Fourth Quarter and Full Year Report 2021

Thursday, 3rd February 2022

Highlights of the Quarter

Georgi Ganev

CEO, Kinnevik

Good morning everyone and welcome to the presentation of Kinnevik's results for the fourth quarter and full year 2021. I am Georgi Ganev, Kinnevik's CEO, and with me today is our CFO, Erika Söderberg Johnson. And for the Q&A part of this call, we are also joined by our Director of Corporate Communications, Torun Litzén, and Samuel Sjöström, who recently was appointed Chief Strategy Officer.

Introduction

Let us move to page two. As we are putting 2021 behind us, we can look back at a year where we fundamentally shifted our portfolio towards younger, private growth companies. We distributed Zalando, saw returns in our private companies of nearly 80% and actively reallocated capital within our portfolio. We expanded our portfolio to add some of the world's most innovative, growth-staged technology businesses, like Spring Health, Sure and Jobandtalent. Our current investments continue to flourish, achieving incredible milestones. We have done this while remaining true to our values, working to build a more diversified and sustainable future.

As a result of this, we ended the year with a more balanced set of growth companies; a portfolio with half of its capital invested in private businesses and a stronger financial position than what we started the year with. This provides a solid platform for us to continue Kinnevik's journey as the leading listed growth investor and to continue to create long-term value for our shareholders.

Agenda for the call

As for the agenda for today's call, we will begin with the strategic highlights of the quarter, and then move on to look more at the strong development in Pleo, which showcases how we support the winners of our portfolio over time. Then we will talk a little bit more about two of our new portfolio companies, one from Q4 and one from January 2022. After this, we will go through our financial position and give you an indication of what are expected investments for 2022.

Highlights of the Quarter: Q4 2021

So, let us move on to page three, where we have summarised the key strategic highlights during the fourth quarter. At the end of 2021, our net asset value amounted to SEK 72.4 billion or SEK 260 SEK per share. That is up by SEK 10.1 billion or 16% compared to one year ago, adjusted for the distribution of Zalando, and down SEK 3.5 billion or 5% during the fourth quarter. In the public portfolio, weak share price developments in Global Fashion Group and Teladoc had a negative impact on NAV, especially in the second half of the year, while we saw the value of our private companies increase by SEK 17.5 billion in 2021 from net revaluations and net investment. Erika will take you through the development of our NAV in more detail as well as the valuations of our unlisted companies in a few minutes.

Pleo

Pleo's latest funding round was a highlight of the fourth quarter, and I will soon get back to that in more detail.

Jobandtalent, Vay and Nick's

During 2021 we added ten new companies to our portfolio. Three of these came in in Q4: namely Jobandtalent, a world-leading digital temp staffing agency; Vay, a tech-enabled mobility company; and Nick's, a global food-tech innovator.

VillageMD

Capital allocation activity was high throughout 2021 and remained so also in the fourth quarter when we released 5.3 billion SEK from partial divestments of our VillageMD and Teladoc investments at returns exceeding 7x and 5x respectively.

Mathem

In December, Mathem agreed to merge with Mat.se, Axfood's online grocery business, and to enter into long-term strategic supply agreement with Axfood's purchasing and logistics company, Dagab. Kinnevik will own 31% of Mathem after the transaction and remains the company's largest owner. The combination of Mathem and Mat.se, together with a partnership with Axfood, will create synergies, increase scale, and enable the combined company to further improve its customer proposition in the direct-to-home online grocery markets.

TravelPerk

During the quarter, we invested $25 million in TravelPerk's latest funding round. We have been truly impressed with how TravelPerk has used the COVID crisis to further build its best-in-class product and win new clients. As a result, the company's performance far exceeded pre-pandemic levels as travel began to gradually normalise in 2021 and clients sought solutions to manage travel complexity.

Sustainability linked financing framework

In November we published our first sustainability linked financing framework, followed by the issuance of our inaugural sustainability linked bond of a total of SEK 2 billion. Establishing a sustainability linked financing framework, and thereby linking our ambition to be a sustainability leader into our financing solutions, is a natural step for Kinnevik.

D&I inclusion targets

Recently, we were very proud to be acknowledged as the best practice leader in the gender equality industry report by European Women On Boards, a non-profit organisation aiming to promote gender equality in corporate leadership. But while we are proud, we are far from satisfied. We remain committed to driving the diversity and inclusion agenda and during 2021, worked to identify new D&I targets to address the broader approach to diversity and the importance of inclusion of all to raise the bar further. Therefore, we now announce an updated and more ambitious set of D&I targets, which going forward will replace the targets announced in 2019. These include our previous no follow-on policy and 10% female capital allocation targets, the measuring period of which has been updated in line with our sustainability linked financing.

Diversity and inclusion targets

We also include a new inclusion-focused target for our own team, and a target to drive incremental progress across the portfolio on relevant D&I efforts. And all targets will be reported on annually.

Latest Funding Round Positions Pleo as the Highest-Valued B2B Spend Management Service in Europe

Let us now go back to Pleo on page four.

We have a strong track record of working closely with successful challenger companies over the long term and supporting them to become industry winners. Our relationship with Pleo is a great example of this. We first invested in Pleo four years ago as part of our Nordic Venture strategy. We led the company's Series A but have participated at or above pro rata in their Series B and C and continue to do so now in their last round, led by Koto and Alkeon, where we invested another $25 million.

It was apparent from the outset that the pair of founders, Jeppe and Nicco, were a great complement of strategy, products, experience, and execution. They were also focused on building something truly large, a sustainable company based on a new way of looking at an old industry.

Fast forward to today and Pleo now works with more than 20,000 businesses and processes their employees' aggregate annualised spend of $1 billion, with world-class customer satisfaction score.

The funds from this round will be used to extend Pleo's product offering beyond expense management towards a holistic suite of financial tools. The funding round valued Pleo at $4.5 billion pre-money, around 180% higher than the valuation reflected in our Q3 report. This corresponds to a return on our first investment in 2018 of nearly 55X and more than 10X our aggregate investment since then. We are proud to continue to support a company we believe is emerging as the category winner in its field, helping both growing and established businesses manage their corporate spending in a modern, simplified, and efficient way.

Expanding Our Portfolio to Human Capital Technology with a Workforce-As-A-Service Platform

A World-Leading Digital Temp Staffing Agency

On page five, we will now look at a new addition to the portfolio in Q4. On 1st December, we announced the biggest single ticket for a new investment that we have made to date, $115 million into Jobandtalent, as we added the workforce-as-a-service platform, disrupting the modern labour market, to our portfolio.

Digitisation and globalisation are forcing employers to adapt new ways of working and societal pressures are being placed on companies to embrace a larger share of responsibility for temporary workers. This opens up for new and innovative services in some of our focus sectors. Jobandtalent's goal is to make it easy for people to find regular, dependable work and have secure[?] perks[?] typically associated with full-time employment, including pensions, sick and holiday pay, and training courses. Workers can apply for and manage roles, submit paperwork, sign contracts, and get paid entirely within the Jobandtalent app.

The company is headquartered in Madrid and currently operates in nine markets with more than 1,300 companies using the platform. Over 100,000 workers have used Jobandtalent to find temporary roles the first nine months of 2021 alone.

Within consumer services, we have over the past couple of years increasingly focused on managed marketplaces that help solve a highly fragmented supply of products and services, and enabler businesses that help alleviate pain points in consumer-facing businesses. The Jobandtalent opportunity sits at the intersection of these themes, and we have been super impressed with the ambition of the co-founders, Juan Urdiales, and Felipe Navío, and their team.

We Are Backing the First Comprehensive Health and Care Experience Company for Self-Insured Employers

Backing Livongo's founder's new company

If we then turn to page six to look at another company that we only recently added to the portfolio. Many of you are probably already familiar with the name Glen Tullman, who is the founder and former executive chairman and CEO of Livongo, one of Kinnevik's first healthcare investments. We think Glen is an exceptional founder. We were highly impressed by his ambition and capabilities during the Livongo days, and we were therefore pleased to announce in January that we have invested $60 million into Glen's latest venture, Transcarent, a new and different health and care experience company for employees of self-insured employers and their families.

Fully insured employers

Our investment and ambition to support Transcarent with more capital over the coming years comes on the back of having released some capital from a partial sell-down in our Teladoc investment during December. Health benefit costs for US employers continue to rise at more than twice the rate of GDP growth over the last decade, and employers are urgently looking for innovative approaches to absorb their employee cost share and lower cost in general. Technology-enabled services can reduce an employer's healthcare cost, but the explosion of services offered has made it difficult for buyers to prioritise and assess specialised solutions.

Self-insured employers

To further add to the complexity, almost 70% of employees in the US work for self-insured employers, meaning the employers work with health plans for administrative services and access to a network of doctors, but ultimately pay for the cost of care themselves. And as you all know by now, at Kinnevik we are big believers in value-based care and our companies serve Medicare, Medicaid and fully insured commercial solutions. And now through Transcarent, also self-insured employers.

Transcarent's model

So, Transcarent is addressing these problems of spiralling cost and fragmentation of solutions by building a comprehensive, curated platform of care services for self-insured employers. Transcarent delivers a single, easy-to-understand, digital interface, providing a personalised health and care experience for virtually all of the most common and most challenging needs. This includes everything from essential care, such as primary and urgent care, to specialty care.

We led the $200 million funding round together with our previous Livongo co-investor, Human Capital, as well as a number of leading US health systems. Transcarent fits squarely into our investment thesis and complements our healthcare portfolio ideally. The focus on consumer choice, the mission to align incentives between providers and health consumers, and the ability to create a more equitable healthcare industry by providing everyone with the same high-quality experience, no matter the member's background or position in a corporation, is very appealing to us.

That said, now let us move over to page seven for Erika to go through the details of valuation changes and NAV development.

Financials

Erika Söderberg Johnson

CFO, Kinnevik

Thank you, Georgi. The fair value of our unlisted assets increased by almost SEK 3.2 billion or 11% in the quarter.

Net revaluations of private companies amounted to SEK 4 billion. This was slightly offset by net divestments of SEK 0.7 billion as we released SEK 3.1 billion in VillageMD and invested, in total, SEK 2.4 billion in the quarter. The value increase was driven by Pleo, with some contribution from TravelPerk.

These positive changes in our unlisted assets were offset by negative share price developments in Teladoc and Global Fashion Group, while Tele2 was stable.

With further capital released from Teladoc, we ended the quarter with total net divestments of SEK 2.9 billion and the total value of our growth portfolio amounted to SEK 43.3 billion at the end of the quarter.

Valuation Increases are driven by Transactions While Peer Development Impacts Some of Our Key Assets

And now let us focus on the key valuation assessments.

Pleo

On the back of the recent fundraise, our valuation of Pleo increased by 2X from last quarter, including our investment of SEK 227 million. This implies a fair value of our 14% stake of SEK 5.9 billion and means that the company is at a significant premium to its peers on a 2022 basis, which normalises over time due to Pleo's expected higher growth. The increased valuation means that Pleo was the largest asset in our growth portfolio per end of December.

TravelPerk

Our holding in TravelPerk amounts to SEK 1.7 billion and is valued in line with the valuation in the company's funding round in December. Our valuation is corroborated by forward-looking revenue multiples of SaaS peers. With TravelPerk performing strongly, our valuation is in line with peers on a forward-looking basis.

VillageMD

The fair value of Kinnevik's 4% shareholding in VillageMD amounts to SEK 4.7 billion and corresponds to the valuation in the transaction with Walgreens Boots Alliance announced in the fourth quarter. The valuation remains stable in spite of peers' multiples trading down by around 20% in the quarter, due to the recency of the transaction but also reflective of the company's structural advantage and strong growth trajectory stemming from the unique partnership with Walgreens Boots Alliance.

Cityblock

Moving on to Cityblock, where we reflect a multiple contraction in the peer group by adjusting the company's equity value downwards by 10% compared to the valuation used in the funding round in the third quarter. This implies a fair value of our 8% stake of SEK 4 billion, including the SEK 223 million we invested in the quarter. Cityblock is still marked at a premium to the peer group of value-based care providers due to its materially higher growth rate.

Mathem

The fair value of Kinnevik's 37% holding in Mathem amounts to SEK 1.3 billion and corresponds to a decrease of 14% compared to the third quarter. On the back of the announced acquisition of Mat.se and the strategic wholesale agreement with Dagab, we have decreased discount to the company's main peer, which partly offsets the multiple contraction of the peer group.

Our NAV is down 5% in The Quarter, As Soft Trading in Our Public Assets Is Partly Offset by Pleo's Valuation Boost in Its Last Funding Round

Now let us turn to page eight.

Net asset value development

Our net asset value amounted SEK 72.4 billion at the end of December, or SEK 260 per share. This is down by SEK 3.5 billion compared to the third quarter and represents a net asset value decrease of 4.6% in the quarter. Compared to one year ago, when adjusting for the Zalando distribution, this represents an increase for the full year of SEK 10.1 billion or 16%.

The NASDAQ traded up 8% and the OMXS30 traded up by 7%, while our total shareholder return was 4% in the corner.

With yesterday's closing prices of our listed assets, our net asset value was SEK 72.7 billion, so essentially flat this year so far.

During 2022 We Expect To Deploy Capital in the Region of SEK 5bn, in Line with the Average from the Last Three Years

Now, please turn to page 10 for an update on our financial position and capital allocation framework.

During the fourth quarter, we invested a total of SEK 2.4 billion, whereof SEK 900 million was deployed into our existing businesses. Our largest follow-on investments in the quarter were SEK 227 million into Pleo and SEK 226 million into TravelPerk. SEK 1.5 billion was deployed into three new companies, Jobandtalent, Vay and Nick's.

For the full year 2021, we invested SEK6.4 billion; SEK 4.4 billion into new companies and SEK 2 billion into follow-on investments.

In addition to proceeds from divestments and incoming dividends exceeding investments by SEK 0.9 billion, we issued SEK 2 billion in new sustainability linked bonds to refinance the bonds maturing in March, ending the year with a robust financial position and SEK 4.5 billion in net cash, up from SEK 1.8 billion at the end of Q3.

In summary, we ended 2021 with a more balanced portfolio, with half of its capital invested in private businesses and a stronger balance sheet than what we started the year with. So, we go into 2022 with a very strong financial position.

Forward View

Looking into 2022, we believe that as long as attractive opportunities arise, it is key to maintain our investment momentum. Therefore, in 2022 we expect to deploy around as much capital as we have averaged during the last three years. That is in the region of SEK 5 billion. With our strong financial position and a proven track record of backing category-winning businesses, we feel confident that the Kinnevik team has the right tools, strategy, and perspective on business building to continue to create long-term, sustainable shareholder value.

With that, I would like to hand back over to Georgi for some closing remarks and page 10.

Closing Remarks

Georgi Ganev

CEO, Kinnevik AB

Thank you, Erika. With investments of SEK 6.4 billion in 2021, we deployed more capital than we anticipated at the beginning of the year. As outlined last quarter, our increased investment activity is a result of many attractive companies raising capital, our increased conversion of interesting opportunities into investments, and our ability to maintain a strong financial position through capital reallocation.

2022 has started with expectations of rising interest rates and increasing risk aversion, putting pressure on the valuations of high-growth companies, and widening the gap between public and private valuation levels. It is difficult to predict how the year will pan out, and if what is unfolding in the public market's valuations of growth stock is a sign of a new environment. What is clear is that over time, as public market valuations eventually stabilise, the valuation gap between public and private markets is likely to narrow and find an equilibrium.

From a long-term perspective, however, very little has changed. We continue to focus on secular growth, economic moats[?] and sustainable unit economics, and assume multiple contraction from our entry levels in all our investments. With an indefinite holding horizon, unrestricted investment strategy and long-term view on business building, we will experience a wide variety of markets throughout our 10-year[?] backers[?] of high-growth businesses.

Keeping this in mind, as Erika said, we still believe that maintaining our investment momentum and actively reallocating capital as long as opportunities to back great founders and ideas arise, is key, not only to ensure our portfolio remains vibrant and dynamic but also to continue to deliver long-term sustainable returns to our shareholders that share our views on investing.

We are now ready to answer your questions.

Q&A

Joachim Gunell (DNB Markets): Thank you very much. Good morning. Can you perhaps comment here with regards to the financial muscle you currently have and capital you want to deploy in the coming year where you see the best IRR[?] opportunities here? We have seen you more prioritise the new, earlier-stage investments as opposed to commit to your existing portfolio. Is this something we can continue to expect?

Georgi Ganev: Thank you, Joachim, for your question. I think we had a very active year and added 10 new companies in the portfolio. It is not likely that we will do that every year. We have said that a great part of our investment budget – we do not see that a budget but rather a projection – will go to follow-ons in companies that we see great growth and, of course, great teams deliver on their forecasts. I think it is difficult to say exactly how much will go into follow-ons and new investment this year, but 2021 was probably an extraordinary year in terms of new companies added to the portfolio.

Joachim Gunell: Very clear. But given [inaudible] NAV has narrowed slightly in recent months, can you, from a hypothetical point of view, elaborate if you would be comfortable to issue new shares at NAV or something similar, now that investors obviously are getting increasingly comfortable that you are delivering on this new investment strategy, basically in order to accelerate that approach. We have seen other companies [inaudible] do the same.

Georgi Ganev: As we have said before, it is definitely a tool in the toolbox and I think as long as we have the confidence in what we do and, more importantly, the trust from our shareholders, I think that is something we could do. However, having said that, looking at 2021, we were also able to reallocate capital within our growth portfolio, so more than 80% of the capital we invested came from companies within what we call the growth portfolio. So, it is not that we have to raise capital just because we increase our investment pace. 2021 shows that that was not the case. We have the flexibility, we could do it, but we are not forced.

Joachim Gunell: Very clear. And a question for Samuel or Erika, can you comment here, since the unlisted[?] or private investments now make up over 50%[?] of the NAV, how much of this is based on mark-to-market[?] valuations, or return to that, [inaudible] Q1, Q2 this year?

Erika Söderberg Johnson: It was a bit difficult to hear.

Samuel Sjöström: Sorry, Joachim. Was the question what proportion of our investments we mark to market?

Joachim Gunell: Exactly, and that are not based on the recent transaction value.

Samuel Sjöström: I see. Well, it is a false premise, because we value all our companies at market. The thing that is a bit trickier this time around is clearly the fact that while public and private markets obviously are correlated, the private market has not yet caught up to where the public market is at, neither today nor at the end of December. You will recall the March 2020 correction, public stocks rebounded so fast that private markets barely had time to react. So, we value all our companies at fair value and wherever the market is at the end of March will influence the valuations in our Q1. But Joachim, I am not quite sure if that is the answer you are looking for, so maybe you can clarify.

Joachim Gunell: No, I think that clarifies it. Just a final one then from me. It seems that it takes some time for the public market to get comfortable with some of the earlier stage, high-growth companies in a listed[?] setting[?]. We have seen this with [inaudible], Livongo[?] and most recently Babylon. Are there any learnings you draw from this? Does it impact the timing on when you think your future companies are IPO ready, so to say?

Georgi Ganev: We do not have a lot of companies in the pipeline for listing, and that is the same thing for capital increases in our companies. If you are a high-quality company, you are probably well capitalised when you see some volatility in the market. That is the case for our companies and that is the case for Kinnevik, with a strong financial position. So, I think it makes us more resilient, both in terms of portfolio perspective, but also Kinnevik.

Then of course, we have a few examples of companies that we have seen weak trading, but I think those are for different reasons. If you look at SPAC transactions in general, they have been very volatile, with almost no liquidity in that type of stocks. I think it is too much to read into the trading of the Babylon share price, to be honest.

If we go back to the IPO of Livongo, it took some time for the market to understand what a great company it was. It was a healthcare investor that did not really understand the SaaS subscription model, if you will, and consumer-facing products, and the typical consumer investor did not, at that time, clearly understand the value that company provided for the healthcare plans and companies.

So, I think there are different reasons for sometimes weak trading initially. Again, we are long-term holders of our companies, whether they are private or public, and when we decide to reallocate, as we did in December where we sold shares in Teladoc, that was mainly because we saw a very interesting opportunity in Transcarent. So, we speculate less about the macro trends going forward and more how we can actually deploy the capital in the best possible way.

Joachim Gunell: Perfect. Thank you.

Derek Laliberte (ABG Sundal Collier): Thank you and good morning. I wanted to follow up on the valuations here. Clearly, they were impressively resilient, given the exceptionally weak development in the peers and you do give plenty of justification for the report and in the presentation here, with it being as of Q4 operational performance, the stage they are in and the position, etc. But what would it take for you to feel obliged to downgrade your valuations more meaningfully in some of these cases? Babylon is truly a unique business in the sector, but still their stock price is down 40-50% and I think you said earlier that for VillageMD, before the transaction, the valuation was increased from 2X to 11X sales as [inaudible] Health went public and advanced.

I am just trying to understand why we are not seeing a bigger impact in some of these names. Then you talk about this private and public valuation dispersion, but I thought you [inaudible] all your valuations based on the public market valuations. So, if you could clarify that a bit more, it would be helpful. Thanks.

Samuel Sjöström: Sure. It is clearly the million-dollar question as far as the NAV goes. An important distinction here is that we are valuing private companies, not public companies. We are valuing private companies by inferring data from public markets, but we are not necessarily valuing these private businesses as if they were listed. The reason they are not listed is because they are not ready to be listed. That is the first distinction I would like to make.

You mentioned the issue of this gap. The gap is clearly broadening or widening as an effect of private markets lagging behind the public market that is changing in a very volatile way on a daily basis. So, I guess the question really is how we deal with all of this. The way we try to approach this valuation gap is we make a couple of assumptions based on what we see, what we hear and what we believe in relation to the public market's effects on the private markets we are operating in.

There are a couple of them. Firstly, it is likely that what is happening in public markets is going to impact the speed of processes and round sizes before it impacts valuations in the private market. Secondly, it is probably likely that some of these crossover guys that we have seen in the last 18 months may tilt in favour of public equity rather than private equity. We also believe it is likely to impact later-stage businesses before it impacts earlier-stage businesses. As you already mentioned, you have seen how these SPACs have performed and we have already seen a few pulled IPOs and some abandoned SPAC mergers just these last few weeks. I think the last and perhaps most important point is that we believe that it is likely to impact your 'medium' companies before it impacts the companies that are the leading category, winning or even defining ones.

Those are basically the assumptions we make. What happens then is that we are giving a few companies the benefit of the doubt, provided that they have raised capital recently, they have strong balance sheets and long runways, so they are not in a need to tap the markets during these volatile times. They are typically growing faster than their public comps; they have gross margins that are in line with public comps, and they are leaders in their sectors. So, that is the dynamic that you should view as the context when considering the valuations of these star companies like Pleo, like TravelPerk, Budbee, Oda, HungryPanda, Cityblock and VillageMD, etc.

I think what goes amiss perhaps in this quarter, and it is only natural, is that we are making a number of write-downs this quarters but their impact on our NAV as a whole is pretty small. And that is reasonable when you consider the fact that the companies with the largest weight in our portfolio are the ones that we backed with the most capital and that have seen the greatest returns. So, by nature, they are inherently more stable than the much larger investments. Does that answer your question?

Derek Laliberte: Yes. Thank you. Yes, that is great clarification. Yes, I definitely understand. Just a follow-up on VillageMD, hypothetically, obviously we have this [inaudible] just happening, but then the peers are down significantly here, quarter-to-date. If we assume these valuations were to be on 31st March, would that have any impact on VillageMD, given that the transaction happened so recently? I think you mentioned in the report that these transactions are just reference points, but you do basically a multiple valuation in most cases. But a transaction being that recent, could you still potentially decrease the value in that if valuations are 30% or 50% lower in Q1?

Samuel Sjöström: Most definitely, and I think that is what we are doing with Cityblock this quarter. We closed the secondary part of that transaction even in Q4 and we are taking that valuation down by 10%. The reason that we are not doing the same with VillageMD is pretty simple. In both instances, we have very transactions. VillageMD's transaction with Walgreen's is both larger and was agreed around two months later than the Cityblock transaction. The Walgreens-VMD partnership was also agreed at a lower valuation level than the transaction at Cityblock/. You also noted that the valuation development at Village has been a bit less extreme than at Cityblock, so there is arguably a bit less short-term valuation risk baked in at VMD, which is why that valuation remains flat this quarter whereas Cityblock is adjusted downwards.

Derek Laliberte: Okay. Great. That makes sense. Thank you. Just finally, you talked about the market climate is having an impact on the funding climate and a lot of your holdings have recently done funding rounds, so most of the companies are probably in great shape. But are there any ones here that are really needing funding, basically?

Erika Söderberg Johnson: Not really, but we are, as always, keeping tight dialogues with our companies, depending on what happens with their markets and their strategies. This is an open dialogue we have and that is one of the reasons that we want to be and remain well funded ourselves, so we can support if they need further funds in order to grow. But for the time being, as both Georgi and Samuel alluded to earlier, many of our companies have really strong financial positions in order to not be forced to tap into the markets within the volatile times.

Derek Laliberte: Thank you, Erika. That is very clear. That is all from me right now.

Oskar Lindström (Danske Bank): Hi. Good morning. There are three sets of questions from me, I am afraid, coming back a little bit to what we have talked about already quite a bit here. The first one is on Pleo. I was just wondering, you mentioned the peer group here, could you say maybe a little bit more about which peers you are looking at specifically for Pleo? You talk about Pleo having higher growth rates than some of these peers. Are you looking at revenues, I presume? What kind of growth rates do you forecast for Pleo compared to these peers? Just to put your comments around that valuation into context. That would be my first question please.

Samuel Sjöström: Sure. The way you should benchmark Pleo against public comps is that you should be looking for SaaS businesses that have a pretty large share of revenue stemming from transactions rather than subscriptions. That is the way we address it. We can attempt to be a bit more open around that perhaps in the Q1 in relation to specific names. As it relates to Pleo's growth rate in relation to peers, were we comfortable giving that data point, we would have in the report. But just as an indication the average growth rate of the peer group we are looking at is around 30% or 40% and Pleo is 3X or 4X that.

Oskar Lindström: All right. Very impressive. Good. Two questions on the public-private valuation divide that we have also talked about already in the Q&A session here. The first one is, is the increase in the divide really through the sharp decline in the valuation of publicly created assets an opportunity for you to acquire more publicly created growth assets?

The second question here would be, is that increase in divide something that you think would impact your or your partner investors' ability or willingness to make more investments? Does it become more difficult to know what the true price is when you have that type of a divide, and then you would rather wait with investments?

Georgi Ganev: Yes. I can answer that. The first part of your question, would we be interested to invest in a publicly listed business if it is trading lower than an exciting private business we are looking at, of course that is possible. We have a wide investment mandate, and we can own companies that are public, we can invest in companies that are public as well. But again, we would not start from the valuation gap. We would start by looking at companies we really believe have strong over-arching tailwinds for the long-term. That is I think the starting point for us, as well as the team behind that business.

If we think that is something we really, really like and it excites us, we do not exclude it just because it is public. And it needs to, of course, be in the right type of stage or phase, if you will.

Regarding the second question, I think the appetite right now for these stellar companies having these world-class teams with growth rates of 100% or more, it is a highly competitive market, and the appetite is there, for sure. We have not seen that weakening just because of the correction in the public market right now. If it continues, I think it would actually create opportunities for us and other private investors to actually invest in companies at lower valuations, so we would not be too worried about that either.

I think the bottom line here – as I have said many times during this call – is to have a strong financial position and have a long-term mind-set. Then I think we can weather this volatile market, whether it is one quarter or one and a half years.

Oskar Lindström: All right. Thank you.

Rasmus Engberg (SHB): Good morning. I have just one question really. This tiny release of capital in the fourth quarter [inaudible] your net investments last year were less than SEK 1 billion. How do you look at that measure going forward, if you are going to maintain a strong balance sheet?

Erika Söderberg Johnson: You mean the relation between net investments and net divestments?

Rasmus Engberg: Yes. In your mind-set, are there significant divestments also at hand for next year?

Erika Söderberg Johnson: As we always repeat, what is part of our strategy is to dynamically reallocate. So, of course we are constantly evaluating our current portfolio companies and our balance within our portfolio between the companies, as we continue to invest and also as our companies continue to develop. So, that is part of our strategy, to reallocate actively, which entails divestments as well as investments.

Having said that, we also have a strong financial position, so we are not forced to divest in order to keep our investment momentum at the level we want to do, going forward.

Rasmus Engberg: The reason for asking it, of course, is that you have really small ownership shares in a very large asset now. That is why I am asking. All right. Thanks for that.

Georgi Ganev: Yes, but I think it is a fair point, because we do not look only at this from a strictly financial perspective. It is also about what value we add in the companies we own. That is basically how we look at divestments. On top of that, as you probably know, there is both ordinary and extraordinary dividends coming from Tele2. As of the announcement earlier this week from Tele2, the plan is to basically dividend out the entire proceeds from the Netherlands transaction, which of course will be used, in our case, to re-invest in new, exciting businesses.

Rasmus Engberg: Sure. Thanks.

Nizla Naizer (Deutsche Bank): Good morning. I have two questions. My first clear[?] step back[?] and you have exposure to a lot of consumers[?] with their[?] digital businesses. There was a lot of[?] [inaudible] consumer habits changing during the pandemic and people[?] [inaudible]. Now, [inaudible] in your [inaudible]. Are you seeing [inaudible] growing[?] from an [inaudible]? I am just curious to see how [inaudible] are trending[?] based on the vast exposure that you have with your [inaudible] portfolio. That is question one.

Question two: Jobandtalent investment. Could you kindly[?] speak to[?] how [inaudible] the business with[?] [inaudible] or [inaudible] cut from [inaudible]? Thank you.

Georgi Ganev: Sorry, Nizla. You are breaking up. We could not hear any of the questions, I am afraid.

Nizla Naizer: Oh, I am so sorry. Can you hear me better now?

Georgi Ganev: Better now.

Nizla Naizer: Okay, great. My first question was on consumer habits that you are exposed to with the digital businesses that you have in your private portfolio. There was elevated growth during the pandemic because habits changed, people moved online. As conditions normalise, are you seeing that growth continue from an elevated base, or is there a change that companies need to respond to, for example, in your online groceries, and other consumer businesses? Some colour there would be great.

The second was on Jobandtalent. I just wanted to understand how they monetise the business. Are they on a retainer or do they take a cut from every placement? Some colour there would be great.

Georgi Ganev: Okay. I will start with the first question. Of course, there has been a pandemic effect, if you will, with more customers going online. We have seen in the online grocery businesses also not only that the frequency has increase but also the basket size. That effect, we do not have going forward and we did not have it at the end of 2021 either, so the comps are difficult. What we however see is that the target segments or the new customer segments that the company has been able to reach, they are still there. So, I definitely see that we have moved the baseline, so we are starting from a higher position in terms of penetration of these services. And as growth stabilises again and we move out of these extreme comps, especially when it comes to basket size of online grocery, we will have, again, strong growth from a higher level in terms of penetration. That is the answer to your first question.

The second question, I am afraid I do not really know, and I am looking at Samuel here.

Samuel Sjöström: Yes, Nizla, I think the way you should look at this business is as a marketplace. They have a GMV, which is essentially what the clients are paying Jobandtalent, and therefore indirectly their employees, and then Jobandtalent takes a take rate off of that.

Nizla Naizer: Okay, it makes sense. Thank you. Very helpful.

Georgi Ganev: Thank you, Nizla.

Andreas Lundberg (SEB): Thank you and good morning, everyone. I think you touched upon it in general terms. Are there any imminent funding needs in any of your holdings? That is my first question.

Georgi Ganev: As Erika said before, we are ready to support the companies when they need, and we have a very tight dialogue. We cannot really disclose what companies are planning funding rounds. If they do, it is typically because they have great opportunities that we would like to back hopefully, but we do not see any pressure on any of the companies to raise capital right now because they are running out of capital immediately.

Erika Söderberg Johnson: Having said that, if there are great opportunities for them to grow, we would be happy to support them to do so.

Andreas Lundberg: That is very clear. On your investment guidance, is it too early to talk about 2023?

Erika Söderberg Johnson: Sorry, what was the question?

Andreas Lundberg: On the investment guidance, beyond 2022.

Erika Söderberg Johnson: No, no guidance beyond 2022. Let us see how this year pans out, but, as we say, this year we will invest what we have done on average the last three years and we said we want to continue to keep up the investment momentum. I think it is too early to say more exactly where this will be two years from now, but I am pretty sure we will still think it is very important to maintain an even investment momentum, in line with what we have done historically. But let us see when that day comes. We will take this year to start with.

Andreas Lundberg: Thank you. Lastly, a bit more on valuations. Obviously, your companies appear to be growing faster than many of the peers. Is that based on expectations of higher growth or is it more of your current situation? Are the expectations of peers[?] based on [inaudible] expectations[?]? Your own expectation is on your company [inaudible].

Georgi Ganev: Yes, but I think first, let me give you an overview on that. We are looking at growth, basically. For me, that is the indicator of a company being very successful with their customer value proposition. Looking at a company like Pleo, for instance, it is the product that is absolutely world class. We see that looking at the customer satisfaction score. We see it from a team perspective, tech platform and so forth. The result of that is very strong growth historically and, of course, ambitious forecasts going forward. So, it is a combination of both strong historical growth and strong growth going forward, but everything stems back to having a great product and a great product[?] market fit and a fantastic team. I do not know if you want to add anything, Samuel.

Samuel Sjöström: No. Just as it relates to growth forecasts, clearly, they are educated by what the companies are targeting but we make our own forecasts based on what they tell us, and those are, as you would expect, typically a bit more conservative and at times almost draconian. So, it is not that we are taking budgets and long-term plans at face value.

Andreas Lundberg: And how much emphasis do you put on other valuation drivers, such as profitability, return on capital, etc.?

Samuel Sjöström: Clearly, when we compose the public peer groups that we use in our valuations, we try to find a composite set of companies with financial profiles in line with the companies we are benchmarking against that set of companies. So, gross margins are clearly a very important parameter in that exercise.

Andreas Lundberg: Thank you so much.

Georgi Ganev: Okay. Thank you very much for listening and for your questions and, as a last reminder, we will report our results for the first quarter of 2022 on 21st April. Stay safe, everyone. Thank you.

[END OF TRANSCRIPT]