, expired or the Company loses control over them. The same applies for a portion of a financial asset. A financial liability is derecognized from the balance sheet when the obligation in the contract is met or in some other manner is extinguished. The same applies for a portion of a financial liability.

Acquisition and divestment of financial assets are reported on the transaction date, which is the date on which the Company commits to acquire or divest the assets.

#### Classification and measurement

For financial assets classification is based on the characteristics of the contractual cash flows of the asset.

If the financial asset is held with the objective to realize the cash flows from the financial asset by collecting the contractual cash flows over the life of the asset and those cash flows are solely payments of principal and interest on the principal amount outstanding, the asset shall be measured at amortized cost. In all other cases, financial assets are valued at fair value via profit or loss, as the business model for these is to buy and sell in order to make a profit.

Financial instruments allocated to Financial assets accounted to fair value through profit and loss, are initially recognized at fair value (excluding transaction costs). Other financial instruments are initially recognized at cost, which corresponds to the instrument's fair value (including transaction costs).

Financial liabilities are classified as measured at amortized cost, except for financial liabilities, including derivatives, that are liabilities, that are valued at fair value through profit or loss.

Measurement after initial recognition is described under each category below.

#### Financial Assets valued at fair value through profit and loss

Financial assets held at fair value through profit or loss are continuously measured at fair value and value changes are reported in the Income Statement.

Kinnevik's financial assets in this category, including short-term investments and loan receivables are managed and measured on the basis of fair values in accordance with the risk management and investment strategies.

### Financial assets at amortized cost

Loan receivables and other receivables, including cash and cash equivalents, are non-derivative financial assets with defined or definable payments and defined maturities that are not listed on an active market. Loan receivables and other receivables are valued at amortized cost. Trade receivables generally have 30 days terms.

### Derivatives

Kinnevik may occasionally invest in derivatives with the purpose to hedge certain cash flows. One example is interest rate swaps to hedge the interest rate risk relating to the bond financings. From 2018 Kinnevik does not apply hedge accounting and any changes in the value of the derivatives are reported directly in the income statement.

### Financial debt at amortized cost

Financial liabilities not held for trading are measured at accrued acquisition value, which is determined based on the effective interest rate calculated when the liability was assumed. This means that surplus and deficit values as well as direct costs in conjunction with assuming of loans are distributed over the term of the liability. Long-term liabilities essentially consist of amounts that the company at the end of the reporting period has an unconditional right to choose to pay further in time than twelve months after the end of the reporting period. If the company does not have such a right at the end of the reporting period - or holds debt for trading or debt is expected to be settled within the normal business cycle - the debt amount is reported as a current debt.

### Fair value measurement

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial instruments traded on an active market is based on the market prices listed on the closing date. The listed market

price used for the Group's financial assets is the final bid price. For companies with two classes of shares the market price for the most liquid share class is used.

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.

Kinnevik's unlisted holdings are valued using IFRS 13 and the International Private Equity and Venture Capital Valuation Guidelines, where a collective assessment is made to establish the valuation methods and points of reference that are most suitable to determine the fair value of each individual asset. While a valuation in a recent transaction is not applied as a valuation method as such, it typically provides an important point of reference and basis for the valuation of the asset in question, especially as it pertains to Kinnevik's younger investee companies where traditional valuation techniques are less applicable. For new share issues, consideration is taken to whether the newly issued shares have preferential rights, such as liquidation preferences to the company's assets senior to earlier issued shares. Valuation methods include forward or trailing revenue or profit multiples, or discounting future expected cash flows. When performing a valuation based on multiples, consideration is given to differences in size, historic growth, profitability and cost of capital.

The valuation process for Kinnevik's unlisted holdings is led by a valuation team independently from the respective holding's investment manager. Accuracy and reliability of financial information used in the valuations is ensured through continuous contacts with the management of each holding and regular reviews of their accounts. Information and opinions on applicable valuation methods are obtained periodically from investment managers and well-renowned investment banks and audit firms. The valuations are discussed with the CFO and CEO after which a proposal is discussed with the Audit Committee and the external auditors. After their scrutiny and potential adjustments, the valuations are

approved by the Audit Committee and included in Kinnevik's accounts.

Information is provided in Note 2 for the Group per class of financial instruments that are measured at fair value through profit or loss, distributed in the three 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.

### PENSION

The Group has defined benefit plans for some former employees within the Parent Company only. The yearly expenses for these defined benefit plans as well as the premium-based pension benefits are reported in Profit or Loss.

### CASH AND SHARE-BASED LONG TERM REMUNERATION

Kinnevik's long term incentive programs are based on a structure where the participants signs for, and receives, incentive shares which will be reclassified to Kinnevik class B shares in relation to the fulfilment of the terms and conditions after 3 and 5 years, respectively. Kinnevik has subsidized the subscription price which, including social costs, will be accounted for in accordance with IFRS2 during the vesting time period. To compensate for the tax effects arising due to the subsidy of the subscription price, Kinnevik has paid a cash subsidy directly to the relevant tax authorities. This cost, including social costs, was expensed in full when it was paid. Reclassification of the Incentive Shares into Kinnevik Class B shares does not result in any social security costs for Kinnevik.

## OTHER PROVISIONS

Provisions are reported when the Group has a legal or contractual obligation to fulfill the obligation, when it is likely that a payment or some other form of compensation is required to settle the undertaking and a reliable estimate of the amount can be made.

## REVENUE RECOGNITION

Rendering of services - Revenue from the sale of services is recognized at the time the service is rendered to the customer, after deductions for discounts. Interest - Revenue is recognized as the interest accrues to the net carrying amount of the financial assets. Dividends received - Dividends received are recognized when the shareholders' right to receive the payment is assessed as certain.

## INCOME TAX

The total tax on the year's income consists of current and deferred tax. Taxes are stated in the income statement except when the underlying transaction is charged to other comprehensive income or directly against equity, in which case the related tax effect is also stated in equity. Current tax expense is the tax that is to be paid or received for the year in question, plus correction of tax expense for earlier periods. Deferred tax is calculated on the basis of the temporary differences between the book values of assets and liabilities and their value for tax purposes. The amounts are calculated on the basis of how these differences can be expected to be evened out and using the tax rates and rules in effect or announced as of the closing date. The deferred tax asset component of deductible temporary differences and tax loss carry forwards is only recorded in so far as it is likely that these will result in a lower tax payment in the future.

## DIVIDENDS PAID

Cash dividends to shareholders are recorded in the accounting period the dividend is approved. For dividends in kind, the market value of the net assets at the time of distribution is reported as distributed value.

Dividend in kind is valued at fair value at the time of the distribution in accordance with IFRIC 17 - "Distributions of Non-cash Assets to Owners" for the Group. For the Parent Company the dividend is valued at book value of the assets.

## LEASES

The right-of-use asset (the lease asset) and the liability are measured to the present value of future lease payments payable. The right-of-use asset also includes any initial direct costs incurred in obtaining the lease contract. In the income statement depreciations of the right-of-use asset and interest expenses are recognized. The group will recognize the right-of-use asset separated from other assets in the financial statements. In subsequent periods, the right of use is reported at acquisition value with deductions for depreciation and any write-downs and adjusted for any revaluations of the lease liability. The leasing liability is reported separately from other liabilities. In subsequent periods, the value of the debt is increased by the interest cost for the respective period and reduced by the lease payments. The leasing liability is revalued in the event of changes in i.a. lease period, residual value guarantees and any changes in lease payments. Short leasing contracts (12 months or less) and leasing contracts where the underlying asset amounts to a low value are reported linearly over the term in the operating profit.

## CASH FLOW STATEMENT

The cash-flow statements for the Group and for the Parent company are prepared using the indirect method. For purposes of the Parent Company and the consolidated cash-flow statements, the Group include cash and investments with original duration of maximum three months among cash and bank. The book value of these items corresponds to fair value.

## SIGNIFICANT JUDGMENTS AND ASSUMPTIONS

The preparation of the annual financial statements and consolidated financial statements includes a number of estimates and assumptions. The application of these estimates and assumptions affects the reporting and disclosures. Accounting policies that require more significant judgements by the Board and the management in the application of IFRS, and assumptions and estimations in matters that are inherently uncertain, are summarized below.

Matter	Estimates and assumptions	See Note
Valuation of unlisted holdings	Appropriate valuation method, peer group, future revenue and profit margins	Note 2
Environmental cases	Future decisions from County administrative board	Note 14
Deferred tax losses and tax costs	Judgment of possibility to use deferred tax losses against future profits	Note 7
Valuation of uncertain tax positions	Judgement of risk for tax liability in accordance with IFRIC 23	Note 7

## Note 2 Financial assets and liabilities

### FINANCIAL ASSETS AND LIABILITIES BY VALUATION CATEGORY

2022	Fair value through profit or loss	Amortized cost	Financial debt, amortized cost	Total book value	Fair value
Financial assets accounted at fair value through profit and loss	43 385	-	-	43 385	43 385
Other current assets	-	320	-	320	320
Short term investments	10 738	-	-	10 738	10 738
Cash and cash equivalents	-	3 110	-	3 110	3 110
<b>Total financial assets</b>	<b>54 123</b>	<b>3 430</b>	<b>-</b>	<b>57 553</b>	<b>57 553</b>
Interest-bearing loans	-	-	3 488	3 488	3 488
Trade payables	-	-	8	8	8
Other payables	-	-	273	273	273
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>3 769</b>	<b>3 769</b>	<b>3 769</b>

2021	Fair value through profit or loss	Amortized cost	Financial debt, amortized cost	Total book value	Fair value
Financial assets accounted at fair value through profit and loss	67 541	-	-	67 541	67 541
Other current assets	-	240	-	240	240
Short term investments	6 684	-	-	6 684	6 684
Cash and cash equivalents	-	3 860	-	3 860	3 860
<b>Total financial assets</b>	<b>74 225</b>	<b>4 100</b>	<b>-</b>	<b>78 325</b>	<b>78 325</b>
Interest-bearing loans	-	-	4 694	4 694	4 694
Trade payables	-	-	5	5	5
Other payables	-	-	478	478	478
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>5 177</b>	<b>5 177</b>	<b>5 177</b>



## FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS BY LEVEL

The table below indicates how fair value is measured for Kinnevik's financial assets and liabilities. The financial instruments are categorized on three levels, depending on how the fair value is measured:

**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

	Level 1	Level 2	Level 3	2022 Total	Level 1	Level 2	Level 3	2021 Total
Babylon	324	-	-	324	2 900	-	-	2 900
Global Fashion Group	1 005	-	-	1 005	3 612	-	-	3 612
Recursion	614	-	-	614	-	-	-	-
Teladoc	907	-	-	907	4 149	-	-	4 149
Tele2	11 752	-	-	11 752	24 240	-	-	24 240
<b>Total Listed Assets</b>	<b>14 603</b>	-	-	<b>14 603</b>	<b>34 901</b>	-	-	<b>34 901</b>
Betterment	-	-	1 438	1 438	-	-	1 586	1 586
Cedar	-	-	1 662	1 662	-	-	2 525	2 525
Cityblock	-	-	2 787	2 787	-	-	4 036	4 036
HungryPanda	-	-	442	442	-	-	573	573
Instabee	-	-	1 736	1 736	-	-	1 309	1 309
Jobandtalent	-	-	1 123	1 123	-	-	1 040	1 040
Lunar	-	-	268	268	-	-	526	526
Mathem	-	-	379	379	-	-	1 254	1 254
Mews	-	-	445	445	-	-	-	-
Monese	-	-	832	832	-	-	534	534
Oda	-	-	940	940	-	-	1 604	1 604

	Level 1	Level 2	Level 3	2022 Total	Level 1	Level 2	Level 3	2021 Total
Omio	-	-	736	736	-	-	427	427
Omnipresent	-	-	376	376	-	-	-	-
Parsley Health	-	-	167	167	-	-	208	208
Pleo	-	-	3 352	3 352	-	-	5 884	5 884
Quit Genius	-	-	391	391	-	-	272	272
Spring Health	-	-	1 042	1 042	-	-	905	905
Sure	-	-	521	521	-	-	453	453
Transcarent	-	-	625	625	-	-	-	-
TravelPerk	-	-	1 964	1 964	-	-	1 668	1 668
VillageMD	-	-	4 606	4 606	-	-	4 658	4 658
Vivino	-	-	587	587	-	-	510	510
Early Bets & New Themes	-	-	2 351	2 351	-	-	1 414	1 414
Emerging Markets & Other	-	-	-	-	-	-	1 019	1 019
<b>Total Unlisted Assets</b>	-	-	<b>28 770</b>	<b>28 770</b>	-	-	<b>32 405</b>	<b>32 405</b>
Other Contractual Rights	-	-	12	12	-	-	236	236
Short term investments	10 738	-	-	10 738	6 684	-	-	6 684
<b>Total Financial Assets measured at Fair Value through Profit or Loss</b>	<b>25 341</b>	-	<b>28 782</b>	<b>54 123</b>	<b>41 585</b>	-	<b>32 641</b>	<b>74 225</b>

## CHANGE IN FINANCIAL ASSETS IN LEVEL 3

	2022	2021
Opening balance 1 January	32 641	17 602
Investments	4 612	6 376
Disposals / Exit proceeds	- 29	- 3 144
Reclassifications	-	- 4 792
Change in fair value	- 8 442	16 598
<b>Closing balance, 31 December</b>	<b>28 782</b>	<b>32 641</b>

## FINANCIAL ASSETS ACCOUNTED AT FAIR VALUE THROUGH PROFIT & LOSS

### OUR FRAMEWORK AND PRINCIPLES

In assessing the fair value of our unlisted investments, we apply IFRS 13 and the International Private Equity and Venture Capital Valuation Guidelines, whereunder we make a collective assessment to establish the valuation methods and points of reference that are suitable and relevant in determining the fair value of each of our unlisted investments. Valuations in recent transactions are not applied as a valuation method, but typically provides important points of reference for our valuations. When applicable, consideration is taken to preferential rights such as liquidation preferences to proceeds in a sale or listing of a business. Valuation methods include revenue, GMV, and profit multiples, with consideration to differences in size, growth, profitability and cost of equity capital. We also consider the strength of a company's financial position, cash runway, and the funding environment.

The valuation process is led independently from the investment team. Accuracy and reliability of financial information is ensured through continuous contacts with investee management teams and regular reviews of their financial and operational reporting. Information and opinions on applicable valuation methods are obtained periodically from investment managers and well-renowned investment banks and audit firms. The valuations are approved by Kinnevik's CFO and CEO after which a proposal

Category	Kinnevik Unlisted Investee Averages			Peer Group Averages		
	2022 Revenue Growth	2022 Gross Margin	NTM EV/Revenue	2022 Revenue Growth	2022 Gross Margin	NTM EV/Revenue
• Value-Based Care	+50-70%	5-15%	3.0-4.0x	+40%	25%	2.5x
• Virtual Care	+200-220%	40-60%	8.0-10.0x	+30%	45%	1.5x
• Platforms & Marketplaces	+10-20% / +110-130%	30-40% / 45-60%	0.8-1.5x / 4.5-5.5x	+15% / 30%	40% / 55%	1.0x / 3.0x
• Software	+135-155%	50-70%	10.0-20.0x	+30%	75%	5.0x
• Consumer Finance	+20-40%	40-60%	4.0-6.0x	Flat	45%	5.5x

*Note:* Kinnevik unlisted investee averages are weighted by fair value as at 31 December 2022.

is presented and discussed with the Audit & Sustainability Committee and Kinnevik's external auditors. After their scrutiny and potential adjustments, the valuations are approved by the Audit & Sustainability Committee and included in Kinnevik's financial reports.

When establishing the fair value of other financial instruments, methods assumed to provide the best estimation of fair value are 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 of fair value.

Information in this note is provided 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.

For companies that are valued based on multiples, an increase in the multiple by 10% and 20% would have increased the assessed fair value by SEK 2,088m and SEK 4,203m, respectively. Similarly, a decrease in the multiple by 10% and 20% would have decreased the assessed fair value by SEK 1,949m and SEK 3,905m, respectively.

### A NEW VALUATION ENVIRONMENT

During 2022, valuation multiples contracted across all our peer groups as a result of a turbulent geopolitical environment and increasing inflation and interest rates. Broader investor sentiment has swung from favoring growth to favoring cash flow and profits. Heading into 2023, the force increasingly driving changes may be the extent to which a contracting business cycle affects the demand for our companies' and their public comparables' products and services. Many of our investees are taking measures to reduce burn, improve profitability, and prolong cash runways. At the expense of these measures, our expectations on our investees revenues in 2023 came down by around 15 percent compared to our estimates at the end of the third quarter of 2022, which entails that our year-end assessed valuations are rebased to reflect expectations on investee performance in a more recessionary environment.

Investment activity in private venture and growth markets has slowed down materially relative to the hectic 2021, and the growth IPO market

has effectively closed. This means fewer transactions and less price discovery occurring in private markets that could otherwise aid the calibration of our valuations, and that public market comparable companies become the singular valuation benchmark available. As the high-growth and often cash-consuming financial profile that many of our early-stage investee companies exhibit tend to lack public market equivalents, this creates challenges. To corroborate our fair value assessments of our more early-stage businesses, we therefore also assess projections further out in time to confirm that the level of execution risk in each investment provides commensurate returns over this time frame from our assessed fair value as of our measurement date.

The correction in valuation levels during 2022 has typically borne a less significant impact on profitable or low-burn companies relative to high-burn companies. These parameters, paired together with our companies' operational performance, financial strength and reliance on the near-term funding climate, have all been taken into consideration when valuing our unlisted companies.

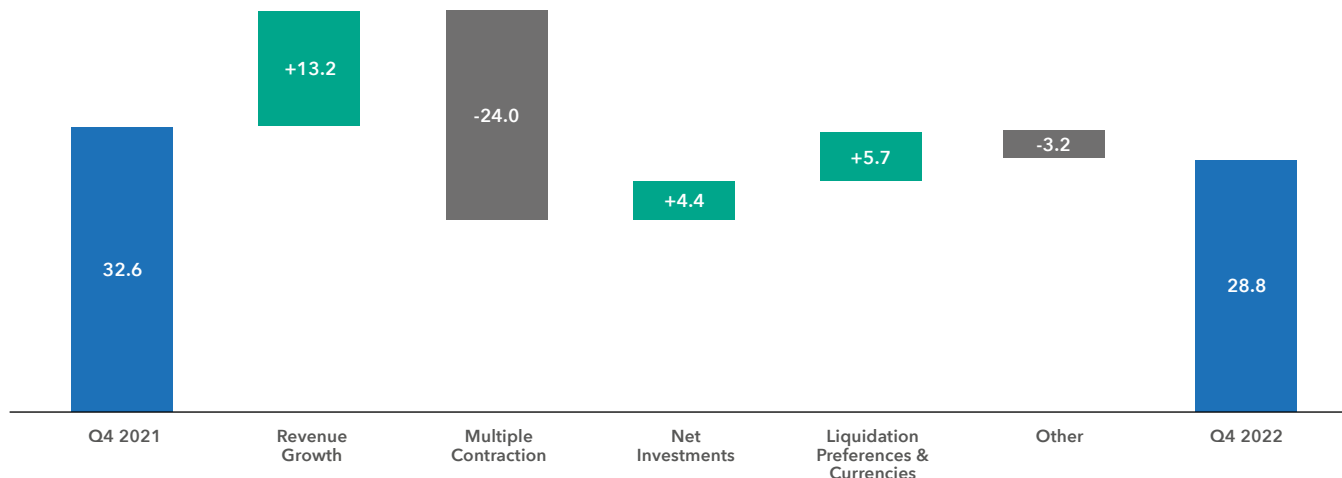
**MULTIPLE CONTRACTION**

We continue to seek to reflect the movements in the valuation multiples of publicly listed peers when valuing our unlisted businesses, typically allowing peer group multiple contraction to flow through our valuations without adjustment. We increasingly focus on multiples of expected revenue over the next twelve months ("NTM") to deemphasize the direct weight of importance placed on more longer-term projections and to enable aggregations and averages that aid the reader of our financial reporting. A focus on NTM forecasts when reflecting changes in multiples of listed peers means that the valuations of some of our companies demonstrating high growth and low cash burn (or profits) are more resilient than that of the average listed peer, and more in line with the stronger constituents of the respective peer group.

In the table to the right, we show the average multiple contraction in valuations that are not underpinned by priced transactions that took place in the current valuation environment at higher valuations than Kinnevik's immediately preceding interim report (Budbee and Omio in

**Value Drivers in the Unlisted Portfolio**

2021 Q4 - 2022 Q4 Approximations, SEKbn



the second quarter, Monese in the third quarter, and VillageMD in the fourth quarter). Excluding these transactions, the average NTM revenue multiple contraction in our unlisted portfolio for the 2022 full-year was 55 percent, in line with the peer group average.

**LIQUIDATION PREFERENCES**

Kinnevik's unlisted investee companies adopt different financing structures and may at times issue shares with liquidation preference rights. Liquidation preferences determine how value is allocated between shareholders in e.g. a sale or listing of a business, and typically means that holders of preference shares receive proceeds in priority over holders of common shares in the event of a sale or public offering. In general, these liquidation preferences have the result that Kinnevik recoups its investment capital if the valuation of the company exceeds the amount of capital it has raised in aggregate. Due to liquidation preferences, the

**Multiple Changes** EV/NTM Revenues

(Value-Weighted at the Respective Period's Start)

Category	FY 2022	
	Investee Change (Average)	Peer Change (Average)
Value-Based Care	-53%	-28%
Virtual Care	-55%	-58%
Platforms & Marketplaces	-60%	-56%
Software	-55%	-67%
Consumer Finance	-54%	-39%
<b>Unlisted Portfolio</b>	<b>-55%</b>	<b>-54%</b>
<i>Including Key Transactions</i>	<i>-46%</i>	

allocation of proceeds between shareholders in a liquidity event may become increasingly complex over time, and 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. Liquidation preferences may also entail that the fair value of Kinnevik's investment remains unchanged in spite of the assessed value of a particular investee company as a whole changing materially. An unlisted investee company's transition into a publicly listed company may also affect the value of Kinnevik's shareholding due to the dismantling or triggering of such provisions.

Liquidation preferences, as described above, naturally become more relevant during a market drawdown such as the one we experienced during 2022. The majority of our investments carry these types of downside protection provisions, and the effect of these provisions become the most pronounced in companies where we have only invested in the latest financing round. In these investments, the fair value of our investment may remain unchanged in spite of material downwards adjustments to the underlying valuation of each relevant company. At the end of the year, the aggregate fair value impact from liquidation preferences amounted to approximately SEK 3.2bn and was primarily centred to a handful of later-stage companies. The same figure was negligible at the end of 2021. As such, the incremental effect during 2022 amounted to SEK 3.2bn.

This value difference means that if Kinnevik's shareholdings would not enjoy said liquidation preferences, the fair value of the unlisted portfolio would be SEK 3.2bn lower. In other terms, the underlying value of Kinnevik's investments in these companies needs to increase by SEK 3.2bn before the accrual of an on-paper return on investment. This notwithstanding, the fair values included in Kinnevik's net asset value statement correspond to the proceeds Kinnevik is entitled to receive in the event of a sale of each investment at the assessed underlying value of each company.

### AGGREGATE VALUE CHANGES AND DRIVERS

On average, the valuation of each of our companies decreased by 54 percent during 2022, when excluding Budbee, Monese, Omio and VillageMD. Including these companies, the average decrease amounted to around 42 percent during 2022.

Contracting multiples was the single-most important driver of the value change in our unlisted portfolio during the year. Indicatively, and on the basis of rolling last twelve months figures, multiple contraction had a negative effect of SEK 24bn on our valuations during the year. Revenue growth offset some of the impact of compressing valuation levels with an equally indicative positive contribution of around SEK 13bn.

The Swedish krona weakened by 15 percent against the dollar during 2022 and by 8 percent against the euro. Per the end of the year, the currency exposure of the unlisted portfolio was approximately 60 percent in USD, 23 percent in EUR, and 9 percent in NOK and GBP (with the balance in SEK).

### OUR INVESTEES RELATIVE TO THEIR VALUATION PEER GROUPS

In the beginning of 2022, we rearranged our NAV statement. Our aim with the new categorization is to group our private investments in a more refined way, sorting them with their shared publicly listed comparable companies in mind. This, we believe, together with the aggregated financial metrics we are now providing for each category, is a step forward in terms of transparency of the performance and our assessed valuations of our unlisted assets. The table on page 80 (which includes valuations underpinned by transactions) outlining these financial metrics for our new NAV categories and their peer groups should be read together with the qualitative commentary provided on the following pages - including the referencing of SaaS companies in assessing the fair value of our virtual care investments. Please also note that the averages for Kinnevik's unlisted investees are weighted by fair value at the end of 2022, and provided as indicative ranges since differences between individual companies may be material. For the categories where our companies are growing at considerably higher rates than the peer group average, our valuation multiples are typically at a premium to the peer group's average.

This spread is calibrated against e.g. the correlation of growth and profitability to valuation multiples for comparable companies in public markets. The average premium is considerably smaller (or at a discount) when benchmarking our valuations against more richly valued constituents in each relevant peer group, or when looking at expectations further out than the next 12 months. Premiums to the peer group average multiple narrow over time as our companies continue to outpace the growth of its valuation benchmarks, resonating with the level of risk that venture and growth capital investments entail.

### VALUE-BASED CARE

Value-Based Care consists of care delivery companies that take risk on, and are paid on the basis of, patient health outcomes. Our larger investments in this category - Cityblock and VillageMD - have historically been benchmarked against a peer set of businesses in various ways delivering or driving a shift towards value-based care, such as Oak Street Health (OSH), Agilon Health (AGL), and Signify Health (SGFY). On average, the companies in the peer set grew revenue by 40 percent in 2022 with gross margins of 25 percent, and trade at around 2.5x NTM revenues. Our businesses grow significantly faster albeit with slimmer gross margins, and are valued at around 3.0-4.0x NTM revenues on average. During the second half of 2022, several businesses used as benchmarks for our valuations have been subject to takeover offers or speculation thereof, causing significant volatility in valuation multiples. In our valuations, we note these offers' indication of investor appetite in the space but seek to triangulate valuations that does not indirectly incorporate bid premiums into the valuations of our investments. To address this volatility we also reference more traditional care businesses such as United Health (UNH) and Humana (HUM) in our calibrations.

The fair value of Kinnevik's 8 percent in **Cityblock** amounts to SEK 2,787m, down some 30 percent during the year. The NTM revenue multiple contracted by around 50 percent in 2022, relative to the around 30 percent contraction in the value-based care peer group and 15-20 percent contraction in the more traditional care provider reference group. This leads Cityblock to being valued at a slight premium to the value-based

care peer group average. The company is significantly outpacing its listed value-based care benchmarks on revenue growth while proving sustainable gross margins in its more established cohorts. Cityblock is consolidating its footprint, which impacts revenues negatively in the short term in favor of gross margin improvements in the medium-term.

The fair value of Kinnevik's 2 percent shareholding in **VillageMD** amounts to SEK 4,606m, virtually flat compared to the end of 2021. During the fourth quarter of 2022, VillageMD acquired the leading care provider Summit Health, financed with a mix of equity and debt. The equity component valued the combined company at an approximate 10 percent premium to our fair value at the end of 2022. In 2023, the combined company is expected to be EBITDA positive and to grow faster than the value-based care peer group on average. Our NTM revenue multiple has contracted by around 50 percent during the year relative to the 30 percent contraction in the value-based care peer group, leading to VillageMD being valued at a shrinking premium to the peer average compared to the end of 2021.

#### VIRTUAL CARE

Virtual Care consists of healthcare businesses that deliver general or specialized care services through virtual channels, and leverage technology such as AI to improve the care outcomes for their users. We benchmark these businesses in part against a peer set of listed telemedicine companies, including generalists such as Teladoc (TDOC) and Amwell (AMWL), and more vertical players such as Hims & Hers (HIMS) and Lifestance (LFST). The companies in this peer set grew revenues by around 30 percent on average in 2022 with gross margins of 45 percent, and trade at an average 1.5x NTM revenues. Our businesses are growing revenues more than 7x faster with comparable gross margins, and are better positioned for long-term growth compared to their more mature listed peers. Virtual Care is nascent in itself and the current cohort of listed peers largely consists of companies facing structural challenges that our unlisted companies aim to disrupt. As a consequence, our Virtual Care companies are valued at a material premium to the peer group, at around 8-10x NTM revenues on average, more in line with SaaS businesses with more similar financial profiles to those of our unlisted virtual health businesses.

The fair value of Kinnevik's 5 percent shareholding in **Spring Health**

amounts to SEK 1,042m. The NTM revenue multiple contracted by more than 60 percent during 2022, fairly in line with the development for the average of listed telemedicine benchmarks, against which Spring Health is valued at a significant premium on forward-looking multiples. The valuation remains at a slight discount to the NTM revenue multiples of SaaS businesses with similar financial profile to that of Spring Health. The underlying company valuation is almost in line with the valuation in the company's funding round in the third quarter of 2021, in which Kinnevik made its first investment in the company.

#### PLATFORMS & MARKETPLACES

Our Platforms and Marketplace businesses form the most diverse group of investments in the NAV categorization introduced during the year. The group spans online grocer businesses such as Mathem and Oda with mid-30s gross margins, to pure marketplaces like Omio with gross margins almost twice as high. Accordingly, these businesses are valued against different peer sets. The average peer group valuation level is around 1x NTM revenues for lower-margin e-commerce peers that on average typically grew around 15 percent in 2022, and around 3x NTM revenues on average for higher margin marketplace peers that on average grew by around 30 percent in 2022. Our lower-margin Platforms & Marketplaces companies are in general valued at discounts to their respective peer group averages, reflective of peers' higher level of profitability not being offset by commensurately higher growth rates. Our higher margin companies are generally valued in line with or at narrow premiums to their respective peer group average, reflective of our companies' ability to grow materially faster than peers while at similar or higher levels of profitability.

The fair value of Kinnevik's 13 percent shareholding in **Instabee** amounts to SEK 1,736m, up around 30 percent during 2022. The set of peers used to benchmark Instabee consists of logistics technology and mobility businesses such as InPost (INPST.AS), DoorDash (DASH) and Uber (UBER). We mark Instabee at a narrow premium in relation to the peer group's more richly valued constituents, such as InPost, warranted by Instabee's higher growth rate solidified by the company's profitability and stronger outlook. We reassessed our estimations of the company's near-term topline outlook in the current economic climate, which drove

a large downward valuation revision in the fourth quarter of 2022.

The fair value of Kinnevik's 31 percent shareholding and other interests in **Mathem** amounts to SEK 379m, down around 75 percent during the year when adjusting for our investments during 2022. The valuation is based on revenue multiples of a composite peer group of inventory holding e-commerce retailers and meal kit businesses such as Zalando (ZAL.DE), Boozt (BOOZT.ST) and HelloFresh (HFG.DE), as well as estimates of market valuations of Ocado's (OCDO.L) retail business. The assessed valuation implies a multiple of 0.5x the company's revenues during the last twelve months as at 30 September 2022, but naturally takes the forward outlook into account. On an NTM revenue multiple basis, the valuation is at a >30 percent discount to the key peers referenced above.

The fair value of Kinnevik's 28 percent shareholding in **Oda** amounts to SEK 940m, down around 60 percent during the year when excluding our investments during 2022. The valuation is based on revenue multiples of the same composite peer group used in valuing Mathem. The assessed valuation is slightly below where the company raised new financing during the fourth quarter of 2022. The decrease in fair value is driven primarily by a contracting revenue multiple, calibrated against the recent financing round, and an enlarged incentive program. The assessed valuation implies a multiple of around 0.8x the company's revenues during the last twelve months as at 30 September 2022. On a NTM basis, the multiple is at a >30 percent discount to the aforementioned key peers.

The fair value of Kinnevik's 11 percent shareholding in **Vivino** amounts to SEK 587m, up around 15 percent during the year mainly driven by currency tailwinds. The valuation is mainly based on forward-looking GMV multiples of a peer group of global online marketplaces with high user engagement such as Etsy (ETSY). Our assessed value of the company reflects a relatively material discount to the peer group's average multiple. As our holding benefits from downside protection from the preferential terms of our investment in the company's latest equity fundraise, the fair value of our investment remains in line with our invested capital in USD terms.

The fair value of Kinnevik's 5 percent shareholding in **Jobandtalent** amounts to SEK 1,123m, almost 10 percent above the fair value at the end of 2021 due to currency tailwinds. The valuation is based on near-term forward-looking revenue multiples of a peer group consisting of human capital-focused businesses such as Fiverr (FVRR) and Upwork (UPWK), with

reference also drawn to marketplaces such as Airbnb (ABNB) and Uber (UBER). The peer group's average NTM revenue multiple decreased by around 60 percent during 2022, and the company remains valued at a premium to the peer group considering its significantly stronger revenue growth relative to the peer group constituents while maintaining comparable margins and profitability. Our holding benefits from downside protection from the preferential terms of our investment in the company's fundraise in the fourth quarter of 2021, causing our fair value to remain effectively unchanged during 2022 in spite of reflecting considerable multiple contraction in the peer group over the last few quarters.

## SOFTWARE

Our Software businesses are typically benchmarked against both high-growth SaaS businesses such as Atlassian (TEAM) and Salesforce (CRM), and more transactional software businesses like Twilio (TWLO) and Shopify (SHOP). The companies in our peer sets typically grew revenue at around 30 percent in 2022 with gross margins of 75 percent, compared to our businesses which typically are growing almost five times faster with somewhat lower gross margins.

The fair value of Kinnevik's 8 percent shareholding in **Cedar** amounts to SEK 1,662m, down around 35 percent during 2022. The valuation reflects a somewhat lower growth outlook as the company strengthens its profitability, as well as the peer group's average NTM revenue multiple contracting by around 50 percent during the year. The company is valued in line with the richest valued companies in its peer group, corresponding to a material premium to the peer group average to reflect Cedar's stronger growth rate. In relation to this average, the valuation normalizes materially twelve months out, courtesy of the company's strong outlook.

The fair value of Kinnevik's 14 percent shareholding in **Pleo** amounts to SEK 3,352m, down around 40 percent from the valuation at the end of 2021. The valuation reflects revenue multiple contraction of around 60 percent compared to the end of 2021. The valuation still implies a significant premium to the peer group on an NTM basis, but normalizes over the coming 12 months in relation to the best-in-class companies in the peer group as Pleo is expected to grow at a significantly faster pace with improved profitability and a strong financial position.

The fair value of Kinnevik's 15 percent shareholding in **TravelPerk**

amounts to SEK 1,964m, up almost 20 percent during 2022, mainly due to currency effects. The assessed valuation is fairly in line with where the company raised new financing in late December 2021, and where smaller secondary transactions took place during the second and third quarters in 2022, in which Kinnevik participated. The resilience of the carrying value of our TravelPerk investment reflects the company's superior performance benefiting from a sharp rebound in travel as well as continued strong acquisition of new clients more than offsetting an approximate 40 percent decline in the NTM revenue multiple during 2022.

## CONSUMER FINANCE

Our Consumer Finance businesses are typically benchmarked against a peer set of digital wealth managers such as Avanza (AZA.ST) and Nordnet (SAVE.ST), and consumer subscription businesses such as Match Group (MTCH) and Netflix (NFLX). On average, the companies in the broader composite peer set saw flat revenues in 2022 with gross margins of around 45 percent. Our investments in the sector are growing by around 20-40 percent with comparable gross margins.

The fair value of Kinnevik's 13 percent shareholding in **Betterment** amounts to SEK 1,438m. The peer group's average NTM revenue multiple contracted around 40 percent during the year. We apply a discount to the peer group in valuing Betterment in consideration of the current volatility in financial markets bearing a more adverse impact on Betterment than on more transactional asset management models. Per the end of November, the company's assets under management amounted to around USD 33.0bn. While the revenue mix is becoming more diversified, Betterment's revenues are still primarily derived from fees on assets under management and therefore remain in part correlated with the development of the US and global stock market. At the current valuation level, the carrying value of our investment is positively affected by liquidation preferences, causing a muted change in fair value in USD terms during the year.

The fair value of Kinnevik's 21 percent shareholding in **Monese** amounts to SEK 832m, up by more than 50 percent during 2022, and is at a not immaterial discount to the valuation where the company raised new capital at during the third quarter of 2022, stemming from the terms at which this capital was raised from a strategic investor. The peer group's

average NTM revenue multiple contracted by more than 35 percent during 2022. Our valuation means valuing the company at an approximate 10 percent premium to its peer group of financial services and consumer subscription companies.

## SENSITIVITY ANALYSIS OF ASSETS WITH MATERIAL CHANGE IN FAIR VALUE DURING 2022

Change in Multiple	- 20%	- 10%	Actual	+10%	+20%
	Fair Value (SEKm)				
Pleo	2 706	3 029	3 352	3 675	3 998
Oda	804	872	940	1 008	1 076
Cityblock	2 237	2 516	2 787	3 054	3 321
<b>Total</b>	<b>5 747</b>	<b>6 417</b>	<b>7 079</b>	<b>7 737</b>	<b>8 395</b>
Effect	- 1 332	- 662	-	658	1 316

## VALUATION METHODS

	31 Dec 2022	31 Dec 2021
Betterment	EV/R 2023	EV/R 2022
Cedar	EV/R 2023	EV/R 2022
Cityblock	EV/R 2023	EV/R 2022
HungryPanda	EV/GMV 2023	EV/GMV 2022
Instabee	EV/R 2023	EV/R 2022
Jobandtalent	EV/R 2023	EV/R 2022
Lunar	EV/R 2023	EV/R 2022
Mathem	EV/R 2023	EV/R 2021
Mews	EV/R 2023	-
Monese	EV/R 2023	EV/R 2022
Oda	EV/R 2023	EV/R 2021 & EV/R 2022
Omio	EV/R 2023	EV/R 2022
Omnipresent	EV/R 2023	-
Parsley Health	EV/R 2023	EV/R 2022
Pleo	EV/R 2023	EV/R 2022
Quit Genius	EV/R 2023	EV/R 2022
Spring Health	EV/R 2023	EV/R 2023
Sure	EV/R 2023	EV/R 2022
Transarent	EV/R 2023	-
TravelPerk	EV/R 2023	EV/R 2022
VillageMD	EV/R 2023	EV/R 2022
Vivino	EV/GMV 2023	EV/GMV 2022

**Duration.** For the duration of interest bearing loans refer to Note 10. Of other financial liabilities the major part will fall due within one to six months.

**Derivatives and hedging instruments.** On 31 December 2022, Kinnevik had three derivative outstanding; three interest rate swaps with the purpose to create a cash flow hedge for the part of the bonds, issued in February 2020 and November 2021 where Kinnevik is paying floating interest rates. The nominal amounts of the swaps on 31 December 2022 were SEK 3,250m (4,650m). Also refer to Note 10 for the Group. For SEK 1,250m the fixed rate is 1.091%, expiring in February 2025. For SEK 1,500m the rate is 1.432%, expiring in November 2026. For SEK 500m, the rate is 1.763%, expiring in November 2028. The derivatives had a market value of SEK 286m (5m) at year-end. The derivatives are marked to market based on discounted cash flows with observable market data. The derivatives are covered by ISDA agreement.

**Maturity structure.** Maturity structure for undiscounted, contracted non-interest-bearing/interest-bearing receivables and liabilities along with future interest payments accruing therewith is shown in the table below.

In 2021, Kinnevik issued sustainability linked bonds of SEK 2,000m, whereof 1,500m expire in November 2026 and 500m expire in November 2028. The final redemption price of the sustainability-linked bonds depends on Kinnevik's ability to meet the annual sustainability performance targets ("SPTs") the company has set for its sustainability work, and which can be found in Kinnevik's Sustainability Linked Financing Framework (available at [www.kinnevik.com](http://www.kinnevik.com)). If Kinnevik does not achieve an SPT in any given year the redemption price will increase by 0.075 percent per SPT and year. Kinnevik has met two out of three SPTs in 2022, the third will be measured during the first half of 2023 once necessary data has been received (see page 46-47 for details). In the table below, we have assumed that all SPTs are met on an annual basis. The effect of not meeting the third SPT for 2022 nor any SPTs from 2023 onward would mean a maximum increase of interest bearing liabilities due in 2026 by SEK 11m and later than 2026 by SEK 6m.

	2023	2024	2025	2026	Later	Total
Non-interest-bearing receivables	320	-	-	-	-	320
Interest-bearing receivables	113	113	75	64	34	398
Non-interest-bearing liabilities	- 273	-	-	-	-	- 273
Interest-bearing liabilities	- 161	- 161	- 1 609	- 1 594	- 561	- 4 087
<b>Total as per 31 December 2022</b>	<b>- 2</b>	<b>- 49</b>	<b>- 1 535</b>	<b>- 1 530</b>	<b>- 527</b>	<b>- 3 641</b>

	2022	2023	2024	2025	Later	Total
Non-interest-bearing receivables	497	-	-	-	-	497
Interest-bearing receivables	22	19	19	11	9	81
Non-interest-bearing liabilities	- 492	-	-	-	-	- 492
Interest-bearing liabilities	- 1 265	- 68	- 68	- 1 558	- 2 058	- 5 016
<b>Total as per 31 December 2021</b>	<b>- 1 237</b>	<b>- 49</b>	<b>- 49</b>	<b>- 1 546</b>	<b>- 2 049</b>	<b>- 4 929</b>

### Note 3 Financial assets measured at fair value through profit or loss

#### CHANGE IN FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	Listed assets	Unlisted assets	Total
<b>Opening balance, 1 January 2021</b>	<b>89 954</b>	<b>17 602</b>	<b>107 556</b>
Investments	-	6 376	6 376
Reclassification	4 792	- 4 792	-
Distribution to shareholders	- 54 116	-	- 54 116
Change in fair value	- 3 329	16 598	13 269
Disposals	- 2 399	- 3 144	- 5 544
<b>Closing balance, 31 December 2021</b>	<b>34 901</b>	<b>32 641</b>	<b>67 541</b>
Investments	1 130	4 612	5 742
Reclassification	-	-	-
Change in fair value	- 14 414	- 8 442	- 22 856
Disposals	- 7 014	- 29	- 7 043
<b>Closing balance, 31 December 2022</b>	<b>14 603</b>	<b>28 782</b>	<b>43 385</b>



## INVESTMENTS IN FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022	2021
Babylon	286	-
Recursion	843	-
<b>Total Listed Assets</b>	<b>1 130</b>	<b>-</b>
Babylon	-	43
Betterment	-	70
Cityblock	-	553
HungryPanda	-	113
Instabee	115	-
Jobandtalent	-	1 006
Lunar	286	506
Mathem	343	149
Mews	436	-
Monese	-	35
Oda	691	33
Omio	32	6
Omnipresent	377	-
Parsley Health	-	191
Pleo	-	494
Quit Genius	89	259
Spring Health	-	861
Sure	-	435
Transarent	546	-
TravelPerk	54	292

	2022	2021
Vivino	-	586
Early Bets & New Themes	1 631	741
Emerging Markets & Other	12	4
<b>Total Unlisted Assets</b>	<b>4 612</b>	<b>6 376</b>
<b>Total</b>	<b>5 742</b>	<b>6 376</b>

## DISPOSALS OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022	2021
Alliance Data	-	- 196
Tele2	- 6 027	-
Teladoc	- 986	- 2 179
Zalando	-	- 24
<b>Total Listed Assets</b>	<b>- 7 014</b>	<b>- 2 399</b>
Bread	-	- 1
VillageMD	-	- 3 110
Other	- 29	- 34
<b>Total Unlisted Assets</b>	<b>- 29</b>	<b>- 3 144</b>
<b>Total</b>	<b>- 7 043</b>	<b>- 5 544</b>

**DIVIDENDS RECEIVED AND CHANGE IN FAIR VALUE OF FINANCIAL ASSETS  
MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS**

	Dividends received	Change in fair value	2022 Total	Dividends received	Change in fair value	2021 Total
Alliance Data	-	-	-	-	28	28
Babylon	-	- 2 862	- 2 862	-	- 1 892	- 1 892
Global Fashion Group	-	- 2 607	- 2 607	-	- 4 075	- 4 075
Recursion	-	- 229	- 229	-	-	-
Teladoc	-	- 2 255	- 2 255	-	- 5 974	- 5 974
Tele2	3 538	- 6 460	- 2 922	1 689	3 790	5 479
Zalando	-	-	-	-	4 795	4 795
<b>Total Listed Assets</b>	<b>3 538</b>	<b>- 14 414</b>	<b>- 10 876</b>	<b>1 689</b>	<b>- 3 329</b>	<b>- 1 640</b>
Babylon	-	-	-	-	2 224	2 224
Betterment	-	- 148	- 148	-	546	546
Bread	-	-	-	-	1	1
Cedar	-	- 863	- 863	-	1 953	1 953
Cityblock	-	- 1 249	- 1 249	-	2 642	2 642
HungryPanda	-	- 131	- 131	-	160	160
Instabee	-	312	312	-	540	540
Jobandtalent	-	83	83	-	35	35
Lunar	-	- 544	- 544	-	20	20
Mathem	-	- 1 218	- 1 218	-	- 210	- 210
Mews	-	9	9	-	-	-
Monese	-	298	298	-	70	70
Oda	-	- 1 355	- 1 355	-	484	484

	Dividends received	Change in fair value	2022 Total	Dividends received	Change in fair value	2021 Total
Omio	-	277	277	-	- 17	- 17
Omnipresent	-	- 1	- 1	-	-	-
Parsley Health	-	- 41	- 41	-	17	17
Pleo	-	- 2 532	- 2 532	-	4 983	4 983
Quit Genius	-	30	30	-	13	13
Spring Health	-	137	137	-	44	44
Sure	-	68	68	-	18	18
Transcarent	-	79	79	-	-	-
TravelPerk	-	242	242	-	996	996
VillageMD	-	- 52	- 52	-	2 926	2 926
Vivino	-	77	77	-	- 76	- 76
Early Bets & New Themes	-	- 694	- 694	-	- 79	- 79
Emerging Markets and Other	-	- 1 031	- 1 031	-	- 788	- 788
<b>Total Unlisted Assets</b>	<b>-</b>	<b>- 8 247</b>	<b>- 8 247</b>	<b>-</b>	<b>16 502</b>	<b>16 502</b>
Other Contractual Rights	-	- 195	- 195	-	96	96
<b>Total</b>	<b>3 538</b>	<b>- 22 856</b>	<b>- 19 318</b>	<b>1 689</b>	<b>13 269</b>	<b>14 958</b>
<i>Whereof unrealized gains/losses for assets in Level 3</i>	-	- 8 442	- 8 442	-	16 577	16 577

## BOOK VALUE OF FIXED FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

Trade Name	Company Name	Registered Office	Number of Shares 2022	Capital/votes (%) 2022	Capital/votes (%) 2021	Book value 2022	Book value 2021
Babylon	Babylon Holdings Ltd	United Kingdom	4 617 340	18.6/18.6	13.3/3.6	324	2 900
Global Fashion Group	Global Fashion Group S.A.	Luxembourg	79 093 454	36.0/36.0	36.4/36.4	1 005	3 612
Recursion	Recursion Pharmaceuticals, Inc.	USA	7 653 061	4.0/4.0	-	614	-
Teladoc	Teladoc Health Inc.	USA	3 683 668	2.3/2.3	3.1/3.1	907	4 149
Tele2	Tele2 AB	Sweden	137 613 119	19.9/36.3	27.2/41.9	11 752	24 240
<b>Total Listed Assets</b>						<b>14 603</b>	<b>34 901</b>
Betterment	Betterment Holdings, Inc.	USA		13/13	15/15	1 438	1 586
Cedar	Cedar Cares, Inc.	USA		8/8	8/8	1 662	2 525
Cityblock	Cityblock Health Inc.	USA		8/8	8/8	2 787	4 036
HungryPanda	HungryPanda Ltd	United Kingdom		11/11	11/11	442	573
Instabee	Instabee Holding AB	Sweden		13/13	28/28	1 736	1 309
Jobandtalent	Job and Talent Holding Ltd	United Kingdom		5/5	5/5	1 123	1 040
Lunar	Lunar Group A/S	Denmark		6/6	5/5	268	526
Mathem	Mathem Holding AB	Sweden		31/31	37/37	379	1 254
Mews	Mews Systems B.V.,	The Netherlands		5/5	-	445	-
Monese	Monese Ltd	United Kingdom		21/21	26/26	832	534
Oda	Oda Group Holding AS	Norway		28/28	21/21	940	1 604
Omio	GoEuro Corp.	USA		7/7	5/5	736	427
Omnipresent	Omnipresent Group Limited	United Kingdom		6/6	-	376	-
Parsley Health	Parsely Health Inc.	USA		11/11	11/11	167	208
Pleo	Pleo Holding ApS	Denmark		14/14	14/14	3 352	5 884

Trade Name	Company Name	Registered Office	Number of Shares 2022	Capital/votes (%) 2022	Capital/votes (%) 2021	Book value 2022	Book value 2021
Quit Genius	Digital Therapeutics Inc.	USA		15/15	12/12	391	272
Spring Health	Spring Care Inc.	USA		5/5	5/5	1 042	905
Sure	Sure Inc.	USA		9/9	9/9	521	453
Transcarent	Transcarent, Inc.	USA		3/3	-	625	-
TravelPerk	Travelperk, Inc.	USA		15/15	15/15	1 964	1 668
VillageMD	VillageMD, Inc.	USA		2/2	4/4	4 606	4 658
Vivino	Vivino Inc.	USA		11/11	11/11	587	510
Early Bets & New Themes						2 351	1 414
Emerging Market & Other						-	1 019
<b>Total Unlisted Assets</b>						<b>28 770</b>	<b>32 405</b>
Other Contractual Rights						12	236
<b>Total</b>						<b>43 385</b>	<b>67 541</b>

## Note 4 Financial income and expenses

	2022	2021
Interest income, bank	47	0
Interest income financial assets accounted at fair value	19	11
Exchange differences	-	179
Valuation of Swap	280	15
Other financial income	0	5
<b>Total interest income and other financial income</b>	<b>346</b>	<b>210</b>
Interest expenses, loans from credit institutions	- 55	- 42
Exchange differences	- 71	- 21
Result from short-term investments	- 46	0
Other financial expenses	- 14	- 11
<b>Total interest cost and other financial expenses</b>	<b>- 186</b>	<b>- 74</b>
<b>Net financial income/expenses</b>	<b>160</b>	<b>136</b>

## Note 5 Earnings per share

Earnings per share are calculated by dividing profit for the year attributable to holders of shares in the parent company by a weighted average number of shares outstanding, including outstanding incentive shares. Earnings per share after dilution is calculated by dividing profit/loss for the year attributable to holders of shares in the parent company by the average of the number of shares outstanding, including incentive shares, during the year.

	2022	2021
Net profit for the year	- 19 519	14 777
Average number of shares outstanding	279 503 330	278 177 851
Earnings per share before dilution	- 69.83	53.12
Number of shares outstanding after dilution	279 503 330	278 177 851
Earnings per share after dilution, SEK	- 69.83	53.12

## Note 6 Supplementary cash flow information

	2022	2021
<b>INTEREST BEARING LOANS</b>		
Opening balance 1 January	4 694	2 908
Amortization of loans	- 1 210	- 190
New long-term capital markets financing	-	2 000
Market valuation SWAP	-	- 17
Accrual borrowing costs	4	- 7
<b>Closing balance 31 December</b>	<b>3 488</b>	<b>4 694</b>

	2022	2021
Investments in shares and other securities, see note 3	- 5 742	- 6 376
Current year investment, not yet paid	237	442
Prior year investments, paid in current year	- 443	- 90
Exchange differences, unpaid investments	- 6	10
<b>Cash flow from investments in shares and other securities</b>	<b>- 5 954</b>	<b>- 6 014</b>
<b>Sale of shares and other securities</b>		
Tele2	6 027	-
VillageMD	-	3 110
Teladoc	986	2 179
Bread	-	197
Zalando	-	24
Other	30	34
<b>Cash flow from sale of shares and other securities</b>	<b>7 043</b>	<b>5 544</b>
Divestments with no cash flow	-	- 3
Paid on divestments earlier periods	292	94
Exchange differences on divestments	-	164
<b>Cash flow from sale of shares and other securities</b>	<b>7 335</b>	<b>5 799</b>

## Note 7 Taxes

	2022	2021
<b>Current tax expense</b>		
Tax expense for the period	0	- 5
<b>Total</b>	<b>0</b>	<b>- 5</b>

### RECONCILIATION OF EFFECTIVE TAX RATE

	2022	%	2021	%
Profit/loss before tax	- 19 519		14 782	
Income tax at statutory rate of Parent Company	4 021	- 20.6%	- 3 045	- 20.6%
Change in fair value of financial assets	- 4 708	24.1%	2 585	17.5%
Non-taxable dividends received	729	- 3.7%	361	2.4%
Change in not recognized tax loss carry forwards	- 41	0.2%	94	0.6%
<b>Effective tax/tax rate</b>	<b>0</b>	<b>0.0%</b>	<b>- 5</b>	<b>0.0%</b>

Based on the rules for accounting for uncertain tax positions in IFRIC 23, Kinnevik made a reservation in 2020 of EUR 83m pertaining to a potential capital gains tax liability relating to the merger between Teladoc and Livongo. Kinnevik considers that the transaction falls under one of the applicable exemptions and therefore should be considered tax neutral and relevant tax returns have been filed accordingly. As the relevant tax authority may be of a different opinion and may question this handling for a period of 5 years, the provision is handled as a long-term liability in the consolidated balance sheet.

No tax has been recognised against other comprehensive income or shareholders' equity. Deferred tax is not stated for associated companies, subsidiaries and other shareholdings, as any dividend paid by these companies will not give rise to a tax liability, and divestments may be made without giving rise to capital gains taxation.

#### Tax loss carryforwards.

The Group's tax loss carryforwards in Sweden with eternal duration amounted to SEK 2.5bn (1.6) at 31 December 2022. No deferred tax carried forward is accounted for.

## Note 8 Short term investments and cash

	2022	2021
Short term investments	10 738	6 684
Cash and cash equivalents	3 110	3 860
<b>Total</b>	<b>13 848</b>	<b>10 544</b>

Short term investments consists of Money Market funds and short term deposits at a fixed interest rate with the large Nordic banks.

In addition to cash and cash equivalents reported above, the Group had undrawn credit facilities of SEK 5,130m (5,130) see Note 10.

## Note 9 Shareholders' equity

### SHARE CAPITAL

Share capital refers to the Parent Company's share capital; refer to Note 10 for the Parent Company.

### OTHER CONTRIBUTED CAPITAL

Other contributed capital consist of the Parent Company's share premium reserve, which arose through the conversion of convertible loans in 1997 and 1998, capital injected in conjunction with the merger between Invik & Co. AB and Industriförvaltnings AB Kinnevik in 2004, capital injected in conjunction with a new share issue when acquiring the assets in Emesco AB 2009, as well as by the Parent Company's legal reserve.

### RETAINED EARNINGS INCLUDING NET PROFIT/LOSS FOR THE YEAR

Retained earnings that are reported in the Group include the current and preceding year's profit/loss.

### CAPITAL

Kinnevik's managed capital consists of shareholders' equity. There are no other external capital requirements, other than what is specified in the Swedish Companies Act. For dividend policy and leverage targets, please refer to the Board of Directors' report.

## Note 10 Interest-bearing loans

	2022	2021
<b>Interest-bearing long-term loans</b>		
<b>Capital markets financing</b>		
Maturity February 2025	1 500	1 500
Maturity November 2026	1 500	1 500
Maturity November 2028	500	500
Accrued borrowing costs	- 12	- 16
	<b>3 488</b>	<b>3 484</b>
<b>Interest-bearing short-term loans</b>		
<b>Capital markets financing</b>		
Maturity March 2022	-	1 210
	-	<b>1 210</b>
<b>Total interest-bearing loans</b>	<b>3 488</b>	<b>4 694</b>

Kinnevik has established a medium term note programme. This programme enables Kinnevik to issue notes with a minimum tenor of one year within a SEK 6bn framework amount. The terms and conditions for the notes issued under the programme entail standard clauses about change of control and negative pledge.

SEB is arranging the programme and also acts as issuing agent together with Svenska Handelsbanken, Swedbank, Nordea Bank, DNB Bank ASA, filial Sverige, and Danske Bank.

In February 2020, Kinnevik issued SEK 1.5bn in bonds under the MTN Programme. The bonds have a tenor of five years, with SEK 1,250m bearing a floating rate coupon of three months STIBOR + 0.80%. and SEK 250m bearing a fixed rate coupon of 1.058%.

In November 2021, Kinnevik updated the prospectus for its MTN Programme to enable issuance of sustainability-linked medium term notes in accordance with Kinnevik's Sustainability-Linked Framework.

In November 2021, Kinnevik issued dual tranche SEK 2.0bn sustainability-linked bonds under the MTN Programme comprising a SEK 1.5bn tranche with a final maturity of five years, bearing a floating rate coupon of three months STIBOR + 0.70%. and a SEK 0.5bn tranche with a final

maturity of seven years, bearing a floating rate coupon of three months STIBOR + 0.90%. The final redemption price of the sustainability-linked bonds depends on Kinnevik's ability to meet the annual sustainability performance targets ("SPTs") the company has set for its sustainability work. If Kinnevik does not achieve an SPT in any given year the redemption price will increase by 0.075 percent per SPT and year. More information about the SPTs can be found in Kinnevik's Sustainability-Linked Financing Framework on Kinnevik's website.

Kinnevik has entered into a number of interest rate swap agreements whereby it pays a fixed annual interest rate also on bonds with a floating rate coupon. The derivatives had a positive market value of SEK 286m (5m) at the end of the quarter and are marked to market based on discounted cash flows with observable market data. The derivatives are covered by ISDA agreement. As at 31 December 2022, the average interest rate for outstanding senior unsecured bonds amounted to 1.3% and the weighted average remaining tenor for all Kinnevik's credit facilities amounted to 2.2 years. The carrying amount of the liabilities is a reasonable approximation of fair value as they bear variable interest rates..

## CREDIT FACILITIES

### Syndicated bank facilities

Kinnevik has two sustainability-linked multi-currency revolving credit facilities amounting to SEK 2,500m each, provided by a group of six banks – Danske Bank, DNB, Nordea, SEB, Svenska Handelsbanken and Swedbank. The two facilities mature in May 2024, with optional extension of up to two years each.

### Overdraft facilities

Kinnevik has overdraft facilities with Handelsbanken (SEK 100m) and Nordea (SEK 30m). These facilities are extended on a yearly basis.

## Note 11 Other liabilities

	2022	2021
Other long-term liabilities	-	10
<b>Total other long-term liabilities</b>	<b>-</b>	<b>10</b>
Accrued interest expenses	21	33
Accrued personnel expenses	65	70
Debt unpaid investments	259	471
Other debt	46	44
<b>Total other short-term liabilities</b>	<b>391</b>	<b>619</b>

## Note 12 Auditors' fees

	2022	2021
<b>KPMG</b>		
Audit assignments	1.9	1.8
Other assignments	0.1	0

Audit assignments refer to statutory audits of the annual and consolidated accounts and accounting, as well as the Board of Directors' and the President's administration, as well as audits and other audits performed in accordance with an agreement or contract. This includes other tasks that it is up to the company's auditor to perform as well as advice or other assistance that is prompted by observations during such review or the performance of such other tasks.

## Note 13 Pledged assets

At 31 December 2022, Kinnevik did not have any listed shares or other securities in associated companies pledged in relation to the Group's financing.

## Note 14 Contingent liabilities

County administrative boards have submitted claims to Kinnevik regarding environmental studies at a number of sites where Fagersta AB (through name changes and a merger, Kinnevik AB) conducted operations until 1983. Kinnevik's position is that the Company's responsibility to perform any decontamination measures must be limited, primarily out of consideration to the long period of time that has passed since any potential contamination damages occurred and the regulations that were in force at the time, and the fact that a quarter century has passed since operations were shut down or turned over to new owners. Kinnevik has therefore not made any provisions for potential future claims for decontamination measures. SEK 5m was provided in 2007 for potential environmental studies that Kinnevik might be required to pay for of which SEK 1.2m was used in 2010 to 2022.

## Note 15 Related-party transactions

Kinnevik's related party transactions primarily consists of short term bridge loans to investee companies, which are included in financial assets accounted at fair value through profit and loss. Interest income from such loans are recognised as external interest income through profit and loss. Other income relates to the rent out of office premises in Gamla Stan in Stockholm as well as re-invoicing of costs. Kinnevik buys telephony services from related parties.

The following is a summary of Kinnevik's revenue, expense, receivables and liabilities to and from related parties (exceeding SEK 1m).

	Group		Parent Company	
	2022	2021	2022	2021
<b>Revenue</b>				
Tele2	-	1	-	-
<b>Operating expenses</b>				
SecureValue	2	3	2	3
Tele2	0	1	0	1
<b>Interest income</b>				
Oda	12	1	-	-
Monese	0	1	-	-
Saltside	1	1	-	-
Omio	2	6	-	-
Joint Academy	2	-	-	-
<b>Financial receivables from associated companies</b>				
Agreena	22	-	-	-
Mathem	189	-	-	-
Joint Academy	60	-	-	-
Saltside	14	11	-	-
YouScan	11	-	-	-
Omio	-	126	-	-

All transactions with related parties have taken place at arm's length basis, i.e. on market conditions. In connection with acquisitions from and divestments to major shareholders of the company or directors or officers of the group, valuation reports are obtained from independent experts, in accordance with the Swedish Securities Council's statement 2019:25. In all agreements relating to goods and services prices are compared with up-to-date prices from independent suppliers in the market to ensure that all agreements are entered into on market conditions.

For transactions with the Board of Directors and Senior Executives refer to Note 16 for the Group.



## Note 16 Personnel

### AVERAGE NUMBER OF EMPLOYEES

	2022		2021	
	Men	Women	Men	Women
Sweden	13	17	12	16
UK	6	8	6	6
<b>Total Number of Employees</b>	<b>19</b>	<b>25</b>	<b>18</b>	<b>22</b>

### AVERAGE DISTRIBUTION OF WOMEN AND MEN AMONGST THE BOARD AND SENIOR EXECUTIVES

	2022		2021	
	Men	Women	Men	Women
Board Members	2	3	3	3
CEO	1	-	1	-
Other Senior Executives	3	3	4	4
<b>Total</b>	<b>6</b>	<b>6</b>	<b>8</b>	<b>7</b>

### SALARIES, OTHER REMUNERATION, AND SOCIAL SECURITY EXPENSES

(SEK 000s)	2022		2021	
	Board, CEO & Senior Executives	Other Employees	Board, CEO & Senior Executives	Other Employees
Salaries & Other Remuneration	55 444	75 380	51 778	66 468
Social Security	15 755	18 283	15 632	15 380
Pension Contributions & Expenses	5 991	4 358	5 668	4 432
Costs for Share-Based Remuneration <sup>1)</sup>	26 930	34 497	36 239	40 812
<b>Total</b>	<b>104 120</b>	<b>132 517</b>	<b>109 317</b>	<b>127 092</b>

<sup>1)</sup> Includes social security costs and subsidies received by participants at the launch of long-term incentive plans. See further under Incentive plans and share based remuneration.

### GUIDELINES FOR REMUNERATION FOR SENIOR EXECUTIVES

The following principles and guidelines were approved by the 2020 Annual General Meeting and are provided for the Chief Executive Officer and the other persons in the executive management of Kinnevik (together the "Senior Executives"), as well as Members of the Board to the extent they are remunerated outside their Board duties.

The guidelines are forward-looking, i.e. they will apply to remuneration agreed, and amendments to remuneration already agreed. These guidelines will not apply to any remuneration decided or approved by the General Meeting, such as ordinary Board remuneration and share-related or share price-related remuneration (the "long-term incentive plans").

#### The guidelines' promotion of Kinnevik's business strategy, long-term interests and sustainability

In short, Kinnevik's business strategy is to be the leading growth investor by:

- backing challenger businesses that use technology to address material everyday consumer needs;
- being a bold and long-term business builder, partnering with talented entrepreneurs;
- focusing on Fashion & Food e-Commerce, Online Marketplaces, Financial Services, Healthcare and TMT, and other large sectors in the process of significant technological disruption;
- investing in Europe, with a focus on the Nordics, the US, and selectively in other markets; and
- leveraging our experience and expertise to build leading, long-term sustainable businesses.

For more information regarding Kinnevik's business strategy, please see Kinnevik's website at [www.kinnevik.com](http://www.kinnevik.com) under the heading "Strategy" (which can be found under the section "About Us").

A prerequisite for the successful implementation of Kinnevik's business strategy and safeguarding of its long-term interests, including its sustainability, 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 remuneration to create incentives for the Senior Executives to execute strategic plans, deliver excellent operating results and to align their incentives with the interests of Kinnevik's shareholders. These guidelines enable Kinnevik to offer the Senior Executives a competitive total remuneration. In addition, these guidelines, together with Kinnevik's long-term incentive plans, promote Kinnevik's business strategy, long-term interests and sustainability by establishing that variable compensation shall be based on Kinnevik's overarching financial target to deliver targeted shareholder return, and other corporate performance targets, including in particular the value of the growth portfolio and achieving Kinnevik's diversity targets. Furthermore, in order to ensure that the performance on which compensation is based proves to be sustainable over time, Kinnevik shall have the authority, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim remuneration, other than fixed cash salary, pensions and other customary benefits, paid on incorrect grounds or information that was manifestly misstated, or in the event of material breaches of Kinnevik's Code of Conduct ("claw-back").

### Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other customary benefits. Additionally, the General Meeting may resolve on, among other things, long term share incentive plans.

The fixed cash salary is reviewed each year and is based on the Senior Executive's competence, area of responsibility and market benchmarks.

The variable cash remuneration can amount to a maximum of 100 percent of the Senior Executive's fixed annual cash salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining Senior Executives, or as remuneration for exceptional performance beyond the individual's ordinary tasks. Such an additional remuneration may not exceed an amount corresponding to 100 percent of the Senior Executive's otherwise existing fixed annual cash salary.

Long-term incentive plans are resolved upon by the General Meeting – irrespective of these guidelines. The long-term incentive plans shall be structured to ensure a long-term commitment to the development of Kinnevik and with the intention that the Senior Executives shall have a significant long-term shareholding in Kinnevik. The outcome shall be linked to certain pre-determined performance criteria, based on Kinnevik's share price and value growth. For more information regarding the long-term incentive plans that are ongoing, or that have ended during the current year, please see Kinnevik's website at [www.kinnevik.com](http://www.kinnevik.com) under the heading "Remuneration" (which can be found under the section "Governance").

For the Senior Executives, pension benefits shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 percent of the Senior Executive's fixed annual cash salary.

Other customary benefits may include, for example, life insurance, medical insurance (Sw. sjukvårdsförsäkring) and company car. Such benefits may amount to not more than 10 percent of the Senior Executive's fixed annual cash salary.

### Termination of employment

Upon termination of employment by Kinnevik, the notice period may not exceed 12 months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for 18 months for the Chief Executive Officer and 12 months for other Senior Executives. When termination is made by the Senior Executive, the notice period may not exceed 12 months for the Chief Executive Officer and six months for other Senior Executives, without any right to severance pay.

### Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable financial and non-financial criteria, measured over a period of one year. The criteria include fulfillment of individual and corporate objectives which are linked to specific performance and potential processes and transactions. The variable cash remuneration shall be based on (i) the outcome of corporate performance targets linked to e.g. that Kinnevik delivers targeted shareholder returns, grows the growth portfolio and reaches and exceeds its investee diversity targets, and

(ii) the Senior Executives individual targets. In order to increase alignment with the interests of Kinnevik's shareholders, payment of part of the variable cash remuneration is conditional upon a portion of it being invested in Kinnevik shares, until the Senior Executive has a shareholding in Kinnevik corresponding to his or her fixed annual cash salary, net after taxes.

The extent to which the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The People & Remuneration Committee is responsible for the evaluation. As regards financial criteria, the evaluation shall be based on the latest financial information made public by Kinnevik. The People & Remuneration Committee will use the discretion afforded them by shareholders to ensure that rewards properly reflect the business performance of Kinnevik, and will take into account any relevant environmental, social, and governance (ESG) matters when determining outcomes.

### Salary and employment conditions for employees

In preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for Kinnevik's employees have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, as the basis for the People & Remuneration Committee's and the Board's decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to Senior Executives and remuneration to other employees will be disclosed in the remuneration report.

### Remuneration to Board members

Board members in the parent company, elected at General Meetings, may in certain cases receive compensation for services performed within their respective areas of expertise, outside of their Board duties in the parent company. Compensation for such services shall be paid on market terms and be approved by the Board.

### Decision-making process to determine, review and implement guidelines

The Board has established a People & Remuneration Committee. The People & Remuneration Committee's tasks include preparing the Board's resolutions in remuneration-related matters, and preparing the Board's proposal for remuneration guidelines for Senior Executives. The People & Remuneration Committee's tasks also include assisting in other issues involving the composition, size and balance of the Senior Executive team, talent management, any termination, settlement, or compromise package or similar. The People & Remuneration Committee also monitors and evaluates the programs for variable remuneration (including share-related or share price-related remuneration) for the Senior Executives, the application of these guidelines as well as the current remuneration structures and compensation levels within Kinnevik.

Remuneration under employment subject to rules other than Swedish rules may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

The members of the People & Remuneration Committee are independent of the company and the executive management. Senior Executives do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting.

#### Derogation from the guidelines

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve Kinnevik's long-term interests, including its sustainability, or to ensure Kinnevik's financial viability.

#### REMUNERATION FOR THE CEO AND OTHER SENIOR EXECUTIVES

(SEK 000s)	2022		2021	
	CEO	Other Senior Executives	CEO	Other Senior Executives <sup>1)</sup>
Fixed Salaries	8 000	17 421	8 000	17 365
Variable Compensation	5 920	11 862	7 280	13 809
Extraordinary Variable Compensation	-	5 049	-	-
Benefits	138	509	146	603
Pension Contributions	2 435	3 556	2 407	3 261
Costs for Share-Based Remuneration <sup>2)</sup>	5 900	14 596	8 111	20 276
<b>Total</b>	<b>22 393</b>	<b>52 993</b>	<b>25 944</b>	<b>55 313</b>

<sup>1)</sup> Other senior executives consisted of 6 (6) persons during 2022.

<sup>2)</sup> Includes social security costs and subsidies received by participants at the launch of long-term incentive plans. See further under Incentive plans and share based remuneration.

During the year one senior executive has (in accordance with the remuneration guidelines) received an extraordinary variable cash compensation corresponding to 100% of this senior executive's fixed annual salary. The extraordinary cash compensation was subject to full re-investment of the entire amount into Kinnevik Class B shares. The payment was resolved by the People & Remuneration Committee for retention purposes due to the unintended delay in launching LTIP 2021.

In addition to remuneration paid by Kinnevik specified in the table on the left-hand side, the CEO received board fees from two associated companies during 2022 amounting to a total of SEK 1.5m (1.3). No other senior executive has received any board fees from associated companies during 2022 or 2021.

For the CEO and other senior executives, pension contributions of no more than 30% of their respective fixed salary were paid during 2022. Pension contributions are typically paid directly to insurance companies.

#### INCENTIVE PLANS AND SHARE BASED REMUNERATION

Kinnevik invite all its employees to participate in long-term incentive plans (the "LTIPs"). LTIPs require participants to invest and hold shares in Kinnevik, and to remain employed with Kinnevik, for a period of three years. The LTIPs use a structure where participants receive instruments ("Incentive Shares") that are reclassified into disposable Kinnevik Class B shares to an extent determined by value creation performance criteria over an extended period of time. In order to align LTIP participants' economic interests with Kinnevik's shareholders, participants are compensated for any dividends paid to shareholders during the course of an LTIP.

LTIPs that were launched in 2018-20 measured three-year TSR and NAV development, and the five-year IRR of Kinnevik's private portfolio or growth portfolio. LTIPs launched from 2021 and onward measure five-year TSR and NAV development.

While each participant is required to invest a significant amount of capital into Kinnevik shares in order to participate in the LTIPs, the Incentive Shares received in the LTIPs are themselves transferred to participants free of charge. The valuation of the Incentive Shares is based on a Monte Carlo-simulation, and is provided by an independent third-party valuer. The fair market value of the Incentive Shares is accounted for linearly over a three-year vesting period in accordance with IFRS2. Taxes due on the value of the Incentive Shares at launch of an LTIP are borne by Kinnevik through the payment of cash directly to relevant tax authorities. The cost for these taxes, including social security costs, is expensed when it is paid. The potential reclassification of any Incentive Shares into Kinnevik Class B shares does not result in any costs for Kinnevik, and any capital gains or dividend taxes due are borne solely by the LTIP participants. Details of each outstanding LTIP as at 31 December 2022 are provided on the following pages.

## OUTSTANDING INCENTIVE PLANS: TERMS AND ALLOCATIONS

	LTIP 2018	LTIP 2019	LTIP 2020		LTIP 2021		LTIP 2022	
Length of Measurement Period	5 Years	5 Years	3 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Performance Measurement	8-25% IRR Unlisted Portfolio	8-25% IRR Unlisted Portfolio	5-15% TSR Kinnevik B Share	8-25% IRR Growth Portfolio	8-25% TSR Kinnevik B Share	8-25% IRR NAV	8-25% TSR Kinnevik B Share	8-25% IRR NAV
% Vesting at Entry Level	18%	20%	20%	20%	0%	0%	0%	0%
Reference Share Price, NAV Subset or NAV, SEKm	11 994 <sup>1)</sup>	14 234 <sup>1)</sup>	98 <sup>1)</sup>	16 862	330	75 844	258	67 859
Vesting Date	31 March 2023	31 March 2024	31 March 2023	31 March 2025	30 September 2026	30 September 2026	31 March 2027	31 March 2027
CEO Allocation, # of Shares	28 000	36 000	61 100	62 400	35 000	35 000	43 000	43 000
CEO Acquisition, # of Shares	-	-	-	-	12 250	12 250	21 500	21 500
Senior Executives Allocation, # of Shares	47 300	72 350	96 450	119 700	105 000	105 000	134 000	134 000
Senior Executives Acquisition, # of Shares	-	-	-	-	21 000	21 000	36 000	36 000
Other Employees Allocation, # of Shares	221 958	270 962	198 122	436 715	216 500	216 500	299 400	299 400
Other Employees Acquisition, # of Shares	-	-	-	-	15 050	15 050	18 855	18 855
<b>Total Allocation and Acquisition, # of Shares</b>	<b>297 258</b>	<b>379 312</b>	<b>355 672</b>	<b>618 815</b>	<b>404 800</b>	<b>404 800</b>	<b>552 755</b>	<b>552 755</b>
Total Cost including Social Security, SEKm	53 <sup>2)</sup>	98 <sup>2)</sup>	160		57		39	
Maximum Dilution at Launch	0.26% <sup>2)</sup>	0.34% <sup>2)</sup>	0.44%		0.31%		0.44%	
Maximum Dilution 2022 End, including Dividends <sup>3)</sup>	0.26%	0.31%	0.61%		0.30%		0.41%	
Maximum Value per Share (SEK)	897	723	369	554	1 403		1 096	

<sup>1)</sup> Reference share price for LTIP2020 adjusted for dividend paid. Private portfolio 2018 and 2019 includes holdings listed after start date.

<sup>2)</sup> includes already vested part for LTIP2018 and LTIP2019.

<sup>3)</sup> Maximum remaining shares vesting including dividend compensation in relation to total outstanding Kinnevik Class A and Class B shares.

## OUTSTANDING INCENTIVE PLANS: PERFORMANCE LEVELS AS AT 31 DECEMBER 2022

	LTIP 2018	LTIP 2019	LTIP 2020		LTIP 2021		LTIP 2022	
Performance Measurement	8-25% IRR Unlisted Portfolio	8-25% IRR Unlisted Portfolio	5-15% TSR Kinnevik B Share	8-25% IRR Growth Portfolio	8-25% TSR Kinnevik B Share	8-25% IRR NAV	8-25% TSR Kinnevik B Share	8-25% IRR NAV
Performance to Date, Annualized	7%	10%	15%	17%	-49%	-26%	-54%	-22%
Value Change Needed to Reach Entry Level	+4%	-4%	-21%	0%	+238%	+111%	+164%	+88%
Value Change Needed to Reach Stretch Level	+92%	+101%	+4%	+95%	+602%	+337%	+449%	+291%
Current Vesting Level, %	0%	28%	99%	60%	0%	0%	0%	0%
Dividend Adjustment, %	142%	124%	71%	71%	-	-	-	-
Current Vesting for CEO, # of Shares	0	10 080	60 489	37 440	0	0	0	0
Current Dividend for CEO, # of Shares	0	12 499	42 947	26 582	0	0	0	0
Current Vesting for CEO, SEKm	0	3.2	14.8	9.2	0	0	0	0
Current Vesting for Senior Executives, # of Shares	0	20 258	95 486	71 820	0	0	0	0
Current Dividend for Senior Executives, # of Shares	0	25 120	67 795	50 992	0	0	0	0
Current Vesting for Senior Executives, SEKm	0.0	6.5	23.4	17.6	0.0	0.0	0.0	0.0
Current Vesting for Rest of Team, # of Shares	0	75 869	196 141	262 029	0	0	0	0
Current Dividend for Rest of Team, # of Shares	0	94 078	139 260	186 041	0	0	0	0
Current Vesting for Rest of Team, SEKm	0	24.4	48.1	64.3	0.0	0.0	0.0	0.0
<b>Total Current Vesting, # of Shares</b>	<b>0</b>	<b>106 207</b>	<b>352 115</b>	<b>371 289</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Current Dividend, # of Shares</b>	<b>0</b>	<b>131 697</b>	<b>250 002</b>	<b>263 615</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Current Vesting, SEKm</b>	<b>0.0</b>	<b>34.1</b>	<b>86.4</b>	<b>91.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Current Dilution <sup>1)</sup></b>	<b>0%</b>	<b>0.09%</b>	<b>0.46%</b>		<b>0%</b>		<b>0%</b>	

<sup>1)</sup> Number of shares that would vest at achieved level including dividend compensation in relation to actual outstanding Kinnevik Class A and Class B shares.

### LTIP 2018 (ending in 2021 and 2023)

Incentive Shares Ending in 2023	Number of Participants	5-Year Shares Allocated
CEO	1	28 000
Other Senior Executives	4	47 300
Other Employees	15	221 958
<b>Total</b>	<b>20</b>	<b>297 258</b>

The three-year portion of LTIP 2018 reached full vesting in 2021 due to a three-year annualized TSR of 26 percent and an average annual three-year NAV growth of 16 percent. All Incentive Shares measuring three-year performance were converted into Kinnevik Class B shares in 2021. In conjunction with this conversion, a cash dividend of SEK 44m was paid to the participants. This dividend was paid in cash, rather than in Kinnevik Class B shares, to facilitate the distribution of Kinnevik's shareholding in Zalando.

The five-year portion of LTIP 2018 runs until 31 March 2023. Maximum monetary outcomes are limited to SEK 897 per Incentive Share, including any dividend compensation (three times the average price of Kinnevik Class B shares during March 2018). The fair market value of the Incentive Shares, including social security costs, amounted to SEK 24m and was expensed over 2018-21. The cost for taxes borne by Kinnevik, including social security costs, amounted to SEK 29m and was expensed upon payment in 2018. The total cost for LTIP 2018 amounted to SEK 53m.

### LTIP 2019 (ending in 2022 and 2024)

The three-year portion of LTIP 2019 reached full vesting in 2022 due to a three-year annualized TSR of 32 percent and an average annual three-year NAV growth of 19 percent. All Incentive Shares measuring three-year performance were converted into Kinnevik Class B shares in 2022. In conjunction with this conversion, a dividend of Kinnevik Class B shares was paid to participants corresponding to 0.995 shares per Incentive Share.

Awarded Class B Shares in 2022	Number of Participants	3-Year Shares Allocated	3-year Shares Vested	Dividend Shares
CEO	1	51 000	51 000	50 745
Other Senior Executives	4	55 300	55 300	56 516
Other Employees	27	159 442	159 442	157 150
<b>Total</b>	<b>32</b>	<b>265 742</b>	<b>265 742</b>	<b>264 411</b>

Incentive Shares Ending in 2024	Number of Participants	3-Year Shares Allocated	IFRS2 Costs (2022, SEK 000s)
CEO	1	36 000	468
Other Senior Executives	4	72 350	579
Other Employees	14	270 962	1 528
<b>Total</b>	<b>19</b>	<b>379 312</b>	<b>2 575</b>

The five-year portion of LTIP 2019 runs until 31 March 2024. Maximum monetary outcomes are limited to SEK 723 per Incentive Share, including any dividend compensation (three times the average price of Kinnevik Class B shares during March 2019). The fair market value of the Incentive Shares, including social security costs, amounted to SEK 44m and was expensed over 2019-22. The cost for taxes borne by Kinnevik, including social security costs, amounted to SEK 54m and was expensed upon payment in 2019. The total cost for LTIP 2019 amounted to SEK 98m, of which SEK 3m (12) was expensed in 2022. Costs in the table above excludes social security costs.

### LTIP 2020 (ending in 2023 and 2025)

Incentive Shares	Number of Participants	3-Year Shares Allocated	5-Year Shares Allocated	IFRS2 Costs (2022, SEK 000s)
CEO	1	61 100	62 400	2 949
Other Senior Executives	6	96 450	119 700	5 889
Other Employees	28	198 122	436 715	9 779
<b>Total</b>	<b>35</b>	<b>355 672</b>	<b>618 815</b>	<b>18 617</b>

The three-year portion of LTIP 2020 runs until 31 March 2023, and the five-year portion of LTIP 2020 runs until 31 March 2025. Maximum monetary outcomes are limited to SEK 369 per Incentive Shares for the three-year portion, including any dividend compensation (two times the average price of Kinnevik Class B shares during March 2020). Maximum monetary outcomes are limited to SEK 554 per Incentive Shares for the five-year portion, including any dividend compensation (three times the average price of Kinnevik Class B shares during March 2020). The fair market value of the Incentive Shares, including social security costs, amounted to SEK 81m and is expensed over 2020-23. The cost for taxes borne by Kinnevik, including social security costs, amounted to SEK 79m and was expensed upon payment in 2020. The total cost for LTIP 2020 amounted to SEK 160m, of which SEK 30m (30) was expensed in 2022. Costs in the table above excludes social security costs.

**LTIP 2021 (ending in 2026)**

Incentive Shares	Number of Participants	Shares Allocated	IFRS2 Costs (2022, SEK 000s)	Shares Acquired
CEO	1	70 000	730	24 500
Other Senior Executives	6	210 000	2 191	42 000
Other Employees	28	433 000	4 993	30 100
<b>Total</b>	<b>35</b>	<b>713 000</b>	<b>7 914</b>	<b>96 600</b>

LTIP 2021 runs until 30 September 2026. Maximum monetary outcomes are limited to SEK 1,403 per share, including any dividend compensation (4.25 times the average price of Kinnevik Class B shares during September 2021). The fair market value of the Incentive Shares, including social security costs, amounted to SEK 29m and is expensed over 2021-24. The cost for taxes borne by Kinnevik, including social security costs, amounted to SEK 29m and was expensed upon payment in 2021. The total cost for LTIP 2021 amounted to SEK 57m, of which SEK 10m (31) was expensed in 2022. Costs in the table above excludes social security costs.

In addition to shares allocated free of charge, the CEO and senior members of Kinnevik's investment team had the opportunity to acquire additional Incentive Shares at their own expense and at zero cost to Kinnevik at an average fair market value of SEK 31.30 per Incentive Share. Kinnevik has the right to buy back these Incentive Shares at the acquisition price if the participant terminates his or her employment with Kinnevik within 18 months from the acquisition date.

**LTIP 2022 (ending in 2027)**

Incentive Shares	Number of Participants	Shares Allocated	IFRS2 Costs (2022, SEK 000s)	Tax Costs (2022, SEK 000s)	Shares Acquired
CEO	1	86 000	351	1 403	43 000
Other Senior Executives	6	268 000	1093	4 844	72 000
Other Employees	28	598 800	2 418	9 798	37 710
<b>Total</b>	<b>35</b>	<b>952 800</b>	<b>3 862</b>	<b>16 045</b>	<b>152 710</b>

LTIP 2022 runs until 31 March 2027. Maximum monetary outcomes are limited to SEK 1,096 per share, including any dividend compensation (4.25 times the average price of Kinnevik Class B shares during Q1 2022). The fair market value of the Incentive Shares, including social security costs, amounted to SEK 19m and is expensed over 2022-25. The cost for taxes borne by Kinnevik, including social security costs, amounted to SEK 20m and was expensed upon payment in 2022. The total cost for LTIP 2022 amounted to SEK 39m, of which SEK 25m

was expensed in 2022. Costs in the table above excludes social security costs.

In addition to shares allocated free of charge, the CEO and senior members of Kinnevik's investment team had the opportunity to acquire additional Incentive Shares at their own expense and at zero cost to Kinnevik at an average fair market value of SEK 16.30 per Incentive Share. Kinnevik has the right to buy back these Incentive Shares at the acquisition price if the participant terminates his or her employment with Kinnevik within 18 months from the acquisition date.

**Plan costs and liability for social security contributions**

The total cost for all outstanding LTIPs amounted to SEK 60m (77) in 2022. There are no outstanding social security liabilities as these are paid at the start of the LTIPs and expensed over three years.

**Change in total outstanding incentive shares**

Incentive Shares	Start of 2022	Vested in 2022	Allocation in 2022	Redeemed in 2022	Change	Acquired in 2022	End of 2022
CEO	333 000	-51 000	86 000	-	-	43 000	411 000
Other Senior Executives	845 650	-56 800	268 000	-24 000	-177 050	72 000	927 800
Other Employees	1 589 599	-157 942	598 800	-17 850	177 050	37 710	2 227 367
<b>Total</b>	<b>2 768 249</b>	<b>-265 742</b>	<b>952 800</b>	<b>-41 850</b>	<b>-</b>	<b>152 710</b>	<b>3 566 167</b>

Shares redeemed in 2022 include Incentive Shares that are redeemed due to unfulfilled employment conditions. Implementation of this redemption takes place in 2023. Consequentially, outstanding Incentive Shares at end of 2022 excludes shares that has been resolved to be redeemed in 2023.

**VCP 2017-2022**

In 2017, a one-time, long-term, cash-based incentive program for senior members of Kinnevik's investment team was launched (called "VCP 2017"). The VCP 2017 expired in 2022 without any payout.

## BOARD FEES AND OTHER FEES PAID TO THE DIRECTORS OF THE PARENT COMPANY

(SEK 000s)	Board Fees at Parent Company	2022 Fees for Assignments	Board Fees at Parent Company	2021 Fees for Assignments
James Anderson (Chairman)	2 705	-	0 <sup>1)</sup>	-
Susanna Campbell	1 030	-	1 000	-
Brian McBride	-	-	875	828 <sup>2)</sup>
Harald Mix	840	-	825	-
Cecilia Quist	905	-	875	-
Charlotte Strömberg	1 065	-	1 000	-
<b>Total</b>	<b>6 545</b>	<b>-</b>	<b>4 575</b>	<b>828</b>

<sup>1)</sup> As a consequence of other commitments the Chairman elect could not receive remuneration during the first year.

<sup>2)</sup> During 2021, Brian McBride received an amount of 70,182 GBP for work performed within investee companies in addition to customary Board work.



## Note 17 Financial risk management

Kinnevik's management of financial risks is centralized within Kinnevik's finance function and is conducted based on a Finance Policy established by the Board of Directors. The policy is reviewed continuously by the finance function and updated when appropriate in discussion with the Audit & Sustainability Committee and as approved by the Board of Directors. Kinnevik has a model for risk management that aims to identify, control and reduce risks. The output of the model is reported to Kinnevik's Audit & Sustainability Committee and Board of Directors on a regular basis. Kinnevik is mainly exposed to financial risks in respect of:

- Valuation risk, in relation to negative changes in the value of the portfolio
- Liquidity and financing risk, in relation to increased cost of financing, and difficulties in refinancing maturing loans and facilities, ultimately leading to payment obligations not being met
- Foreign exchange rate risk, in relation to transaction and translation currency exposure
- Interest rate risk, having an adverse impact on financing costs

### VALUATION RISK

Kinnevik is invested in both listed and unlisted investee companies where valuations can fluctuate due to a wide array of different factors.

On 31 December 2022, 34% (52%) of Kinnevik's Portfolio Value was invested in listed investee companies and 66% (48%) in unlisted investee companies.

Kinnevik is a long-term shareholder and therefore has the flexibility not to have a general strategy for managing short-term fluctuations in the share prices of its listed investee companies. A 10% change in the prices of all listed shareholdings at 31 December 2022 would have affected the Group's earnings and shareholders' equity by SEK 1.5bn (3.5bn).

The value of Kinnevik's investments in unlisted investee companies may increase or decrease due to a number of factors, of which changes in public equity markets is one. In the process of valuing its unlisted holdings, Kinnevik makes numerous considerations. These include relative

valuations of comparable publicly traded companies, operational and financial performance of the respective investee company, and valuations reflected in transactions in the respective investee company's shares. Any changes in these considerations bear impact on the value of Kinnevik's investments in unlisted investee companies. For the companies that are valued based on multiples an increase in the multiple by 10% on 31 December 2022 would have increased the aggregate assessed fair value by SEK 2.1bn (2.9bn). Similarly, a decrease in the multiple by 10% would have decreased the aggregate assessed fair value by SEK 1.9bn (2.9bn).

### LIQUIDITY AND FINANCING RISK

Kinnevik's liquidity and financing risk is limited considering its substantial net cash position and material shareholding in Tele2. Kinnevik relies in part on dividends received from Tele2 to finance its operations and maintain recent years' investment momentum. Without dividends from Tele2, Kinnevik would rely primarily on capital reallocation and/or debt financing to secure the funding of its operations and maintain its targeted financial position.

On 31 December 2022, Kinnevik had cash and cash equivalents amounting to SEK 13,848m (10,544m) and committed but not utilized credit facilities amounting to SEK 5,130m (5,130m).

Financing risk covers the eventuality that Kinnevik is not be able to obtain financing, or that financing can only be obtained at considerable cost. As mentioned above, Kinnevik's financing risk is limited in consideration of its substantial net cash position and material shareholding in Tele2. Debt financing is sourced from a number of different credit institutions with diversified maturities, and Kinnevik strives to refinance all facilities at least six months prior to maturity. On 31 December 2022, the total amount of committed financing was SEK 8,630m (9,840m) with an average remaining facility duration of 2.2 (2.8) years. For further details, please refer to Note 10 for the Group.

### FOREIGN EXCHANGE RATE RISK

Foreign exchange rate risk comprises transaction and translation currency exposure. Transaction exposure arises from cash flows denominated in

foreign currencies. Kinnevik's debt funding and cash position is virtually entirely denominated in SEK. Excluding investments and divestments, Kinnevik does not have any material cash flows in foreign currencies.

Translation exposure arises from the translation of balance sheet items denominated in foreign currencies into SEK. Kinnevik's balance sheet is mainly exposed to foreign exchange risk through investments denominated in either USD or EUR. On 31 December 2022, 44% (35%) of Kinnevik's Portfolio Value, corresponding to a value of SEK 19.1bn (23.9bn), pertained to investments denominated in USD. The corresponding share of Kinnevik's Portfolio Value for investments denominated in EUR is 17% (19%), corresponding to a value of SEK 7.5bn (13.2bn).

Kinnevik is also exposed to indirect translation exposure, as several of its investee companies operate internationally, whereby foreign currencies have an indirect effect on the value of these investments.

### INTEREST RATE RISK

Kinnevik's interest rate risk pertains to the risk that the value of interest-bearing receivables and liabilities will change negatively due to changes in market interest rates. On 31 December 2022, none of Kinnevik's interest bearing liabilities, SEK 3.5bn (4.7bn), were exposed to interest rate changes. SEK 3.25bn (4.46bn) out of Kinnevik's SEK 3.5bn (4.7bn) in outstanding bonds were originally exposed to interest rate risk with floating rates (3 months STIBOR). This interest rate risk was hedged by entering into interest rate swaps maturing on the same dates as the relevant bonds. On 31 December 2022, these swaps had a market value of SEK 286m (5m). An increase of 1.00% in interest rates at the reporting date would have increased the market value of the swaps by SEK 95m. Similarly, a decrease in interest rates of the equivalent amount have decreased the market value of the swaps by SEK 103m.

In connection with refinancing of current bonds and credit facilities, or if Kinnevik would increase its receivables or liabilities considerably, the interest rate risk may change materially.

# PARENT COMPANY FINANCIAL STATEMENTS

## PARENT COMPANY INCOME STATEMENT FOR THE PERIOD 1 JANUARY-31 DECEMBER (SEK M)

	Note	2022	2021
Administration costs	5,16	- 331	- 310
Other operating income		5	2
<b>Operating loss</b>		<b>- 326</b>	<b>- 308</b>
Dividends received	2	45 399	23 802
Loss from financial assets, associated companies and other	4	- 2 083	- 442
Loss from financial assets, subsidiaries	4	- 59 891	- 14 456
Interest income and other financial income	3	330	74
Interest expenses and other financial expenses	3	- 113	- 53
<b>Profit/loss after financial items</b>		<b>- 16 684</b>	<b>8 617</b>
<b>Appropriations</b>			
Group contributions, paid		- 5	- 3
Group contributions, received		31	180
<b>Profit/loss before tax</b>		<b>- 16 658</b>	<b>8 794</b>
Taxes	6	-	-
<b>Net profit/loss for the year <sup>1)</sup></b>		<b>- 16 658</b>	<b>8 794</b>

<sup>1)</sup> Net profit/loss corresponds with total comprehensive income.

## PARENT COMPANY BALANCE SHEET AS AT 31 DECEMBER (SEK M)

	Note	2022	2021
<b>Tangible fixed assets</b>			
Equipment	7	4	4
Shares and participations in Group companies	9	32 748	87 593
Shares and participations in associated companies and other companies	8	4 449	6 561
Receivables from Group companies		6 154	27 756
Other long-term receivables		129	210
<b>Total fixed assets</b>		<b>43 484</b>	<b>122 124</b>
<b>Current assets</b>			
Receivables from Group companies		36	-
Other receivables		295	216
Accrued income and prepayments		11	15
Short-term investments		10 738	6 684
Cash and bank		2 961	3 546
<b>Total current assets</b>		<b>14 041</b>	<b>10 461</b>
<b>TOTAL ASSETS</b>		<b>57 525</b>	<b>132 585</b>

	Note	2022	2021
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders equity</b>	10,15		
<b>Restricted equity</b>			
Share capital (280,154,247 shares of SEK 0.10 )		28	28
Premium reserve		6 868	6 868
<b>Unrestricted equity</b>			
Share premium		1 616	1 616
Retained earnings		61 904	53 078
Net result for the year		- 16 658	8 794
<b>Total shareholders' equity</b>		<b>53 758</b>	<b>70 383</b>
<b>Liabilities</b>	13		
<b>Provisions</b>			
Provisions for pensions		13	15
Other provisions		3	4
<b>Total provisions</b>		<b>16</b>	<b>19</b>
<b>Long-term liabilities</b>			
External interest-bearing loans	11	3 487	3 484
<b>Total long-term liabilities</b>		<b>3 487</b>	<b>3 484</b>
<b>Short-term liabilities</b>			
External interest-bearing loans	11	-	1 210
Trade creditors		5	5
Liabilities to Group companies		185	57 398
Other liabilities		3	3
Accrued expenses	12	71	83
<b>Total short-term liabilities</b>		<b>264</b>	<b>58 699</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>57 525</b>	<b>132 585</b>

## PARENT COMPANY STATEMENT OF CASH FLOW FOR THE PERIOD 1 JANUARY-31 DECEMBER (SEK M)

	2022	2021
Cash flow from operating costs	- 311	- 329
<b>Cash flow from operations before interest net and income taxes</b>	<b>- 311</b>	<b>- 329</b>
Interest received	44	0
Interest paid	- 66	- 55
Income taxes paid	0	0
<b>Cash flow from operations</b>	<b>- 333</b>	<b>- 384</b>
Investment in financial assets	0	0
Sale of shares and other securities	292	316
<b>Cash flow from investing activities</b>	<b>292</b>	<b>316</b>
Borrowing	-	2 000
Amortisation of loans	- 1 210	- 190
Dividend paid	-	- 44
Sale of own shares	-	91
Change in intra group balances <sup>1)</sup>	4 766	1 109
<b>Cash flow from financing activities</b>	<b>3 556</b>	<b>2 966</b>
<b>Cash flow for the year</b>	<b>3 515</b>	<b>2 898</b>
Short-term investments and cash and bank, opening balance	10 230	7 332
Revaluation of short term investments	- 46	-
Short-term investments and cash and bank, closing balance	13 699	10 230

<sup>1)</sup> The Parent Company and its Swedish subsidiaries have their liquidity coordinated via a consolidated account which in the Parent Company is reported in the balance sheet as receivables / liabilities of Group companies. The internal transactions that take place with the Swedish subsidiaries are thus generally not affecting cash flow for the parent company unless they are caused by an external transaction for the subsidiary.

## MOVEMENTS IN SHAREHOLDERS' EQUITY OF THE PARENT COMPANY (SEK M)

	Share capital	Premium reserve	Unrestricted equity	Total
<b>Opening balance, 1 January 2021</b>	<b>28</b>	<b>6 868</b>	<b>105 458</b>	<b>112 354</b>
Distribution in kind <sup>1)</sup>	-	-	- 50 850	- 50 850
Cash dividend <sup>2)</sup>	-	-	- 44	- 44
Effect of employee share saving programme	-	-	38	38
Sale of own shares	-	-	91	91
Net result	-	-	8 794	8 794
<b>Closing balance, 31 December 2021</b>	<b>28</b>	<b>6 868</b>	<b>63 487</b>	<b>70 383</b>
Effect of employee share saving programme	-	-	34	34
Net result	-	-	- 16 658	- 16 658
<b>Closing balance, 31 December 2022</b>	<b>28</b>	<b>6 868</b>	<b>46 862</b>	<b>53 758</b>

<sup>1)</sup> In accordance with the resolution at the AGM on April 29, 2021, the distribution of the Zalando shares was effected on June 18, 2021.

<sup>2)</sup> The AGM 2021 resolved in favor of paying cash dividend compensation to the participants in Kinnevik's long term incentive program from 2018.

# NOTES FOR THE PARENT COMPANY

## Note 1 Parent Company's accounting principles

The Parent Company's annual accounts have been prepared in accordance with Swedish law and the Swedish Financial Reporting Board's recommendation RFR 2 (Reporting for legal entities).

The Parent Company's accounting principles depart from the principles governing consolidated accounting in respect of the valuation of financial instruments and pension liabilities. The Parent Company applies RFR 2 in respect of the option not to observe IFRS 9. Financial instruments are thus not valued at fair value as in the Group but at their acquisition cost and after write-down, if any. Dividend in kind is valued at book value of the assets for the Parent Company.

For information concerning related party transactions, refer to Note 15 for the Group.

## Note 2 Dividends received

	2022	2021
Dividends received from subsidiaries	45 399	23 802
	<b>45 399</b>	<b>23 802</b>

## Note 3 Financial income and expenses

	2022	2021
Result from short-term investment	-	4
Interest income from bank	47	2
Marketvaluation swap	280	15
Exchange-rate differences	3	53
<b>Interest income and other financial income</b>	<b>330</b>	<b>74</b>
Interest expenses to credit institutions	- 54	- 42
Result from short-term investment	- 46	-
Other financial expenses	- 13	- 11
Exchange-rate differences	-	-
<b>Interest expenses and other financial expenses</b>	<b>- 113</b>	<b>- 53</b>
<b>Net financial income/expenses</b>	<b>217</b>	<b>21</b>

## Note 4 Earnings from financial assets

	2022	2021
Sale of shares in associated companies	29	78
Write-down of shares in associated companies	- 2 112	- 520
<b>Total profit/loss from associated companies and other</b>	<b>- 2 083</b>	<b>- 442</b>
Sale of shares in subsidiaries	43	-
Write-down of shares in subsidiaries	- 59 934	- 22 092
Reverse write down in subsidiaries	-	7 636
<b>Total profit/loss from subsidiaries</b>	<b>-59 891</b>	<b>-14 456</b>

Write-downs by shares in subsidiaries is a result of received dividends and repaid shareholders contribution.

## Note 5 Auditors' fees

	2022	2021
<b>To KPMG</b>		
Audit assignments	1.9	1.7
Other services	0.1	0.0
<b>Total</b>	<b>2.0</b>	<b>1.7</b>

Audit assignments refer to statutory audits of the annual and consolidated accounts and accounting, as well as the Board of Directors' and the President's administration, as well as audits and other audits performed in accordance with an agreement or contract. This includes other tasks that it is up to the company's auditor to perform as well as advice or other assistance that is prompted by observations during such review or the performance of such other tasks.

## Note 6 Taxes

	2022	2021
Tax expenses for the period	0	0
	<b>0</b>	<b>0</b>

### RECONCILIATION OF EFFECTIVE TAX RATE

	2022	%	2021	%
Profit/loss before tax	- 16 658		8 794	
Income tax at statutory rate of Parent Company	3 432	- 20.6%	- 1 811	- 20.6%
Earnings from participations in associated companies	15	- 0.1%	-	-
Non-taxable dividends received	9 352	- 56.1%	4 903	55.8%
Result from shares in subsidiaries	- 12 782	76.7%	- 3 085	- 35.1%
Other non-taxable expenses	- 14	0.1%	- 13	- 0.1%
Other taxable income	63	- 0.4%	4	0.0%
Tax on dividend in kind	-	-	159	1.8%
Charge non-capitalized loss carry-forward	- 67	0.4%	- 156	- 1.8%
<b>Effective tax/tax rate</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>

## Note 7 Tangible fixed assets

	2022	2021
<b>Inventarier</b>		
Opening acquisition values	9	7
Disposals/scrapping for the year	- 1	- 1
Investments for the year	1	3
<b>Closing acquisition values</b>	<b>9</b>	<b>9</b>
Opening accumulated depreciation	- 5	- 3
Disposals/scrapping for the year	1	-
Depreciation for the year	- 1	- 2
<b>Closing accumulated depreciation</b>	<b>- 5</b>	<b>- 5</b>
<b>Closing book value</b>	<b>4</b>	<b>4</b>

## Note 8 Shares and participations

Associated companies and other companies	Reg no	Registered office	Number of shares	Capital/votes (%)	2022		2021	
					Book value	Capital/voting (%)	Book value	Book value
Altlorenscheurerhof S.A.	B51332	Luxembourg	625	33	0	33	0	
Cedar Cares, Inc.	812461266	USA	1 159 607	8	1 662	8	2 059	
Cityblock Health Inc.	5208873	USA	6 281 141	8	2 787	8	4 502	
Modern Cartoons Ltd	C1961852	USA	2 544 000	23	0	23	0	
Shared Services S.A.	B97776	Luxembourg	200	30	0	30	0	
<b>Total book value</b>					<b>4 449</b>		<b>6 561</b>	

### Change in book value, shares and participations in associated companies

	2022	2021
Opening acquisition value, 1 January	6 561	121
Acquisition from Group companies	-	6 561
Writedown	- 2 112	-
Sales	-	- 121
<b>Closing book value, 31 December</b>	<b>4 449</b>	<b>6 561</b>

## Note 9 Shares and participations in Group companies

### SHARES AND PARTICIPATIONS IN DIRECT-OWNED SUBSIDIARIES

	Reg no	Registered office	Number of shares	Capital/ votes (%)	2022	2021
Invik&Co. AB	556051-6238	Stockholm	295 384	100/100	0	0
Royalvik AB	556035-3749	Stockholm	1 635	100/100	0	0
Invik S.A.	B138554	Luxembourg	551 252	100/100	2 763	10 612
Kinnevik Capital Ltd	05651109	United Kinfdom	1 000	100/100	2	2
Förvaltnings AB Eris & Co.	556035-7179	Stockholm	1 020 000	100/100	166	166
Kinnevik Consumer Finance Holding AB	556833-3917	Stockholm	50 000	100/100	120	247
Kinnevik East AB	556930-5666	Stockholm	50 000	100/100	10	0
Kinnevik Internet 1 AB (divested)	556884-6470	Stockholm	50 000	100/100	-	45 394
Kinnevik US Holdings AB	559109-4239	Stockholm	500	100/100	85	26
Kinnevik US Holding, LLC	84-2742351	USA	1 265 603	59/59	4 606	4 658
Kinnevik Media Holding AB	556880-1590	Stockholm	50 000	100/100	4	7
Kinnevik New Ventures AB	556736-2412	Stockholm	100	100/100	90	864
Kinnevik Online AB	556815-4958	Stockholm	50 000	100/100	19 257	17 459
Kinnevik Sweden Holding AB	559109-4221	Stockholm	500	100/100	5 645	8 159
<b>Book value</b>					<b>32 748</b>	<b>87 593</b>

## RECONCILIATION OF THE BOOK VALUE OF DIRECT-OWNED SHARES IN SUBSIDIARIES

	2022	2021
Opening acquisition value, 1 January	144 279	139 197
Acquisition	-	4 700
Shareholders' contribution	6 033	2 559
Repaid shareholders' contribution	- 945	- 2 179
Sale	- 56 360	-
<b>Closing acquisition value, 31 December</b>	<b>93 008</b>	<b>144 276</b>
Opening write-down, 1 January	- 56 683	- 42 227
Write-down	- 59 934	- 22 092
Reversed write-down	56 360	7 636
<b>Closing write-down, 31 December</b>	<b>- 60 257</b>	<b>- 56 683</b>
<b>Closing book value, 31 December</b>	<b>32 748</b>	<b>87 593</b>

## IN ADDITION THE FOLLOWING COMPANIES ARE INCLUDED IN THE GROUP

	Reg.no.	Registered office	Capital/voting (%)
Saltside Technologies AB	556852-1669	Gothenburg	61/61
Ikman (pvt) Ltd	PV92464	Sri Lanka	61/61
Bikroy Ltd	C-109149/13	Bangladesh	61/61
Tonaton Ltd	CB-1150	Ghana	61/61
Saltside Technologies India Pvt. Ltd	U72200KA2015FTC082334	India	61/61
Namki Technologies Pvt. Ltd	U72900KA2017FTC104709	India	61/61

## Note 10 Shareholders' equity

Change in shareholders' equity from the preceding year's balance sheet are presented in Movements in Shareholders' equity of the Parent Company.

### SHARE CAPITAL

Kinnevik AB's share capital as of 31 December 2022 was SEK 28,015,424.70 distributed among 280,154,247 shares with a par value of SEK 0.10 per share.

The share capital is divided into A shares with 10 votes each, B shares with 1 vote each and a number of different subordinated, convertible incentive shares with 1 vote each linked to Kinnevik's long-term incentive program.

	Number of shares	Number of votes	Par value (SEK 000s)
Class A shares	33 755 432	337 554 320	3 376
Class B shares	242 683 725	242 683 725	24 268
Class G shares LTIP 2018	297 258	297 258	30
Class G shares LTIP 2019	379 312	379 312	38
Class C-D Shares LTIP 2020	992 337	992 337	99
Class C-D Shares LTIP 2021	833 600	833 600	83
Class C-D Shares LTIP 2022	1 134 510	1 134 510	113
<b>Total outstanding shares</b>	<b>280 076 174</b>	<b>583 875 062</b>	<b>28 008</b>
Class B shares in own custody	133	133	0
Class C-D shares LTIP2022 in own custody	77 940	77 940	8
<b>Registered number of shares</b>	<b>280 154 247</b>	<b>583 953 135</b>	<b>28 015</b>

During the year, 265,742 incentive shares were converted from Kinnevik's long-term share incentive program 2019 (LTIP 2019) to B shares and 264,532 B shares were issued to cover dividend compensation for the same program.



Following the decision of the AGM in May and similar to 2021, a new issue of 1,212,450 convertible, subordinated incentive shares, divided into two share series, was carried out in June to the participants in Kinnevik's long-term share incentive program LTIP 2022.

There are no outstanding convertibles or warrants.

Regarding share-based long-term incentive programs, see Note 16 for the Group.

### Note 11 Interest-bearing loans

	2022	2021
<b>Interest-bearing long-term loans</b>		
Capital markets financing	3 500	3 500
Accrued borrowing costs	- 13	- 16
	<b>3 487</b>	<b>3 484</b>
<b>Interest-bearing short-term loans</b>		
Capital markets financing	-	1 210
	-	<b>1 210</b>
<b>Total interest-bearing loans</b>	<b>3 487</b>	<b>4 694</b>

For further information about the maturity structure of the Parent Company's interest bearing loans refer to Note 10 for the Group.

### Note 12 Accrued expenses

	2022	2021
Accrued personnel expenses	37	39
Accrued interest expenses	21	35
Other	13	9
<b>Total</b>	<b>71</b>	<b>83</b>

### Note 13 Contingent liabilities

County administrative boards have submitted claims to Kinnevik regarding environmental studies at a number of sites where Fagersta AB (through name changes and a merger, Kinnevik AB) conducted operations until 1983. Kinnevik's position is that the Company's responsibility to perform any decontamination measures must be very limited, if any, primarily out of consideration to the long period of time that has passed since any potential contamination damages occurred and the regulations that were in force at the time, and the fact that a quarter century has passed since operations were shut down or turned over to new owners. Kinnevik has therefore not made any provisions for potential future claims for decontamination measures. SEK 5m was provided in 2007 for potential environmental studies that Kinnevik might be required to pay for of which SEK 1.3m was used in 2010 to 2022.

In the Group, a reservation has been made of EUR 83m for a potential capital tax cost for a former subsidiary, see note 7 for the Group. In the event that a payment obligation arises for the subsidiary, the parent company will need to contribute capital.

### Note 14 Intra-group transactions

Intra-group revenue in the parent company amounted to SEK 4 (1) million. The parent company and its Swedish subsidiary have their liquidity coordinated through a number of central accounts in different currencies. In addition, there are a number of loans from subsidiaries. All transactions are charged with market interest.

### Note 15 Proposed appropriation of profits

The Board and the CEO propose that the unappropriated earnings and share premium at the disposal of the Annual General Meeting be disposed of as follows:

	2022
Retained earnings	45 246 817 348
Share premium	1 615 929 594
<b>Total</b>	<b>46 862 746 942</b>

The Board and the CEO propose that the unappropriated earnings and share premium at the disposal of the Annual General Meeting be disposed of as follows:

In line with Kinnevik's shareholder remuneration policy, the Board of Kinnevik does not propose an ordinary dividend for the financial year 2022.

In accordance with § 4 of the Articles of Association and the terms of Kinnevik's long-term incentive plans for 2018 and 2020, the Board proposes a dividend payment as compensation to participants in Kinnevik's long-term incentive plan 2018 and 2020 for paid dividends and other value transfers since 2018 and 2020, respectively, of SEK 212.41 per share of Class G 2018 and SEK 106.48 per share of Class C1 2020 and Class C2 2020 for which the performance condition for each of the incentive share classes has been fulfilled during 1 April 2018 - 31 March 2023 and 1 April 2020 - 31 March 2023, respectively. The size of such compensation will amount to in total SEK 101m, assuming maximum fulfillment of the performance conditions for each incentive share class.

Kinnevik's remaining retained earnings and share premium is accordingly to be carried forward.

## Note 16 Personnel

Average number of employees	2022		2021	
	men	women	men	women
Stockholm	9	15	8	14

Salaries, other remuneration and social security expenses	2022		2021	
	Board, CEO and senior executives	Other employees	Board, CEO and senior executives	Other employees
Salaries and other remuneration	41 509	27 407	41 049	27 116
Social security expenses	14 373	9 872	14 119	9 875
Pension expenses	5 486	3 387	5 034	3 298
Provision for share-based remuneration including social securities expense <sup>1)</sup>	24 451	17 340	29 114	21 365
	<b>85 818</b>	<b>58 006</b>	<b>89 315</b>	<b>61 654</b>

<sup>1)</sup> Share based remuneration includes subsidies received at launch of LTI programmes. See Note 16 for the Group

Salaries and other remuneration to the Board, CEO and other senior executives are further presented in Note 16 for the Group.

# SIGNATURES OF THE BOARD OF DIRECTORS AND THE CEO

The undersigned certify that the consolidated accounts and the annual report have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted for use in the European Union, and generally accepted accounting principles respectively, and give a true and fair view of the financial positions and results of the Group and the Parent Company, and that the Board of Directors' Report gives a fair review of the development of the operations, financial positions and results of the Group and the Parent Company and describes substantial risks and uncertainties that the Group companies face.

Stockholm, 3 April 2023

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**James Anderson**  
Chairman of the Board

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**Susanna Campbell**  
Member of the Board

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**Harald Mix**  
Member of the Board

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**Cecilia Qvist**  
Member of the Board

---

**Charlotte Strömberg**  
Member of the Board

---

**Georgi Ganev**  
Chief Executive Officer

Our Audit Report was issued on 3 April 2023  
KPMG AB

**Mårten Asplund**  
Authorized Public Accountant, Principal

**Johanna Hagström Jerkeryd**  
Authorized Public Accountant

# AUDIT REPORT

## TO THE GENERAL MEETING OF THE SHAREHOLDERS OF KINNEVIK AB (PUBL), CORP. ID 556047-9742

### REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

#### OPINIONS

We have audited the annual accounts and consolidated accounts of Kinnevik AB (publ) for the year 2022, except for the corporate governance statement on pages 62-67. The annual accounts and consolidated accounts of the company are included on pages 57-113 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 62-67. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

#### BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing stan-

dards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

#### VALUATION OF UNLISTED ASSETS

See disclosure 2 and 3 and accounting principles on page 76 in the annual account and consolidated accounts for detailed information and description of the matter.

#### Description of key audit matter

The total carrying value of unlisted investments amounted to SEK 28 770 million as of December 31, 2021.

The company's valuation policy is based on IFRS 13 and the International Private Equity and Venture Capital Valuation Guidelines.

The process for valuation of unlisted investments is based on a high degree of judgement and input from data that is not observable in the market, such as future expected revenue and profit and identification of relevant multiples.

An inappropriate use of multiples and input from data can have a significant impact in the assessment of fair value which

directly effects the profit. This is the reason to why we believe that this is a key audit matter.

#### Response in the audit

In our audit procedures of valuation of unlisted assets, we have primarily focused on the following audit procedures:

We have evaluated the process and internal controls related to the valuation of unlisted investments.

We have assessed that the valuation models that the company applies are consistent with IFRS 13. With the support of valuation specialists, we have evaluated that assessments made by the company, for example with respect to the selection of comparable companies and adjustments to the valuation multiples, are reasonable.

We have also assessed that the information disclosed in the annual report is in compliance with IFRS 13 and gives a fair view of the processes and routines of the company.

#### OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-56 and 118-120. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this informa-

tion, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can

arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### Auditor's audit of the administration and the proposed appropriations of profit or loss

### OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Kinnevik AB

(publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are

necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on

the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

### The auditor's examination of the Esef report

### OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Kinnevik AB (publ) for year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

### BASIS FOR OPINION

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Kinnevik AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of

Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and

the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

### THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 62-67 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

### THE AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

The Board of Directors is responsible for the sustainability report on pages 12-55, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Kinnevik AB (publ) by the general meeting of the shareholders on 9 May 2022. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2021.

Stockholm 3 April 2023

KPMG AB

Mårten Asplund  
*Authorized Public Accountant*

Johanna Hagström Jerkeryd  
*Authorized Public Accountant*

# DEFINITIONS AND ALTERNATIVE PERFORMANCE MEASURES

Kinnevik applies the Esma Guidelines on Alternative Performance Measures (APM). An APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. For Kinnevik's consolidated accounts, this typically means IFRS.

APMs are disclosed when they complement performance measures defined by IFRS. The basis for disclosed APMs are that they are used by management to evaluate the financial performance and in so believed to give analysts and other stakeholders valuable information. Definitions of all APMs used are found below and reconciliations can be found on Kinnevik's corporate website [www.kinnevik.com](http://www.kinnevik.com).

## AVERAGE REMAINING DURATION

The value weighted average number of years until maturity for all credit facilities including outstanding bonds

## DEBT/EQUITY RATIO

Interest-bearing liabilities including interest-bearing provisions divided by shareholders' equity

## DIVESTMENTS

All divestments in fixed listed and unlisted financial assets

## EQUITY RATIO

Shareholders' equity as a percentage of total assets

## GROSS CASH

Short-term investments, cash and cash equivalents and other interest-bearing receivables

## GROSS DEBT

Interest-bearing liabilities including unpaid investments/divestments

## 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 fixed listed and unlisted financial assets, including loans to portfolio companies

## KINNEVIK MARKET CAPITALIZATION

Market value of all outstanding shares in Kinnevik at the end of the period

## NET ASSET VALUE, NAV

Net value of all assets on the balance sheet, equal to the shareholders' equity

## NET ASSET VALUE CHANGE

Change in net asset value without adjustment for dividend paid or other transactions with shareholders

## NET ASSET VALUE PER SHARE, SEK

Total net asset value attributable to each share based on the number of shares outstanding at the end of the period

## NET CASH/(NET DEBT)

Gross cash less gross debt

## NET CASH/(NET DEBT) INCLUDING NET LOANS TO INVESTEE COMPANIES

Gross cash and net outstanding receivables relating to portfolio companies less gross debt

## NET CASH TO PORTFOLIO VALUE/(LEVERAGE)

Net cash/(debt), excluding net loans to investee companies, as percentage of portfolio value

## NET INVESTMENTS/(DIVESTMENTS)

The net of all investments and divestments in fixed listed and unlisted financial assets

## NET PROFIT/(LOSS) PER SHARE BEFORE AND AFTER DILUTION, SEK

Net profit/(loss) for the period attributable to each share based on the average number of shares outstanding during the period before and after dilution

## PORTFOLIO VALUE

Total book value of fixed financial assets held at fair value through profit or loss

## 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

**Note:** Net profit/loss per share before and after dilution is also a measurement defined by IFRS.



# OTHER

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# ANNUAL GENERAL MEETING 2023

## DATE AND VENUE

The Annual General Meeting will be held on Monday, 8 May 2023, at 10.00 a.m. at the Hotel At Six, Brunkebergstorg 6, Stockholm. The Doors will open at 09.30 a.m. and registration will be conducted until 10.00 a.m., when the doors will be closed. The Board has resolved that shareholders also shall be able to exercise their voting rights at the Annual General Meeting by postal voting in accordance with Kinnevik's Articles of Association.

## WHO IS ENTITLED TO PARTICIPATE?

Shareholders who wish to participate in the Annual General Meeting shall:

- be recorded as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Thursday, 27 April 2023; and
- give notice of participation no later than Tuesday, 2 May 2023.

Shareholders who wish to attend the meeting venue in person or by proxy must give notice of participation no later than Tuesday, 2 May 2023.

Shareholders who wish to participate in the Annual General Meeting by postal voting must give notice of participation by casting their postal vote so that the postal vote is received by Euroclear Sweden AB no later than Tuesday, 2 May 2023. A special form shall be used for postal voting, which can be found on Kinnevik's website. Shareholders may also cast their postal votes electronically through BankID verification via Euroclear Sweden AB's website at <https://anmalan.vpc.se/euroclearproxy>. A notice of participation only through postal voting is not sufficient for shareholders who wish to attend the meeting venue.

## HOW TO BE ENTERED IN THE REGISTER OF SHAREHOLDERS

To be entitled to participate in the Annual General Meeting, shareholders whose shares are registered in the names of nominees must, in addition to giving notice of participation, re-register such shares in their own name so that the shareholder is recorded in the presentation of the share register as of Thursday, 27 April 2023.

## HOW TO NOTIFY INTENTION TO PARTICIPATE

Shareholders can notify Kinnevik of their intention to participate from Tuesday, 4 April 2023, by using one of the following alternatives:

- through Kinnevik's website, [www.kinnevik.com](http://www.kinnevik.com),
- by telephone to +46 (0) 8 402 91 36, or by post to Kinnevik AB, "AGM", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden, or
- by casting their postal vote using a special form for postal voting, which can be found on Kinnevik's website, submitted either by email to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com), or by post to Kinnevik AB, "AGM", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. Shareholders may also cast their postal votes electronically through BankID verification via Euroclear Sweden AB's website at <https://anmalan.vpc.se/euroclearproxy>.

## NOMINATION COMMITTEE

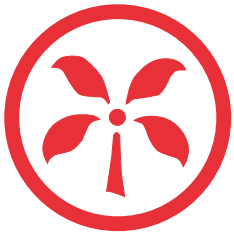
In accordance with the procedural guidelines for the Nomination Committee adopted at the 2021 Annual General Meeting, a Nomination Committee was elected by the 2022 Annual General Meeting.

The Nomination Committee comprise Anders Oscarsson, nominated by AMF, Hugo Stenbeck, nominated by Alces Maximus LLC, Marie Klingspor, and Lawrence Burns, nominated by Baillie Gifford, and the Chairman of the Board, James Anderson. Information about the work of the Nomination Committee can be found on Kinnevik's website at [www.kinnevik.com](http://www.kinnevik.com).

## FINANCIAL INFORMATION

20 April	Interim Report January-March 2023
11 July	Interim Report January-June 2023
18 October	Interim Report January-September 2023

**WE INVEST  
FOR A  
REIMAGINED  
EVERYDAY**





For an in-depth description  
of Kinnevik including our strategy,  
team and investee companies,  
please refer to [www.kinnevik.com](http://www.kinnevik.com)