



PRESENTATION OF KINNEVIK'S

Q3 2021

20 OCTOBER 2021

# PRESENTATION OF KINNEVIK'S Q3 2021 RESULTS

## *Kinnevik's Q3 2021*

### *Agenda & Presenters*

- 1 Highlights of the Quarter
- 2 Expanding our Reach in Healthcare
- 3 Progress at Betterment and in our Enabler Portfolio
- 4 Key Valuation Changes
- 5 Our Financial Position

#### *Today's Presenters*

**Georgi Ganev**  
*Chief Executive Officer*

**Erika Söderberg Johnson**  
*Chief Financial Officer*

**Torun Litzén**  
*Director Corporate Communications*

**Samuel Sjöström**  
*Head of Strategy*

**Christian Scherrer**  
*Investment Manager*

# WE CONTINUE TO STRENGTHEN AND BUILD OUT OUR GROWTH PORTFOLIO, ADDING FOUR NEW COMPANIES IN HEALTHCARE, ENABLERS AND THE NORDICS

## Highlights of The Quarter

Q3 2021

### Betterment

**Betterment** raised USD 160m in a funding round to accelerate the record growth the company has delivered year-to-date across its B2C and B2B offering, leading to a significant uplift in valuation



**Cityblock** raised additional capital to extend its reach and battle health inequities for its fast-growing member population, at a valuation twice as high as the round in March this year



**Babylon** reaffirmed its 2021 and 2022 growth guidance and secured USD 200m in sustainability-linked financing as it nears completion of its SPAC merger transaction



We strengthened our Growth Portfolio materially through four new investments - **Spring Health** and **Quit Genius** in specialized virtual-enabled healthcare, leading embedded insurance enabler **Sure**, and the Nordic challenger bank **Lunar**



**Tele2** and Deutsche Telekom agreed to sell its Netherlands joint venture, and Tele2's board intend to propose an extraordinary dividend that strengthens our financial position by more than SEK 2bn

### ALLBRIGHT

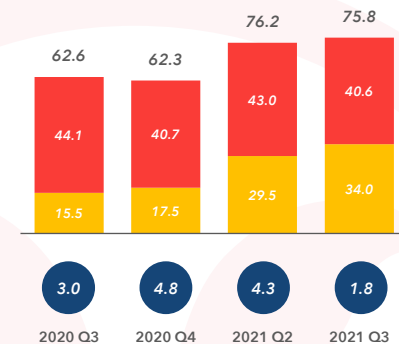
Kinnevik was awarded the **Allbright prize**, being named the company on Nasdaq Stockholm that shows the strongest results in gender equality



In October, we announced our commitment to sell a minimum USD 340m stake in **VillageMD** to Walgreens Boots Alliance as the two companies extend their partnership

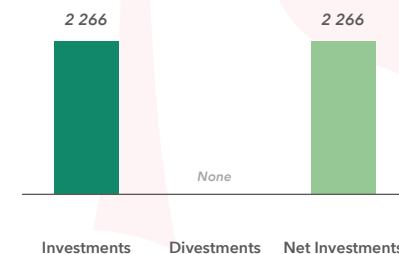
### Net Asset Value

● Public, ● Private, ● Net Cash / (Debt), SEKbn



### Investment Activity

Q3 2021, SEKm



# WE CONTINUE TO BUILD OUT A HIGH PERFORMING HEALTHCARE PORTFOLIO

## Our Healthcare Portfolio

Backing the Winners

Value-Based Care  
58% of Portfolio



Virtual Primary  
& Specialty Care  
34% of Portfolio

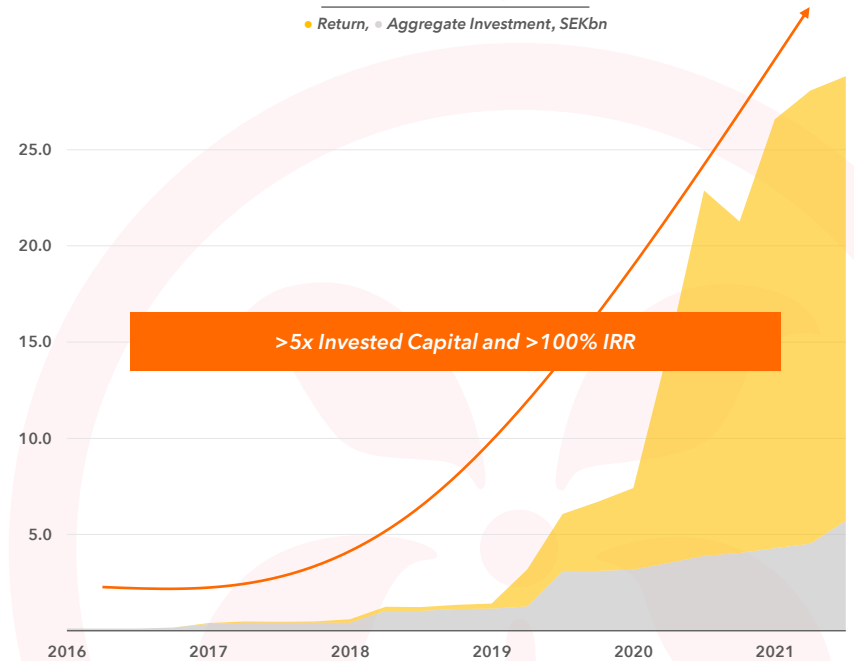


Data & Automation  
8% of Portfolio



### Portfolio Development

● Return, ■ Aggregate Investment, SEKbn



*Building our portfolio will include going deeper into care delivery and continuing to explore payer and provider automation tools on the back of our success in Cedar, backing health companies that play into secular growth trends over the next 20 years*

# IN THE QUARTER, WE BACKED TWO NEW COMPANIES IN BEHAVIOURAL HEALTH THAT ARE SEEING MASSIVE CUSTOMER PULL

## Expanding our Healthcare Portfolio

### Spring Health & Quit Genius



Co-Founders April Koh and Adam Chekroud

**Spring Health** is making mental health fundamental, providing employers with the most diverse, comprehensive mental healthcare for employees and their families

*Kinnevik invested USD 100m for a 5% stake*

- Kinnevik led the USD 190m Series C funding round joined by Life insurer Guardian Life and existing investors including Tiger Global and Northzone
- Total fundraising to date of USD 300m, valuation at USD 2bn, revenue growth of 6x in last twelve months
- Over 2 million employees worldwide have access to Spring Health
- The Financing will help the company round out its product suite to serve full families and expand globally



Co-Founders Maroof Ahmed, Sarim Siddiqui and Yusuf Sherwani

**Quit Genius** is the world's first digital clinic delivering a comprehensive treatment program for multiple addictions, combining virtual behavioral therapy with medication

*Kinnevik invested USD 30m for a 12% stake*

- Kinnevik co-led the USD 64m Series B alongside Atomico
- Quit Genius grew revenue by 10x in past 12 months as employers and health plans sought new strategies for helping people address addictions
- Now partners with 55 employer and health plan clients, covering 2.1 million lives
- To date, Quit Genius has helped more than 750,000 people improve their lives and conquer their addictions



# AFTER THE SUCCESSFUL ROUND AT PLEO EARLIER THIS YEAR, THE MOMENTUM IN OUR FINTECH AND ENABLER PORTFOLIO CONTINUED TO BUILD THIS QUARTER

## Momentum in Fintech & Enablers

Executing on Our Strategy



### New Round at **Betterment**

CEO Sarah Levy

- Kinnevik first invested in Betterment, the world's largest independent digital investment advisor, back in 2016
- Over the past five years, Betterment has created market-leading core investment products - establishing its position as the leader in the field with USD 32bn in assets under management and nearly 700,000 clients
- In the quarter, Betterment raised USD 160m to further cement its category leadership with rapid innovation on top of the already differentiated product suite and unique, multi-pronged distribution model that serves retail investors, advisors and small businesses
- Kinnevik invested USD 8m as part of the round, which was concluded at a valuation >40% above last quarter's carrying value



Announced Last Quarter

### New Investment in **Lunar**

Founder Ken Villum Klausen



Co-Founder Wayne Slavin

**Sure** enables insurance companies to distribute their product digitally, and brands to distribute insurance products to their customers to provide a better experience

*Kinnevik invested USD 50m for a 9% stake*

- Kinnevik co-led the USD 100m funding round at a USD 550m valuation, on the back of Sure growing annual recurring revenues by more than 3x every year over the past several years
- Offers tried and tested insurance technology infrastructure, with the fastest speed to market and the ability to offer fully embedded customer experiences
- Enables better customer experiences at the same time as it unlocks a massive untapped profit pool for the brands that have already acquired their customer base

# OUR GOAL-SETTING AND IMPACT WITHIN DIVERSITY AND INCLUSION WAS REWARDED IN OCTOBER - WINNING THE 2021 ALLBRIGHT PRIZE

## Diversity & Inclusion

### Efforts Rewarded



#### Jury's motivation:

"Kinnevik clearly links diversity to **business value** and has **measurable** and **time-bound goals** regarding representation and has set aside **time and resources** to drive the work forward.

We in the jury are particularly impressed that Kinnevik is not satisfied with the internal work, the bigger goal is to create rings on the water in the **industry as a whole**. Kinnevik therefore places demand on **portfolio companies** and **collaborates** with both industry colleagues and universities. Already today, a fifth of the investment budget goes to companies founded by women, about **twenty times more than the industry average**."



**8** new female non-executive directors recruited to portfolio company boards in 2021, and **19** new female non-executive directors over the last 12 months



Kinnevik has **achieved diversity** in investment team, management team and Board

Being awarded the Allbright prize demonstrates that we are on the **right path** with our efforts in **diversity and inclusion**

# FOUR MATERIAL VALUATION RE-ASSESSMENTS IN OUR UNLISTED ASSETS ON THE BACK OF TRANSACTIONS AND PEER DEVELOPMENT

## Key Unlisted Valuation Changes

### Four Key Reassessments



- Valuation increase of nearly **2x** in line with the recent c. USD 400m fundraise, cementing Cityblock as a leader in value-based Medicaid and other complex populations
- Considerable premium to peers on a trailing basis, but broadly in line on a 2022 basis, reflective of Cityblock's significantly higher growth rate

### Betterment

- Valuation increase of nearly **50%** in line with the recent fundraise, including our USD 8m investment
- Valued on forward-looking revenue multiples of digital wealth managers, with reference to financial technology companies and SaaS businesses with similar financial profiles to that of Betterment



- Valuation decrease of **5%**, on the basis of the WBA transaction announced on 14 October, while peer multiples have contracted by around 30-40% on average in the quarter
- Premium of nearly **35%** to peers on a 2021 basis after previously having marked the company at a discount
- Growth trajectory strengthened through deepening of WBA partnership

### Mathem

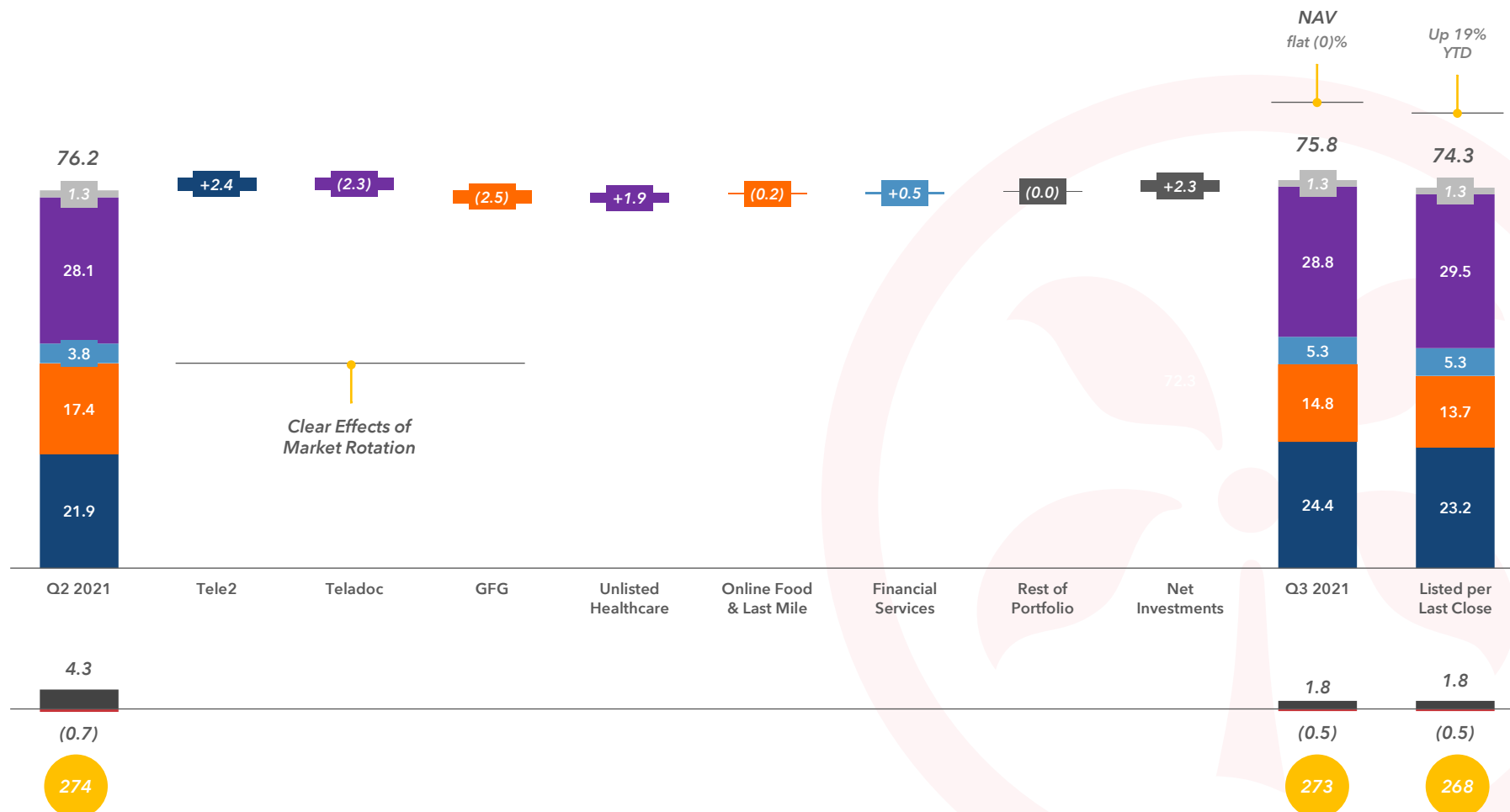
- Valuation decrease of **12%** driven solely by multiple contraction in the peer group during the quarter
- Company performing in line with year-to-date plan, difficult comparable periods from both a growth and forecasting perspective
- Valued on last-twelve-month revenue multiples of a peer group of discretionary e-commerce businesses and meal kits



# OUR NAV IS ESSENTIALLY FLAT IN THE QUARTER, AS SOFT PERFORMANCE IN OUR PUBLIC GROWTH ASSETS IS NEARLY OFFSET BY TELE2 AND PRIVATE PORTFOLIO

## Net Asset Value Development

- Consumer Services
- Financial Services
- Healthcare Services
- Tele2
- Emerging Markets & Other
- Net Cash / (Debt)
- Other Net Assets / (Liabilities)
- NAV Per Share, SEK

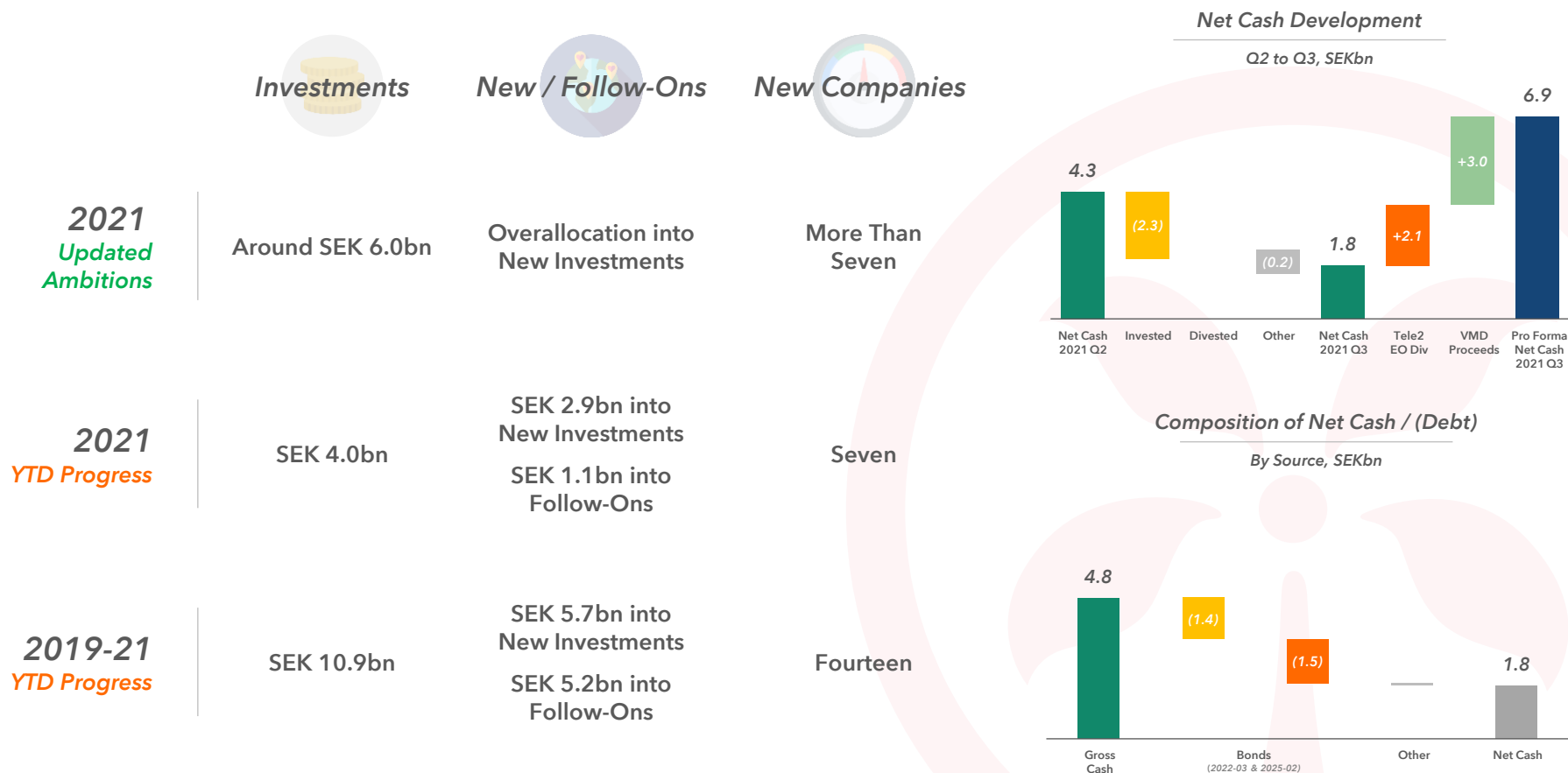


Note: Year-to-date development is pro forma Zalando

# FOR THE FULL YEAR, WE EXPECT INVESTMENTS TO AMOUNT TO AROUND SEK 6.0BN AND THAT WE WILL CONTINUE TO ADD NEW COMPANIES TO OUR PORTFOLIO IN Q4

## Capital Allocation

Ambitions and Actuals



Note: "Other" in Net Cash Development includes a negative impact from reclassifications of SEK 176m

Q&A







**WE INVEST FOR A REIMAGINED EVERYDAY**