

*Investment AB Kinnevik*



**Presentation of financial results Q1 2014**

## Highlights first quarter 2014

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- Net Asset Value SEK 66.2 bn at the end of March – 238.66 SEK per share
- Good progress in mobile companies with growth in mobile services
- Strong sales growth and improving margins in E-commerce & Marketplaces segment
- MTG showed record audience shares of 60% in Sweden during the Olympic games
- SEK 469m invested of which SEK 382m in E-commerce & Marketplaces
- Solid financial position with net cash balance of SEK 2bln

# Strong market positions to maintain growth momentum

## Highlights

- Focus on core sectors and markets
- Online 32% of Kinnevik's asset in line with strategy
- Emerging markets important focus to drive growth

Communication

56%



E-commerce & Marketplaces

32%



Entertainment

8%

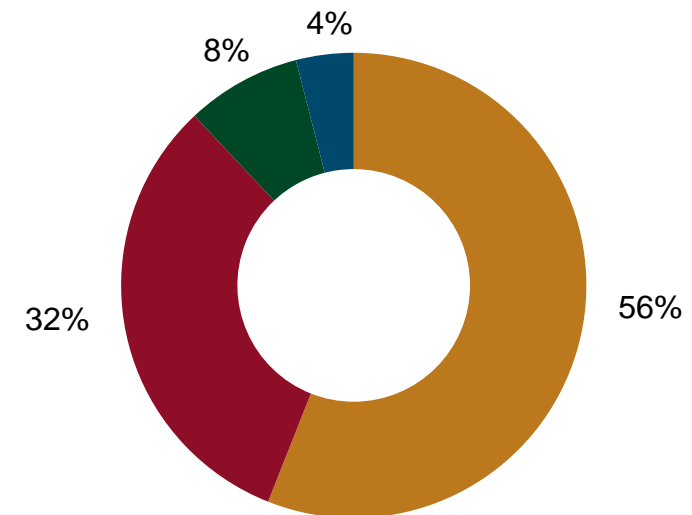
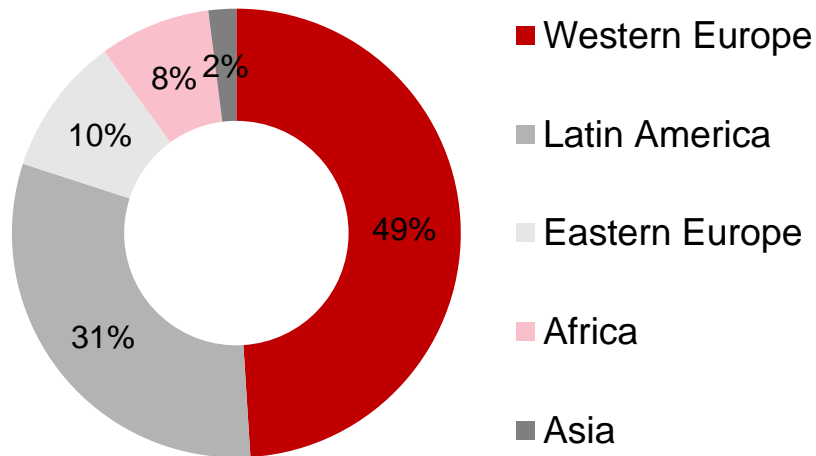


Financial services & Other

4%



## Proportional Net Sales per continent

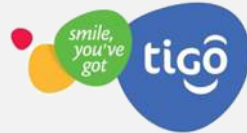


Note: Sales per continent as per FY2013

# Building powerful brands

## Communication

TELE2



COMVIQ

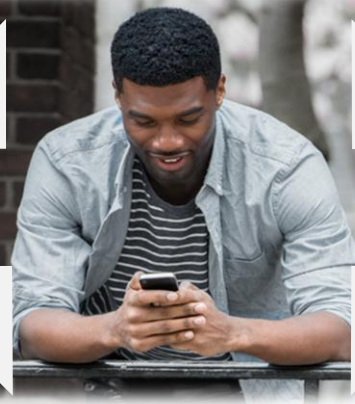
## E-Commerce & Marketplaces

zalando

AVITO.RU  
ЛЕГКО КУПИТЬ, ЛЕГКО ПРОДАТЬ

dafiti  
.com.br

CDON.COM



BAYPORT  
FINANCIAL SERVICES

BIMA

## Financial services & Others

VIASAT

metro

## Entertainment

# Millicom

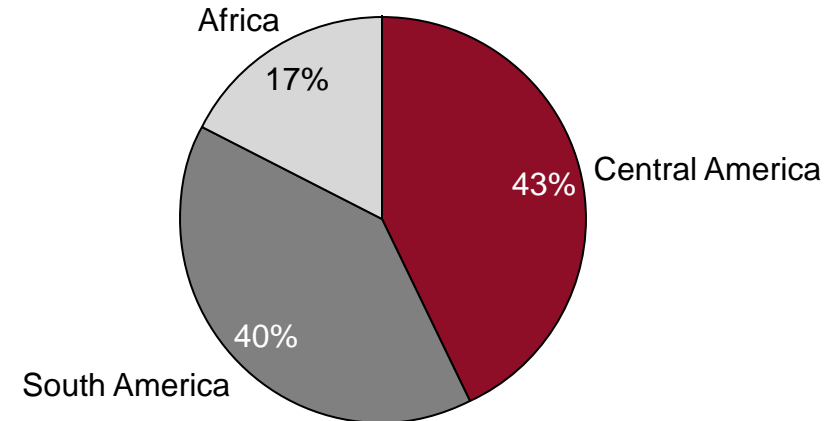
## Highlights

- Customer base grew by 1.6 million net new mobile customers
- Strong growth in Cable supported by launch of new services
- Accelerated growth in mobile financial services

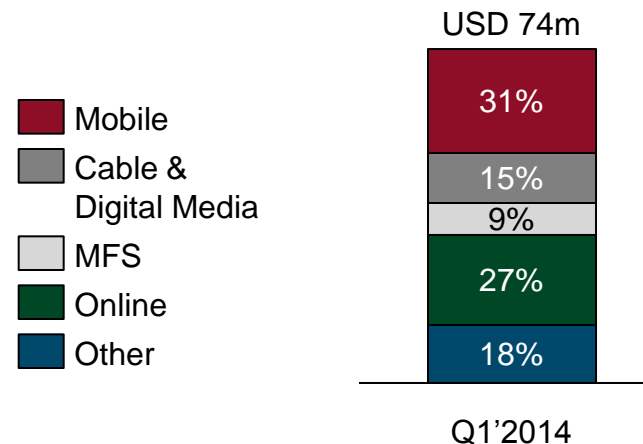
## Income statement highlights

USDm	Q1'2014	Q1'2013	FY2013
Net Sales	1 405	1 351	5 159
EBITDA	478	517	1 881
CAPEX	163	209	1176
Net Income	61	136	205

## Geographical distribution of revenues %



## Growth composition by area (% of growth)



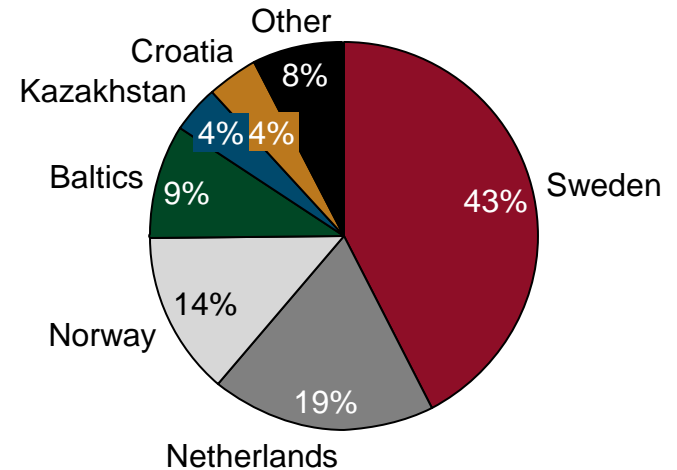
## Highlights

- Strong mobile end-user service revenue growth for the Group
- Robust operational performance in Tele2 Sweden
- Tele2 conducting a strategic review of Tele2 Norway

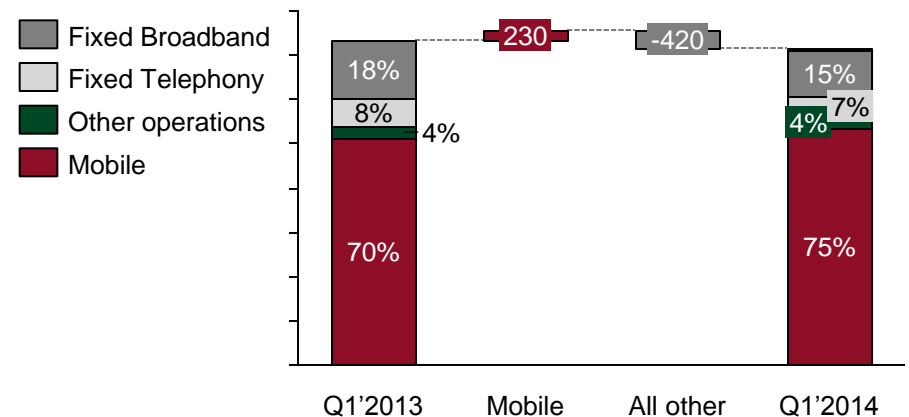
## Income statement highlights

SEKm	Q1'2014	Q1'2013	FY2013
Net Sales	7 108	7 298	29 871
EBITDA	1 381	1 488	5 990
CAPEX	963	2 123	5 169
Net Profit	475	353	655

## Net Sales distribution between countries (%)

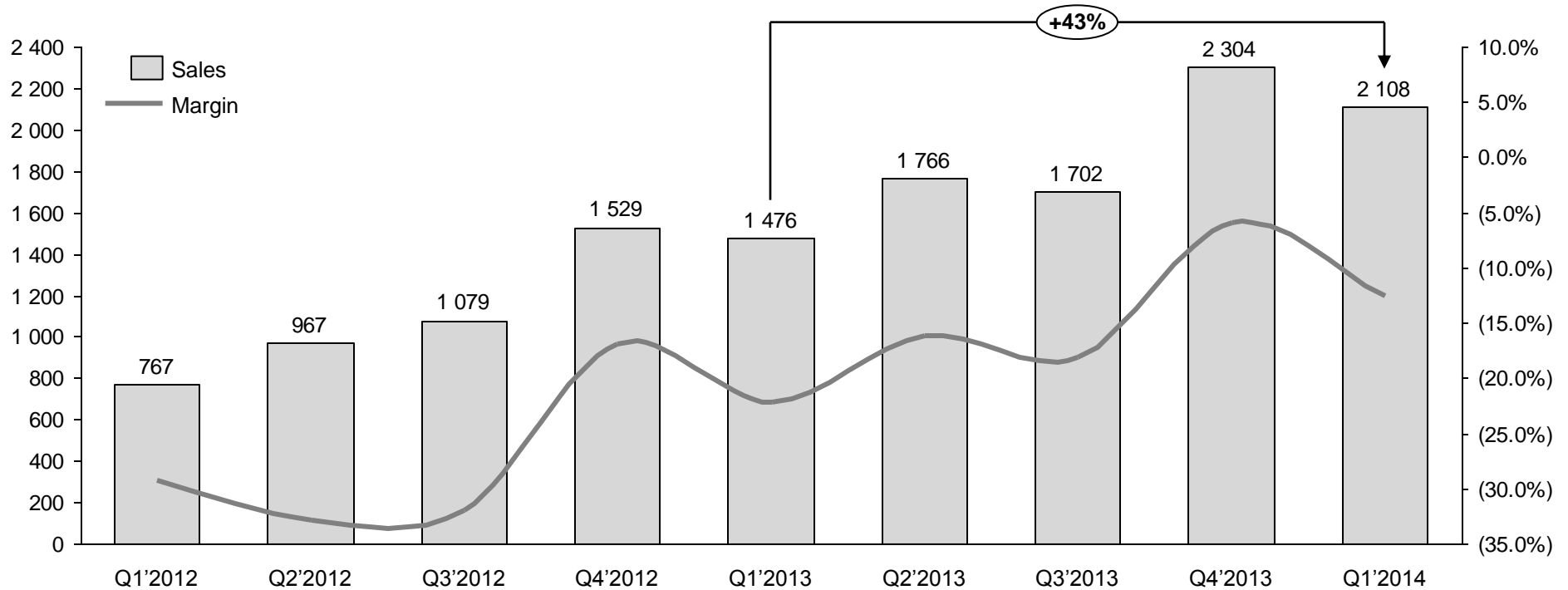


## Net Sales composition and development (SEKm)









# E-commerce & marketplace companies grow revenues and improve profitability

- Growth of 43% to SEK 2 108m
- EBIT margin of -13% in the first quarter 2014
- EBIT margin improved by 9pp since year-on-year
- Kinnevik's net proportional share of net cash balance amounted to SEK 4 472m as of 31 March 2014





# E-commerce & Marketplaces





## E-commerce – emerging markets shoes and fashion

Revenue* (EURm)	2012	2013	Growth
 lamoda <small>МОДА С ДОСТАВКОЙ</small>	37.3	120.3	223%
 dafiti	72.3	136.8	89%
 JABONG COM	14.4	50.4	250%
 NAMSHI	3.1	10.7	244%
Z A L O R A	8.2	30.0	265%
 THE ICONIC <small>THE ICONIC.COM</small>	20.1	36.3	81%
 zando <small>SHOES &amp; FASHION ONLINE</small>	1.8	3.8	106%

## E-Commerce – home décor

Revenue* (EURm)	2012	2013	Growth
 home 24	52.4	89.9	72%
 WESTWING <small>HOME FURNISHING</small>	44.6	106.8	140%

## General e-Commerce

Revenue* (EURm)	2012	2013	Growth
 Lazada	7.7	53.5	593%
 iNiO	4.6	36.8	700%
 JUMIA	1.9	21.0	986%
 konga	0.2	4.7	-

## Marketplaces



\* Revenues for 2012 and 2013 are translated to EUR from local currency at constant exchange rates (average rate for Q1 2014). 2013 figures are preliminary and unaudited



# Q1 Developments – Classifieds & Marketplaces

Q1 2014 NAV SEKm  
(% Change YoY)



- **Avito is the largest online classified site in Russia, a top 10 Internet market globally**
  - The Russian Internet population is expected to grow 1.5x and online retail sales are expected to grow > x2 in five years
  - Avito is a top 5 site in Russia with monthly audience of 23.9m (desktop only) and 4.6bn monthly page views
  - The clear leader for car and real estate listings
  - 2013 revenues of RUB 803m (USD 24.5m), profitability increasing rapidly and cash position of in excess of USD 100m
- **Kinnevik exercised its rights to acquire warrants offered by management for approximately SEK 110m in the quarter**
  - Post transaction our stake in Avito increased by 0.9% to 31.7%

2,186  
(+108%)



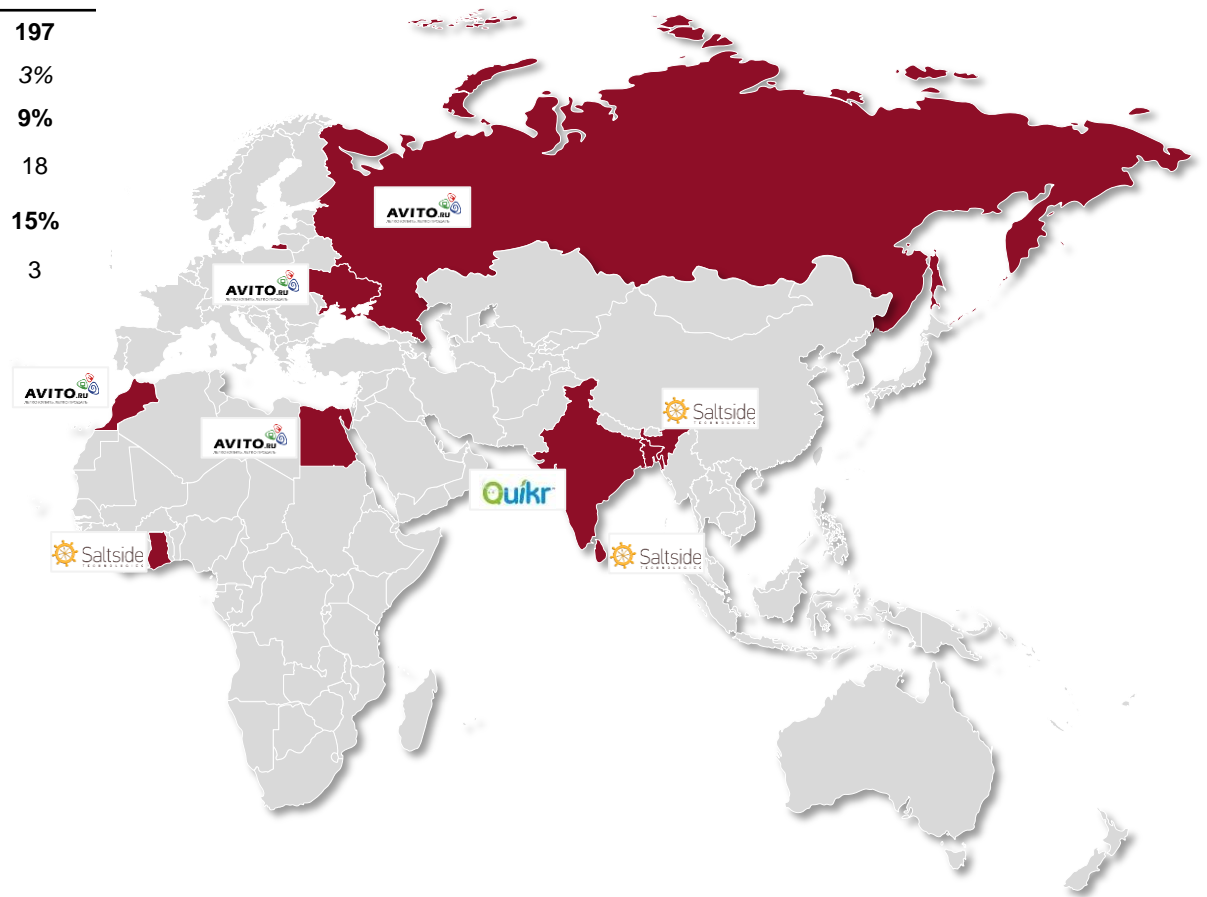
- **Quikr is a leading online classified site in India, the #3 Internet market globally**
  - The Indian Internet population is expected to grow x3 and online retail sales are expected to grow x8 in five years
  - Quikr is a top 20 site in India with >30m UUVs and 10m listings on the platform
  - Leading position in real estate, services and jobs
  - Early stages of revenue monetisation
- **Kinnevik invested USD 39m as a part of a total raise of USD 90m in the quarter**
  - Existing investors including Warburg Pincus and eBay participated in the round
  - Capital supports continued product development and brand building efforts

254  
(n/a)

# Q1 Developments – Classifieds & Marketplaces

Increased investment in large developing markets with fast growing internet penetration due to attractive long-term potential

Visitor funnel	Avito <sup>1</sup>	Quikr	Saltside
Total population in countries (m)	144	1,243	197
% of global population	2%	17%	3%
Internet penetration rate	53%	12%	9%
Internet users in countries (m)	76	152	18
Internet users on site / month	31%	20%	15%
Monthly unique visits (m)	24 <sup>2</sup>	30	3



<sup>1</sup> Russia only, excludes Morocco, Egypt and Ukraine; <sup>2</sup> desktop only

# Online portfolio

Investment (SEK m)	Total direct and indirect ownership	Invested amount	Total direct and indirect fair value	Change in fair value during Q4'2013
Zalando	36%	7 916	12 143	7
Avito	32%	434	2 186	-109
Quikr	16%	254	254	-
Bigfoot I with portfolio companies	35%	1 567	1 735	-25
Dafiti	27%		430	
Lamoda	29%		724	
Jabong	26%		273	
Namshi	14%		42	
Bigfoot II	39%	930	411	-23
Zalora	29%			
The Iconic	29%			
Zando	15%			
Jumia	15%			
BigCommerce with portfolio companies	26%	606	573	24
Lazada	17%			
Linio	19%			
Namshi	10%			
Home24	33%	791	702	15
Mobly	28%			
Westwing	21%	175	300	22
Wimdu	41%	364	387	-1
Rocket Internet with other portfolio companies	Mixed	-1 503	1 315	-18
Konga	46%	114	156	-
Other unlisted online companies	Mixed	426	170	-54
<b>Total unlisted online investments</b>		<b>12 074</b>	<b>20 332</b>	<b>-162</b>
CDON Group	25.1%	646	584	-202
<b>Total online investments</b>		<b>12 720</b>	<b>20 916</b>	<b>-364</b>

Note: Rocket Internet companies not adjusted for potential dilution from stock option plans

## Valuation of unlisted holdings

SEKm	Basis for valuation	Direct ownership	Indirect ownership	Fair value Direct	Fair value Indirect	Affected by preference structure
Zalando	Sales multiple: 1.9x	36%	-	12 143	-	Yes
Dafiti, Lamoda, Jabong, Zalora, The Iconic	Sales multiple: 1.3 - 1.9x	Mixed	Mixed	-	-	Yes
Lazada, Linio	Sales multiple: 1.2 - 1.3x	Mixed	Mixed	-	-	Yes
Home24	Sales multiple: 1.1x	22%	11%	694	8	Yes
Westwing	Sales multiple: 1.3x	14%	7%	219	81	Yes
Avito	Sales multiple :12.0x	32%	-	2 186	-	No
Wimdu	Sales multiple: 2.8x	29%	12%	358	29	Yes

- Sales multiples according to peer average, discounted to consider factors such as profitability and geographical market
- Investments in Rocket Internet are structured with liquidation preference, i.e. recently invested amounts have preference over earlier financing rounds at lower valuations

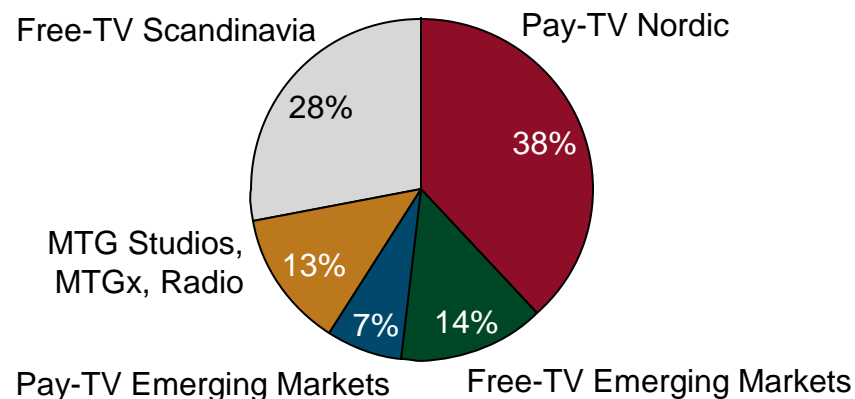
## Highlights

- Winter Olympics coverage in Sweden drove accelerated revenue growth in segments Free-TV Scandinavia and Pay-TV Nordic
- Subscriber intake at Viaplay reached all-time high levels during the first quarter
- Viaplay and MTGx merged to create a leading digital entertainment powerhouse

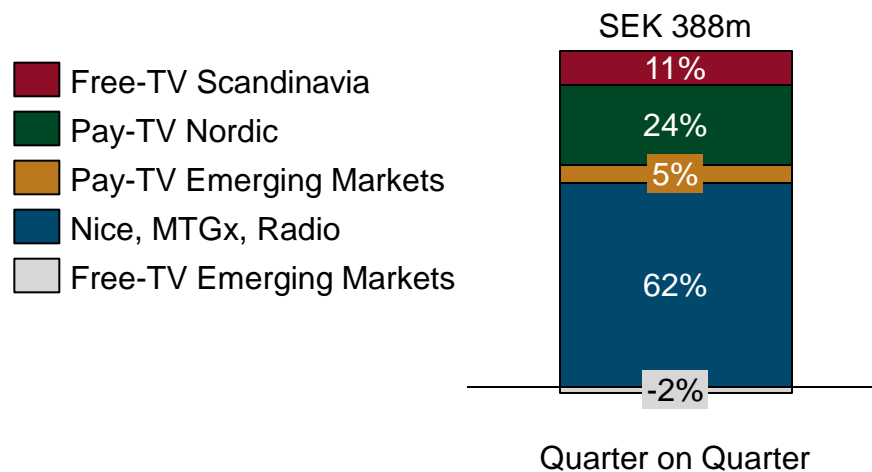
## Income statement highlights

SEKm	Q1'2014	Q1'2013	FY2013
Net Sales	3 597	3 209	14 073
Gross Income	1 277	1 247	5 601
EBIT	301	454	1 738
Net Income	159	334	1 168

## Distribution of sales between market areas %



## Growth composition (compared to Q1'2013)



# Q1 Developments – Financial Services

Q1 2014 NAV SEKm  
(% Change YoY)

your future now

**BAYPORT**  
FINANCIAL SERVICES

- **Emerging market consumer credit specialist focused on the formally employed sector**
  - Retail financial services in Sub-Saharan Africa projected to grow at a compound annual rate of over 15% to 2020
  - Bayport has an established franchise across 7 African countries and Colombia
  - More than 532,000 customers serviced through 376 branches and net loan book of around USD 870m as of March 2014
- **Kinnevik supported acquisition of Bayport Financial Services South Africa (BFS) for ZAR 1.6bn (USD 162m) in the quarter**
  - Bayport raised USD 141m of equity from Helios Investment Partners and existing shareholders
  - Acquisition provides scale and diversification benefits, and ability to leverage BFS's product portfolio and expertise across the enlarged footprint and client base

**835**  
**(+41%)**

 **BIMA**

- **Leading provider of mobile-delivered insurance in emerging markets**
  - Microinsurance represents a USD 40bn market globally
  - BIMA reaches 9 million customers in 9 markets in Africa, Asia and Latin America
  - Provides insurance products such as life, accident and health cover through MNO partners and direct channels
  - Customer base is growing at a rate of around 500,000 new policyholders per month, reflecting significant consumer demand
- **Kinnevik led raise of USD 22m from existing shareholders in the quarter**
  - Capital supports expansion into several new markets in Africa, Asia and Latin America

**114**  
**(+133%)**

*Investment AB Kinnevik*



Thank you!