KINNEVIK

Q1 Report 2019

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Operating Companies' Performance

Georgi Ganev

Chief Executive Officer

Good morning everyone, and welcome to the presentation of Kinnevik's results for the first quarter of 2019. I am Georgi Ganev, Kinnevik's CEO, and with me today is our CFO, Joakim Andersson, and our Director of Corporate Communications, Torun Litzén. We will start by taking you through a presentation of the results released this morning, and, after that, we're happy to answer any questions you may have.

Strong NAV Development on the Back of Fashion e-Commerce Rebounding

Please now turn to page 4, where we have provided you with a summary of the key highlights for the quarter. In the first quarter we saw solid operation performance in our companies and a strong recovery in Kinnevik's net asset value. Zalando announced an ambitious plan to become the starting point for fashion in Europe, and Millicom made one of the largest acquisitions in the company's history in Central America. In addition to the investment in MatHem that we made in February, we made follow-on investments in Kolonial and Budbee, both in the Nordics. This is in line with our strategy to double down in our private companies where we see strong performance.

Our net asset value at the end of the quarter was SEK 84.3 billion, rebounding by 20% compared to the end of the previous year, and corresponding to SEK 306 per share. Our net debt position increased by SEK 1.1 billion to 4 billion, mainly due to the investment in MatHem, resulting in leverage of 4.5% of portfolio value by the end of the quarter.

Solid Quarter for All Three of our Large Public Assets

Please turn to page 5 for an overview of the performance of our large listed companies. Our large public assets all had solid starts to the year. Zalando presented its 2018 full-year results at the end of February and hosted a capital markets day to present its strategic priorities going forward. It was rewarding to see the company making a strong comeback in the fourth quarter, growing revenues by 25% with a 7% EBIT margin. And in the beginning of April, Zalando also updated the market of its first quarter EBIT, expecting an adjusted EBIT in a single-digit million in euros. This is clearly above market expectations and further supports the rebound in the Zalando share price, which has almost doubled since the beginning of the year.

I will go through the highlights of their strategic update on the next slide, but first let us look at how our T&T companies performed in the quarter.

Millicom delivered solid KPIs and organic growth in line with full-year targets. In particular, the significant investments made in Colombia and Bolivia over the past several years are now beginning to produce faster revenue growth and rising levels of profitability. Also, the recently acquired Cable Onda in Panama is performing very well.

Tele2 had yet another very strong quarter, with underlying EBITDA growing by 8%, driven mainly by cost reductions. Since the merger with Com Hem, Tele2 has introduced several new growth drivers, such as cross-selling mobile into the fixed consumer base through Com

Hem Mobile, selling fixed into the mobile consumer base, and reducing churn through FMC benefits and refocusing the B2B business on profitable growth. The company has also started executing on the planned cost reductions, making progress toward their ambitious synergy targets.

Zalando will Scale by Being the Starting Point for Fashion and Provide Superior Logistics and Marketing Services to its Brand Partners

Now let us turn to page 6 for an update on Zalando's strategic priorities. Zalando's management is set on one clear goal: to become the starting point for fashion, and thereby reaching gross merchandise value of €20 billion by 2023-2024. To achieve this, Zalando aims to deepen its relationships with customers by tailoring its offering and focusing on building an even better shopping experience for its most loyal customers. The company also clarified its ambitions with its partner programme, where brands can sell directly to customers through Zalando's platform.

In 2018, more than 250 partners were integrated with Zalando's partner programme, accounting for about 10% of gross merchandise value, and Zalando aims to increase this share to 40% by 2023-24. Zalando also announced that Cristina Stenbeck is proposed to return as chairman of the supervisory board at the company's AGM in May. This is excellent news for both Zalando, Kinnevik and both companies' shareholders. With Cristina at the helm of Zalando's supervisory board, she will support Zalando to see through their bold vision. The board will focus on long-term value creation, including an efficient capital allocation framework; continued creativity and innovation; building deep partnerships; and investing in Zalando's platform strategy.

Millicom Accelerates its Fixed-Mobile Convergence Strategy with its Acquisition of Telefonica's Panama, Costa Rica & Nicaragua Operations

Now let us turn to page 7. With Millicom's acquisitions in Panama, Costa Rica, Nicaragua, the company is now firmly positioned as the leading fixed/mobile convergent provider in the region. This position is important, because strong FMC capabilities has previously proven to be a catalyst for performance improvements, driving net promotor score and revenues per user. Millicom also expects to achieve significant synergies from cross-selling mobile services to cable customers and vice versa, as well as increasing revenues due to reduced churn.

Our Private Companies Continue to Focus on Growth, Strategic Partnerships and Product Innovation

Now let us turn to page 8 for an overview of the performance of our private companies. Growth, strategic partnerships and product development remain priorities for our private companies. And I will touch on Global Fashion Group separately, so let us at the – let us look at the performance of some of the other companies in the private portfolio first.

Quikr

Quikr generated just over $60 million in annualised cash revenue by the end of March, with an annual growth rate slightly under 70%. Having now demonstrated its ability to achieve group-level profitability, Quikr will now reinvest in initiatives to improve user experience and accelerate growth. And over the last year, Quikr has seen its managed rental marketplace grow over four times to become the largest such business in the country. The company also strengthened its position in the used goods segment with the acquisition of Zefo, a transactional marketplace.

BIMA

Our microinsurance company, BIMA, is growing its customer base at a yearly rate of 20%. BIMA is focusing on broadening its product platform, and its mHealth product won the prize for best mobile innovation for health and biotech at the GSMA Glomo awards of 2019.

Livongo

It's also worth highlighting Livongo, where the member base grew to over 160,000 members after another record-setting year, expanding the client base to more than 650 clients. Livongo's also broadening its product range and reported positive results from its first major clinical study of its hypertension management platform. The company launched the first cellular-enabled blood glucose monitoring system, powered by Amazon Alexa, allowing members to ask any of their Alexa-enabled devices to provide their blood glucose readings and health tips. This is innovation at its finest and an example of how technology can help people to live a healthier life.

GFG Keeps Growing and Profitability is Trending Upwards

Let us now turn to page 9 to have a look at the Global Fashion Group's performance. As you've seen in our net asset value, the Global – the value of Global Fashion Group rebounded by almost 25% following the re-rating of fashion e-commerce on the public markets. I would however like to focus on a positive operating momentum in the company that we now see after a year under the new leadership of Christoph Barchewitz and Patrick Schmidt. In 2018, GFG delivered accelerating top line growth, with full-year net merchandise value growing by 22.5% to €1,453 million on a constant currency basis, and adjusted EBITDA margin of -4.3% for the full year. That is an improvement by 4.6 percentage points compared to the year before. What we see here is a great combination of increased growth and improved profitability.

GFG also announced that it has sold its 47% stake in Namshi in the Middle East to the majority shareholder, Emaar Malls, for €140 million. Together with a closing cash position at the end of Q4 2018 of €105 million, Global Fashion Group has a solid financial position to support future growth.

We Have Invested in MatHem and Doubled Down in Kolonial and Budbee, Increasing our Ownership in Two Well-Functioning Companies

Please turn to page 10 for an update on investment activity in the quarter. Last year, we invested in ten new companies across our focus sectors, and our largest investment this quarter was MatHem, which I spoke at length about when we reported in February, including our presentation of our food vision. Our ambition is to support our new companies and, over time, increase our stakes as they grow and perform, and, in line with this strategy, we have invested further capital in two of our Nordic companies, Budbee and Kolonial.

Budbee

Since our initial investments in 2018, Budbee has tripled its numbers of deliveries in Sweden and expanded to Finland and Denmark. With additional capital raised, Budbee is planning to continue its geographic expansion into the Netherlands, and we look forward to continuing to support the Budbee team on its exciting next steps.

Kolonial

Our commitment to invest NOK 300 million in Kolonial is supported by the excellent progress we have seen in the company since our initial investment some nine months ago. Kolonial has successfully completed the installation of their proprietary warehouse automation solution and returned to a strong growth trajectory, and we continue to see significant upside in the market opportunity and we have a strong conviction in the team's ability to execute on it.

I would now like to hand over to you, Joakim, for an update on our financial position.

Kinnevik's Financial Position

Joakim Andersson

Chief Financial Officer

Thank you, Georgi.

Positive NAV Development on the Back of Zalando's Strong Rebound

On slide 12, we present the key contributors to the NAV development in the quarter, which was led primarily by strong share price performance in Zalando and Tele2 and the valuation uplift of Global Fashion Group. Our NAV increased by 20% over the quarter to SEK 84.3 billion, and NAV per share increased to 306. As per yesterday our NAV was up a further 8% to 91.3 billion, or 331 per share. The value of our unlisted portfolio increased by 2.3 billion and ended the quarter at 14.2 billion. This increase was driven both by the investment in MatHem of 889 million, and the change in fair value quarter-on-quarter by 1.3 billion.

The value of our ownership in Global Fashion Group increased by 785 million to SEK 4.1 billion, based on a sales multiple of 0.7 times the full-year 2018 revenues, compared to the 0.5 times at the end of the year, following the significant rebound of listed fashion e-tailers on the public market during the quarter.

Maintained Strong Balance Sheet in Line with Financial Targets

Please turn to page 13 for an overview of our balance sheet. On the left-hand side of the slide you can see a breakdown of the SEK 1 billion we invested in the quarter, the majority of which went into MatHem. On the right-hand side you will note that we ended the quarter in a net debt position of SEK 4 billion, which corresponds to a leverage of 4.5%, which is well within our policy of staying below 10%. This quarter we will, subject to AGM approval, pay out the first tranche of our annual dividend, SEK 4.25 per share. This is estimated to happen around 14th May. The remaining SEK 4 will be paid out in November.

With these remarks, I would now like to hand over to you, Georgi, to sum it up.

Key Priorities

Georgi Ganev

Chief Executive Officer

Thank you.

Our Strategic Priorities Remain the Same as in 2018

To sum up, we continue to execute in line with our strategic priorities with a long-term view and an investment strategy supported by strong conviction in our portfolio companies and their teams. It was very rewarding to see the strong recovery in our largest public and private assets in the quarter, and I very much look forward to continuing to execute on our strategy, and I hope to meet many of our shareholders on 6th May when we will host our annual general meeting in Stockholm and tell you more about how we aim to continue to create value for our shareholders.

Thank you for listening, and now let's open up for questions. Operator, please go ahead.

Q&A

Operator: Thank you. Ladies and gentlemen, if you have a question for the speaker, please press 01 on your telephone keypad. The first question is from Joachim Gunell from DNB Markets. Please go ahead.

Joachim Gunell (DNB Markets): – portfolio. In conjunction with the Q4 call, you had mentioned that we'd hopefully see some progress in 2019.

Georgi Ganev: Joakim, we missed you there, so can you please repeat the question?

Joachim Gunell: Absolutely. Can you hear me now?

Georgi Ganev: Yes, now we can hear you.

Joachim Gunell: Perfect. So what efforts could we expect for this year in terms of increasing the market's understanding of the values that could crystallise from your new digital winners in the private portfolio? In conjunction with the Q4 call you mentioned that we'd hopefully see some progress in 2019.

Georgi Ganev: Yeah, yeah, that's correct, Joachim. I mean, again, we are also looking to find more proof points and numbers, KPIs in our private assets, and we still have the view that during 2019 we will definitely be able to demonstrate how value is been created in the private portfolio. We will have to come back to that more specifically when we have more information, but our ambition remains the same. During 2019 we will show you more.

Joachim Gunell: Lovely. Okay, so given that you're obviously focusing on accelerating your winners, as seen in this quarter, I guess it would be fair to assume that you will continue to deploy more capital into your winners. So, of this, which holdings would you say are close to another financing round? We talked about Babylon in Q1. Also we note there's some impressive figures here for Betterment; they should be taking market shares among the independent US players. So perhaps a follow-up then on Babylon and Betterment in terms of capital need?

Georgi Ganev: I mean, first of all, maybe I can answer the question by saying the capital need is very much related to the strategy of the company. Sometimes companies pivot into new business areas, new verticals, and then of course there might be a need for capital raise. If we believe in that, let's say, change for updated strategy, we will be there as long-term investors. And we also know that there are – there are companies that have a quite long journey still in order to reach profitability, and you mentioned a few of those, or one of those.

Babylon is currently looking to raise money, and, as a large shareholder in that company, we will be supportive.

Joachim Gunell: Understood. And just to follow up then on Babylon, just if you could put some flavour on it. *Financial Times,* I believe, wrote that Babylon had revenues of approximately US$10 million for 2018, and so with the Prudential, Tencent and Samsung deals here in the number – I mean, could you provide some sort of, like, ballpark – some sort of revenue impact from – for those deals in 2019?

Georgi Ganev: Unfortunately we cannot disclose any other revenue targets, but, as you say – I mean, looking at Babylon's business model, you have the B2C services and you have the more platform services, B2B2C, which is driven by agreements like Prudential's. with those agreements, we believe in a growth of the revenue in the coming years – a significant growth, I should add – but we have no more, let's say, numbers than what has been disclosed so far. Maybe important to say that, even though the values of these contracts can be high, their numbers will be seen in the revenue – in the company's revenue as the products are being rolled out.

Joachim Gunell: Understood. Two more questions. You made – perhaps this one's for Joakim then. So you made some minor changes to fair values of the [inaudible], Betterment and Babylon, supported by, as you called them, 'complementary valuation methods'. What are these?

Joakim Andersson: Yeah, as you know, we look at both the latest transaction value and, when they are kind of outdated or getting old, we also do kind of supplemental valuations based on multiples or DCFs. So that has been the case on these companies.

Joachim Gunell: Clear. And just a final question here, then. As your financial objectives state that you will make buybacks if the shares trade at a significant discount, only when there's a net cash position, but, I mean, currently trading at a considerably higher discount than you have done in the past five years, till you're slightly more geared now. Can you just provide some updated flavour on your view on buybacks at this stage? And the reason why I'm asking is that it would signal to the market that it could be a pretty efficient way to allocate capital for your shareholders, I assume.

Joakim Andersson: Yeah, absolutely. I mean, if you read the policy, there are three criteria, and one of them is clearly not met, being the one where we say that we should be in a substantial net cash position. So buybacks is not really on the agenda as of now.

Joachim Gunell: Very clear. Thank you very much.

Georgi Ganev: Thank you.

Operator: Hi. The next question we have from Magnus Råman from Handelsbanken.

Magnus Råman (Handelsbanken): Yes, hi, thank you. Magnus –

Operator: Please go ahead.

Magnus Råman: Thank you. Magnus Råman, Handelsbanken, here. I'd like to turn the attention to your ambitions in the Nordic grocery retail market. Do you see any potential synergies between the two companies you have an ownership in now, for example in the back end in terms of shared sourcing, IT development and so forth?

Georgi Ganev: Yes. Hi, Magnus. We definitely see potential with synergies among the countries in the Nordic space. I mean, that – it's not a coincidence that we have been looking at these leading players in both markets. It's too early to say how we will extract those synergies, but one thing is for clear: already now to understand the potentially inefficient automation in the warehouse that we have been experiencing in Kolonial helps us to understand the potential also in MatHem. I mean, going further, of course there will be discussions like joint procurement. There could be definitely scaling, positive scaling in technology etc. We have not taken any decision yet since these are pretty recent acquisitions. But of course the potential is there and what we had in mind from the start.

Magnus Råman: Excellent. Also, when you look at the market and the players, do you identify any potential further investments, apart from follow-up investments in these two companies to further strengthen this push that you are making?

Georgi Ganev: I mean, of course, now we have taken these bets in Norway and Sweden, we think that the grocery market, as we laid out last quarter, is so substantial – I mean, we talk about €73-74 billion in the Nordics only. So I think the market is really vast and creates a lot of potential. But as we also said, when we have this high-frequency online business where you meet customers up to once a week, of course you can expand that into other products and create the platform. It could be other type of parcels, it could be other type of services. And that expands the food vision into something more equivalent to a platform vision. And we also believe that the Nordics could be interesting from that perspective, because it's a region where you can almost kind of ringfence and create this platform in order to see it more like an infrastructure play. So that's something that we've been thinking about, and capturing the home in the Nordics is something that we are very keen to explore even further. And it's also aligned with our views looking at the merger between Tele2 and Com Hem, moving into the home at a greater extent.

Magnus Råman: I'm interesting. Then maybe also I could just ask you a more specific financial question there on – post the April investments in Kolonial, if you can make any comment on – on the ownership change there, and possibly, I mean, I guess, half of the investment could – can be converted to shares in the future, but the estimated ownership level post the investment?

Joakim Andersson: Unfortunately it's not easy to say today since our investment is now partly convertible and there are other kind of options, opportunities and so forth in the cap table today. So we don't know how they will be exercised. It's too early to say, but one thing is clear: we will go up from our current 14.5% ownership to something higher.

Magnus Råman: A quarter of the company, or somewhere around there?

Joakim Andersson: It's difficult to say today, Magnus, because it's dependent on other shareholders and how they will react.

Magnus Råman: Sure, sure.

Joakim Andersson: As we've said before, we always – not always, but we kind of aim to have a large stake of the company – I would say north of 20% – and that's also how we see our development in Kolonial.

Magnus Råman: Great, thank you. Then just finally a question on GFG. You mentioned in the presentation here the good positive operational momentum that you see in the company, and then the solid financial position after the divestment of the residual holding in Namshi. So are there any other advantages for the Group to go public near term that you see, now that it doesn't seem to be needing any – any further cash contributions in the foreseeable future?

Georgi Ganev: I think the interest of GFG has been increasing over the – over the last year, generally, I would say, and of course that's an opportunity to – to allow new shareholders to enter this company. We believe that a company that is a clear market leader or has the chance to become the clear market leaders in these markets with a good healthy growth is always attractive as a candidate on the public stock market. That has not been decided yet, but, as company communicated already last year, they're evaluating different options. Even though the company has a, let's say, strong cash position now, we have much higher ambitions for the growth and the long-term potential of GFG. So in one way or another, a capital injection, I would say, would allow the company to continue its growth trajectory. That's basically the view right now that we have.

Magnus Råman: Right, so a possible lifting would likely entail a broadening of the owner – the ownership in the company, I've got it right?

Georgi Ganev: I mean, it's too early for me to say, but that would be at least an option. The point we make –

Magnus Råman: Sure. Thank you very much.

Georgi Ganev: The point we make in this report, Magnus, is that with a strong cash position after the Namshi put option, we're not in a situation where the company has to go public, but it's an alternative, and that's a very good position to be in.

Magnus Råman: I think that's right. Thank you. Thank you.

Georgi Ganev: Thank you, Magnus.

Operator: Hi, the next question is from [inaudible].

Georgi Ganev: Lena, are you there?

Joakim Andersson: Hello? Do you hear us, Lena?

Lena: Yeah I am, sorry. I am. I didn't hear it was my name, sorry. Yes. I have a question – follow-up question on Kolonial. Could you maybe say something about how much of the warehouse you've automated or what has been done? And also if you have any first experience in efficiency improvements, any metrics that you could provide us with? And also, as I understand it, they just have one warehouse today, and how many of Norway's households can you serve from that warehouse?

Georgi Ganev: Okay, so when it comes to the investment in Kolonial, we – before we did our first investment and deployed capital in 2018, we were very intrigued by the plan they had when it comes to automation. So the company has developed a proprietary system, which is a combination of, I would say, software and hardware, and how to automate the central warehouse. And with – with – after – post our investment, this project was launched and was basically completed by end of last year with very positive result. There's always some finetuning after you have – have implemented this, but the – the significant uplift in efficiency, measured in UPH – units per hour – is really exciting. And it tells us something that you can improve the profitability at large, implementing these kind of system, at a relatively low, I would say, CAPEX need. That's the interesting piece with their system. So it's not a fully, 100% automated warehouse. It's a combination of – of finding the best possible way of combine – conveyer belts and so forth in the warehouse with a clever and efficient software.

The numbers has not been released so far by the companies, so I can't disclose any more figures, and I would like to maybe postpone that question to a later session with the company, hopefully during 2019. When it comes to the reach, you're right: there's one warehouse now, and you can of course have long-haul shipments from a major city to a smaller city, but we believe that in the future you might actually need one warehouse, or at least a hub, around the largest – the three to four largest cities in the Nordic countries. So in Sweden, as an example, it would be one most probably in Stockholm, Gothenburg and Malmo, and then you can reach [inaudible] out of the Stockholm warehouse, and then you have the west coast by Gothenburg and the south in Malmo. That's the type of infrastructure rollout plan that we see.

It's not decided yet how it will look in Norway exactly, but I would assume right now that the picture will look more or less the same over time.

Lena: Okay. Could you maybe say something – you said 'very small CAPEX'. What's 'very small'? I mean, the CAPEX we've seen from the other retailers has been very, very big for their warehouses.

Joakim Andersson: I would say the difference is significant. It's more to one tenth of the investments that I've seen in other solutions.

Lena: Okay. Thank you.

Georgi Ganev: Thank you, Lena.

Operator: Thank you. As a reminder, if you wish to ask a question, please press 01 on your telephone keypad. Sorry, the next question is from John – Johan Sjöberg from Danske Bank.

Johan Sjöberg: Hello, thank you. I have three questions. First of all, I would like you to – if you could talk a little bit about how you are thinking in terms of your financial target of a 12-15% total return over a business cycle. Could you say something about how you think about the total returns within the listed holdings and in your unlisted holdings, i.e. what type of returns target you're looking for when you make an unlisted investment. Thank you.

Joakim Andersson: Hey, Johan. So I'll take that. So yeah, the methodology that we're using is that we do a kind of bottom-up approach where we look at all the individual assets in our portfolio, think about the cost of capital in what region and then – then sum it up or consolidate that into total portfolio minimum required return. I would prefer not going into all the details in all the companies, but obviously more mature companies in more developed markets such as Germany and the Nordics obviously has a lower cost of capital, and then by that also it's obviously lower than the 12-15%. Then it depends on where these companies operate – the newer companies, where they operate and stage.

Johan Sjöberg: But if you take an average, if you look at your unlisted holdings, I mean, it's – 85% roughly of your portfolio is listed, so I guess your – your return requirements in that is probably much, much, much lower compared with the unlisted. But yes, that's an average when you're looking at your unlisted portfolio, not just a – yeah, a type of – yeah.

Joakim Andersson: No, no, you're right. I mean, in the listed portfolio the target is probably somewhere between 7 and 12, and the unlisted is probably more in 12 to 20, 25.

Johan Sjöberg: Okay, good. Thank you. My second question to you, Georgi – I mean, you made a lot of investments, or at least, you know, a number of investments during your time as CEO, but in terms of exits there have not been that many. Could you say a little bit about your – when you look at the unlisted portfolio, you talked about GFG here, but do you see are there other candidates which could potentially – without naming anyone, but do you see, like, exit candidates in your unlisted portfolio right now? And could you say something also about a little bit – I understand that the price tag has come up also for your investments, but I guess that also that means the price tags have come up for potential exits from your portfolio as well. Say something a little bit about your exit strategy in listed as an average?

Georgi Ganev: Yeah, so, I mean, first of all, there are two different types of exits. We of course will look at our portfolio continuously and see companies that may be not performing as our expectations and where we have tried to change that development but not succeeded. We might be the wrong owner for those assets – I think you need to be fair to yourself and conclude that sometimes as well – or basically companies that do not fit into our strategic road map. And we have done several exits during 2018 that we have not been talking too much about, but smaller divestments kind of to prune our portfolio. That's one kind of bucket of divestments, Linjo[?] being one example. I think that what you're asking is not really that; you're asking about companies with larger kind of exit potentials or significant exit potentials, and there it's too early to say.

Johan Sjöberg: Yes.

Georgi Ganev: What I said when I joined a bit more than a year ago is that I will scan the prior portfolio for the potential winners. We have been talking about a few brands from time to time, and we will follow these and see how we believe that they will perform with additional capital, and of course we will come back to divestments and those exits and those companies as well, but I think it needs to take a bit more time before we understand the full potential.

Johan Sjöberg: Got – I got it. When I look at your page number 11 – your quarter report about the unlisted holdings, I summed that up to 17 holdings which you're naming, but how many are there in total in this? I mean, do you have a lot of others, so to speak? How many unlisted holdings do you hold in total?

Joakim Andersson: Yeah, we don't have a specific number there, but that is – there are some more in the portfolio, and it's likely to assume that some of them also are kind of on the list, one of the buckets that Georgi mentioned, as a candidate that we might look to exit.

Johan Sjöberg: But are we talking about, like, 40, 50 companies in total here, or –

Joakim Andersson: No, no, no, no, it's not. A handful, maybe.

Johan Sjöberg: Okay. And out of these 17 which you're mentioning, Georgi, here, how many – without naming anyone, but how many of these would you say are, like, future winners? I mean, I can – I can guess a few, but how many – just a rough figure here out of these 17. How many are, like – as you see, like, we want to stick around with this company for quite some time?

Georgi Ganev: I would say, like Johan said – Joakim said, if we have a handful in 'other' that we would like to prune, there's most likely probably a handful in the 'other' category as well where we see that we – we find there – we see the great potential. I mean we always used to say that we will find the next Zalando in the coming years, but that's of course easier to say.

Johan Sjöberg: No, no.

Georgi Ganev: But what we believe is that there are five companies perhaps in this portfolio that we truly believe can move the needle for Kinnevik, one for one and definitely altogether. That's what we mean by companies that are potential winners.

Johan Sjöberg: That's fantastic. I mean, I think I asked that last time, and I think it would be extremely useful and very good for your perception of you as a share if you were to start to provide some details about this, you know, these five. But that's just a pure thought from my side here.

Georgi Ganev: That would make a lot of sense and, as we said – we said that in the end of Q4 with the ambition to do it under 2019, and that remains.

Johan Sjöberg: That's great. My second, or my last – you seemed – discount obviously come up here to good, high levels. We saw the discount increasing in your Q4 when you had this big turbulence in Zalando as well. Now Zalando's back but the discount is not back, so to speak. I guess investors – well, you know, what I hear from investors, they're a little bit worried about the portfolio. I mean, the concentration of your listed holdings within the, you know, three big ones basically translated to 85% of your total portfolio. How do you think about the portfolio optimisation going forward here? Could you share some thoughts about that, please?

Georgi Ganev: I mean, we share the same kind of view, of course. That's facts that the public assets stands for 85%. And of course, when one of those shares is volatile, it has an impact also for Kinnevik. However, we have to remember that these companies have been growing because they have been very successful, not to mention Zalando the least. So it was maybe not the plan from the start to have one company representing almost 40% of the portfolio; that's kind of a luxury problem. We can say now what we think to do about it, of course, but over time – I mean, take it in the long-term perspective. The idea has always been to kind of, you know, reallocate capital into new potential winners, as we have said in this call, and that will also happen. It has happened in the past for Kinnevik and it will happen in the future. But right now we're more kind of busy with making these company performing and being a good, active owner than trying to alter the portfolio concentration in the short term.

Johan Sjöberg: Got it. Thanks for your answers.

Joakim Andersson: Thank you.

Georgi Ganev: Thank you.

Operator: Thank you, sir. There are no further questions at this moment. Please go ahead, speaker.

Georgi Ganev: Okay, thank you very much. Thank you for the questions; thank you for listening. And as a reminder, just to finish off this call, we release our report for the second quarter on 19th July. Thank you very much. Have a nice day.

[END OF TRANSCRIPT]