

Investment AB Kinnevik



Review of 2014 and Outlook for 2015

6 February 2015

Financial Highlights 2014

Operating companies' performance

- Mobile companies continue to deliver revenue growth – Millicom +9% and Tele2 +7%¹ organic revenue growth year-on-year
- Fashion e-commerce companies continue to deliver accelerated growth and margin improvement – Zalando sales up 28% and GFG 80%² January-September

Kinnevik Investing activities

- New investments of SEK 1.5bln; in line with guidance for the year
 - Prudent approach given rapid increase in private market valuations
 - 75% in existing companies
 - Exciting new Indian investment: Quikr
 - Add-on investments in GFG, Qliro, Avito and Lazada

Kinnevik year-end position

- Net Asset Value of SEK 84.4 bln or SEK 304 per share, up 29% from year-end 2013
- Strong balance sheet – net cash of SEK 0.1 bln at parent company at year-end
- Share price down from SEK 298 to SEK 255 driven by decline in e-commerce public market valuations

Dividend proposal and investment guidance for 2015

- Proposal for a SEK 7.25 per share, an increase of 4%
- Net investments (gross investments net of sale of assets) of up to SEK 1.0 billion in 2015

¹ End user service revenue

² Excluding Zalora and applying FX rates from 31 December 2014

A. Q4 2014 RESULTS

Q4 2014 Highlights

Operating companies' performance

- Mobile companies continue to deliver revenue growth – Millicom +11% and Tele2 +7%¹ organic revenue growth quarter-on-quarter
- Fashion e-commerce companies continue to deliver strong growth – Zalando sales up 24% and GFG 71%² in Q3

Investing activities

- Kinnevik team focused on driving operational performance in line with strategy
- Limited investment activity in Kinnevik
 - Focus on existing portfolio companies
 - SEK 241m invested in CDON/Qliro Group and ownership stake increased to 28.5%
 - Temasek invested in Lazada at a post-money valuation of EUR 1 bln. Kinnevik invested SEK 74m

Kinnevik quarter-end position

- Overall strong growth in Net Asset Value (NAV)
 - NAV up 10% (SEK 7.7bln) to SEK 84.4bln
 - Zalando and Rocket Internet share prices up 19% and 21% respectively compared to IPO price
 - Limited change in fair value of unlisted assets, up SEK 101m

Events after the reporting period

- Saltside raised USD 40m, of which Kinnevik contributed USD 5m
- The positive decision in Administrative Court on SEK 702m tax case appealed by the tax authority
- Tele2 received clearance to sell Norwegian operation – extra dividend proposed - Kinnevik expected to receive SEK 1.4 bln

¹ End user service revenue

² Excluding Zalora and applying FX rates from 31 December 2014

Public Assets: Communication, Entertainment & E-Commerce

Millicom



- Q4 operating results:
 - Organic revenue growth of 11%
 - EBITDA margin of 32%
- South America remains the main contributor to revenue growth
- Africa hit by currency and restructuring

Tele2



- Q4 operating results:
 - Net revenue growth of 4%
 - EBITDA margin of 21%
- Strong mobile end-user service revenue growth for the Group
- Maintained positive customer intake within mobile for Tele2 NL and improved customer intake for Tele2 Kazakhstan
- Tele2 received clearance to sell its Norwegian operations

MTG



- Q4 operating results:
 - Net sales up 6% at constant FX
 - EBIT margin of 11%
- Higher sales and profit in Nordic business as growth in online compensated for decline in linear TV
- Amendments to Russian Mass Media Law now enacted– MTG continues to explore options

CDON/ Qliro Group



- Q4 operating results:
 - Total revenue growth of 15%
 - EBIT SEK 8m
- Qliro payments service launched across the group's online stores Nelly, NLYman, Lekmer and CDON.com in Sweden
- Rights issue of SEK 647 million and early redemption of convertible bond of SEK 250 million successfully completed

Rocket internet

(H1 update Nov-14)



- Strong financial performance for proven winners and emerging stars
- Launch of new sector – travel
- Progression of ventures – Foodpanda, TravelBird, Traveloka
- On track to launch +10 companies per year
- Continued build out of Rocket Platform

Zalando

(Jan-Sep update Nov-14)



- Q3 operating results:
 - Organic revenue growth of 24%
 - EBIT margin of 0.8%
- Margin improvement driven by all major cost lines
- Zalando introduced express-delivery for all brands in the fourth quarter

Global Fashion Group

Financial Results and Key Performance Indicators

		dafiti		lamoda		JABONG 		NAMSHI	
		BRLm		RUBm		INRm		AEDm	
		Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014
Selected KPIs	GMV ¹	114.7	160.3	2,829.4	5,133.4	1,248.0	3,458.0	17.1	62.4
	% growth		39.8%		81.4%		177.1%		264.8%
	Total orders ¹ (m)	0.85	1.17	0.61	0.89	0.86	2.52	0.04	0.14
	% growth		37.5%		45.5%		193.2%		245.5%
	Total customers (m)	2.05	3.33	1.11	2.26	n/a	n/a	0.09	0.25
	% growth		62.8%		104.3%				190.6%
Active customers (m) ²		1.52	1.95	0.88	1.47	n/a	n/a	0.07	0.18
	% growth		28.4%		67.6%				169.6%
Key financials	Net revenues	108.3	144.3	1,220.2	2,055.8	878.4	2,160.1	15.1	51.5
	% growth		33.1%		68.5%		145.9%		242.2%
	Gross profit	32.0	48.6	370.2	738.9	(39.8)	(568.7)	7.3	28.8
	% margin	29.5%	33.7%	30.3%	35.9%	(4.5)%	(26.3)%	48.4%	55.9%
	EBITDA	(43.5)	(57.4)	(566.6)	(691.7)	(481.6)	(1,550.0)	(12.4)	7.9
	% margin	(40.1)%	(39.8)%	(46.4)%	(33.6)%	(54.8)%	(71.8)%	(82.1)%	15.3%
	Share based payment	0.0	1.4	11.4	12.2	1.9	8.5	3.4	1.1
	Capex	8.6	6.3	74.7	175.1	32.9	83.5	0.2	2.7
	% of net revenues	8.0%	4.4%	6.1%	8.5%	3.7%	3.9%	1.2%	5.3%
	Net working capital	(1.6)	(41.9)	n/a	(534.8)	118.5	73.1	n/a	4.8
Cash position	14.0	37.9	n/a	1,677.5	579.3	5,453.9	n/a	33.0	

Notes: Zalora quarterly financials not yet available

¹ Jabong figures include marketplace transactions

² LTM

Home & Living and General Merchandise

Financial Results and Key Performance Indicators



	EURm		EURm		EURm		
	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	
Selected KPIs	GMV	22.7	56.0	26.8	50.0	12.6	23.9
	<i>% growth</i>		146.8%		86.8%		89.5%
	Total orders¹ (m)	0.12	0.27	0.27	0.56	0.14	0.36
	<i>% growth</i>		123.9%		106.8%		150.6%
	Total customers (m)	0.58	1.16	0.48	0.98	0.22	0.73
	<i>% growth</i>		98.8%		104.5%		227.8%
	Active customers² (m)	0.40	0.63	0.39	0.68	0.22	0.58
	<i>% growth</i>		55.8%		73.3%		170.7%
Key financials	Net revenues	22.0	46.0	n/a	47.5	n/a	14.6
	<i>% growth</i>		109.6%				
	Gross profit	8.7	14.7	n/a	20.2	n/a	2.3
	<i>% margin</i>	39.6%	31.9%		42.5%		15.5%
	EBITDA	(8.2)	(15.8)	n/a	(15.5)	n/a	(12.9)
	<i>% margin</i>	(37.3)%	(34.3)%		(32.6)%		(88.4)%
	Share-based payment³	1.9	0.7	n/a	3.0	n/a	(0.3)
	Capex	0.6	1.6	n/a	1.4	n/a	0.9
	<i>% of net revenues</i>	2.5%	3.6%		3.0%		6.4%
	Net working capital	n/a	(16.9)	n/a	(5.7)	n/a	(9.7)
Cash position	n/a	55.0	n/a	32.1	n/a	67.4	

Notes: Lazada and Jumia quarterly financials not yet available

¹ Linio figures include marketplace transactions

² LTM

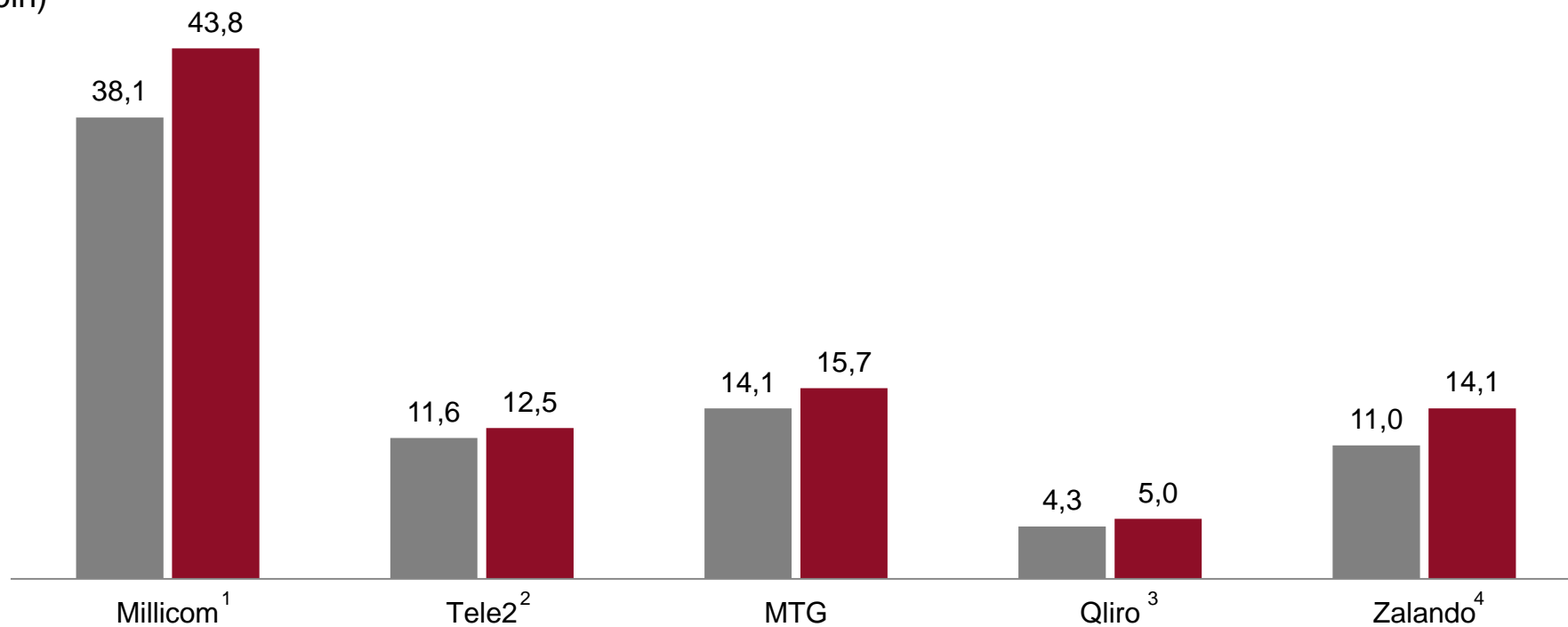
³ Negative amount for Linio in Q3 2014 due to a leaver (excess costs accrued to date needed to be reversed)

B. REVIEW OF 2014

Operating Results for Selected Listed Portfolio Companies 2014

Reported revenue (SEKbIn)

■ 2013 ■ 2014



Organic growth YoY:

9%

7%

4%

15%

28%

Margin

	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014				
EBITDA	36%	33%	EBITDA	23%	23%	EBIT ⁵	9.3%	8.1%	EBIT	0.0%	0.2%	EBIT ⁶	-10%	1.0%

Note: 2014 yearly average FX rates used to convert Millicom and Zalando revenues to SEK. ¹Including UNE from August 2014. ²Mobile end-user service revenue. ³Excluding divested operations and non-recurring items. ⁴Jan-Sep figures only. ⁵EBIT before associated company income and nonrecurring items. ⁶EBIT margin excludes equity-settled share-based compensation expenses.

Valuation Trends Impacting the Portfolio Value

Public Market Valuation

December 31

Segment	Metric	2013	2014
Mobile	EV/EBITDA	6.4x	6.4x
Fashion	EV/Sales	4.4x	2.4x
General Merchandise e-commerce	EV/Sales	0.9x	0.8x
Marketplaces	EV/Sales	10.0x	8.4x

Peer groups used (median of multiples), Multiples calculated based on EV as of YE and LTM EBITDA/Sales: Mobile: 26 mobile operators across emerging markets and Europe. Fashion: Asos, Yoox, Vipshop, Zulily* Bohoo.com*, Zalando*. General merchandise e-com: Amazon, Dangdang, B2W, JD.com*, AO World*, Qliro Group, Cnova*. Marketplaces: 51jobs, 58.com**, Autohome*, Bitauto, Soufun, Mercadolibre, Info Edge, Mail.ru, Yandex (* 2014 only; ** 2013 and 2014 only)

Currency Volatility

December 31

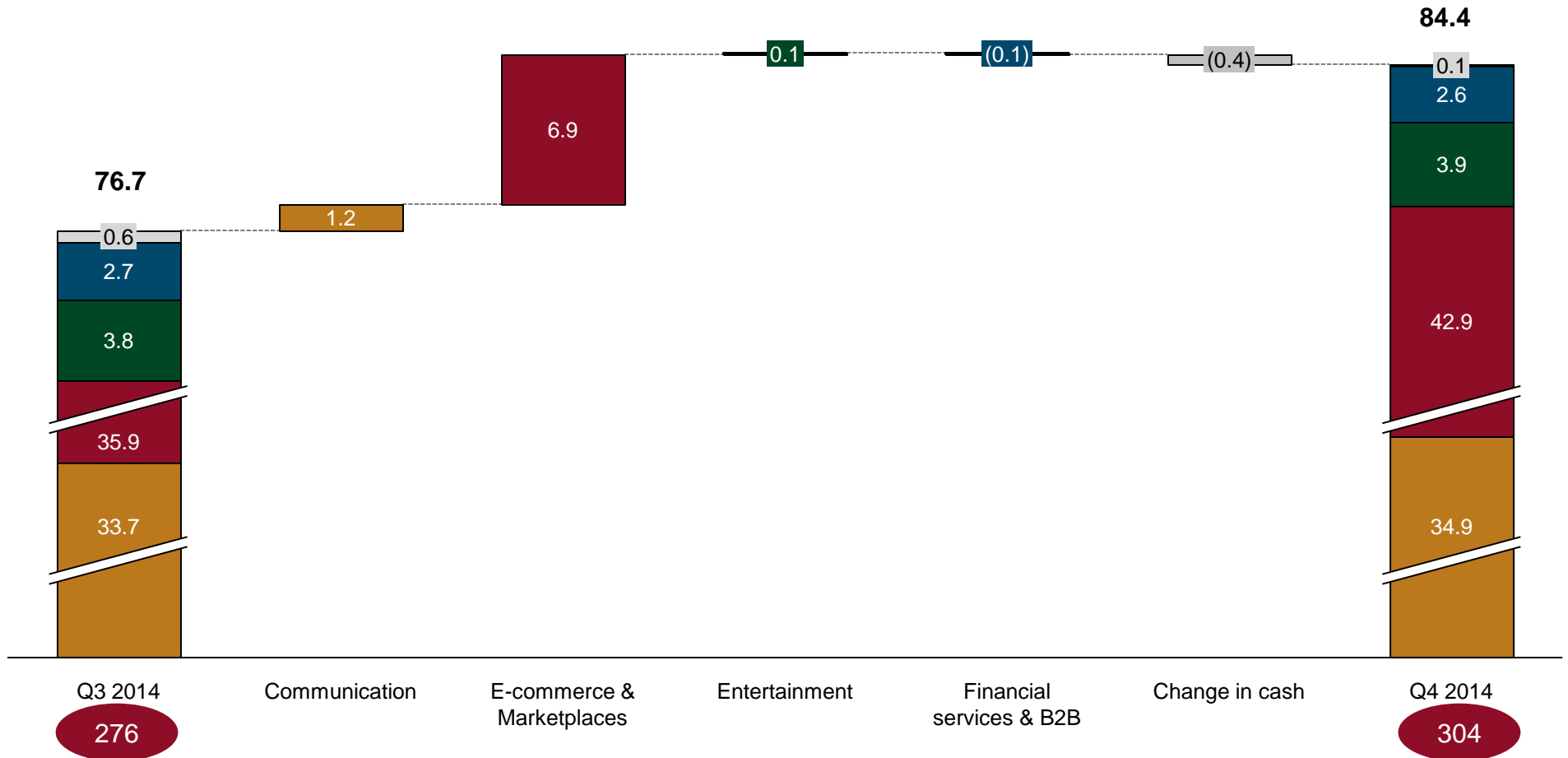
Currency pair	2013	2014
EUR/SEK	8.9430	9.5155 (+6%)
USD/SEK	6.5084	7.8117 (+20%)
RUB/SEK	19.8536	13.7483 (-31%)

2014 Investment Management Activity

Investments	Amount (SEK m)
Existing Companies	
Global Fashion Group	277
Qliro Group	241
Avito	102
Lazada	74
Saltside	65
Yell	20
Other	315
New Companies	
Quikr	362
Belcash	7
Total	1 463
Divestments	133
Net investments	1 330

Net Asset Value: 10% Increase in the Fourth Quarter

NAV by segment (SEKbln)



NAV per share (SEK)

No Material Change in Fair Value of Private Assets

Investment (SEK m)	Kinnevik ownership	Accumulated net Invested amount	Fair value 31 December 2014	Change in fair value & dividends received ⁴		Latest Transaction Value (LTV)	Difference compared to Kinnevik FV
				Q4 2014	FY 2014		
Global Fashion Group ^{1,2}	26%	3,620	6,092	99	3,066	6,675	582
Home & Living							
Home24 ³	20%	794	833	26	150	1,577	744
Westwing ³	13%	175	379	98	162	564	185
Other	Mixed	-	93	3	3		
Other e-commerce							
BigCommerce ^{1,3}	14%	664	739	138	133	1,111	372
Lazada ³	10%					874	
Linio ³	9%					237	
Konga	41%	209	292	24	41		
Other ^{1,2}	Mixed	794	666	15	169		
Marketplaces							
Avito	31%	438	2,298	-175	0	3,681	1,383
Quikr	16%	362	425	31	64		
Saltside	88%	154	154	-	0		
Wimdu ³	29%	367	381	13	20		
Other	Mixed	229	115	-10	-1		
Other non-disclosed LTV						1,854	841
Total E-commerce & Marketplaces		7,806	12,467	262	3,807	16,573	4,107
Metro	100%	992	461	-163	-515		
Other	Mixed	96	106	1	29		
Total Entertainment		1,088	567	-162	-486		
Bayport	31%	467	1,032	76	174		
Milvik/BIMA	39%	84	206	15	96		
Rolnyvik	100%	174	250	-	0		
Other	Mixed	594	328	-90	-211		
Total Financial Services & Other		1,319	1,816	1	59		
Total unlisted investments		10,213	14,850	101	3,380		

¹ Invested amount and comparable periods have been adjusted pro forma for transactions related to the merger of Global Fashion Group.

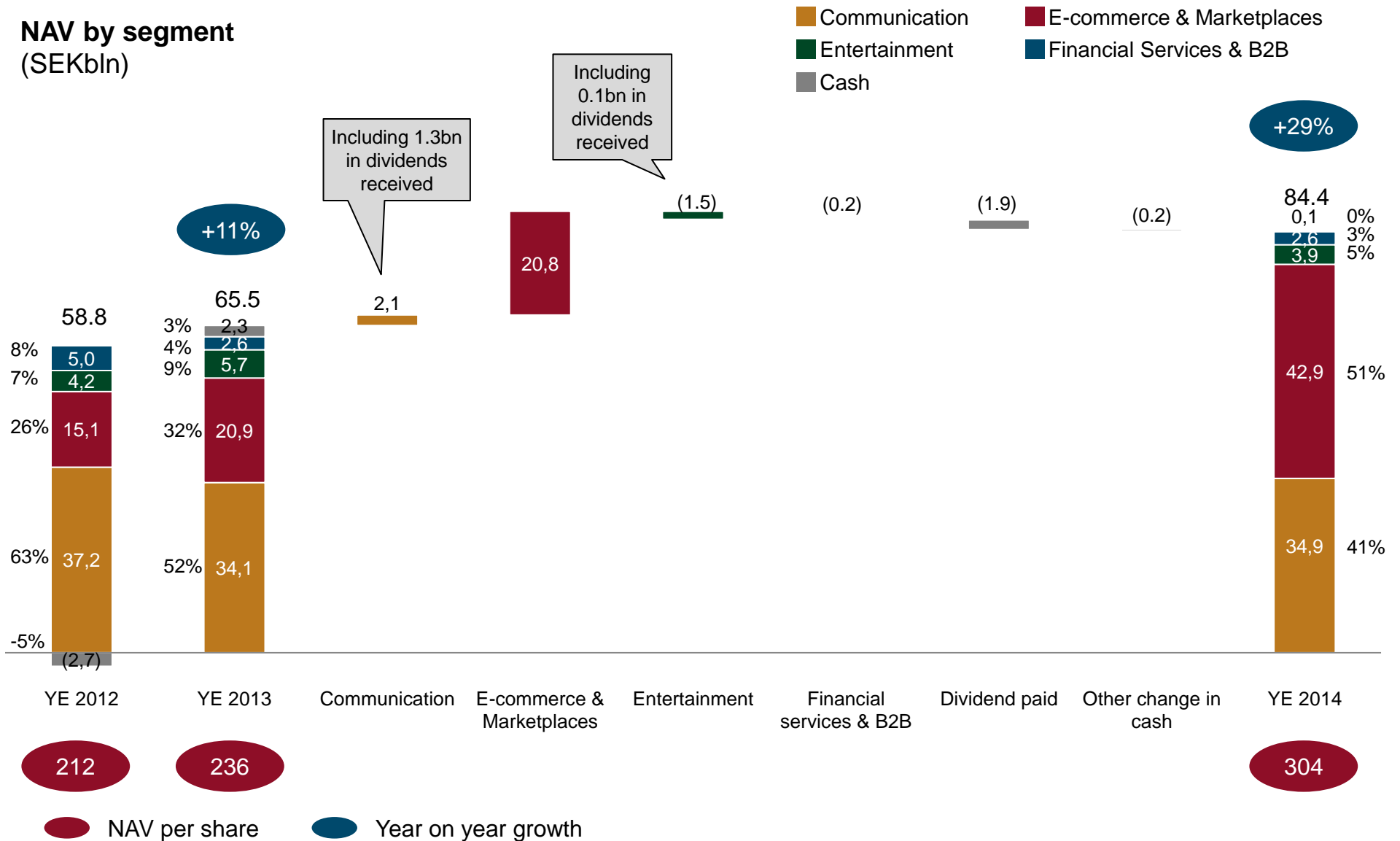
² Accumulated net invested amount includes value of share distributions received from Rocket Internet.

³ Ownership not adjusted for employee stock option plans and employee equity at subsidiary level.

⁴ Including assessed value of subsidiaries, which are consolidated into the group's financial statements. See Note 5 in the Q4 Report for recorded change in fair value.

NAV growth in 2014 of +29% Driven by Crystallization of Value in Rocket and Zalando

NAV by segment (SEKbn)



Kinnevik has a Strong Financial Position

SEKbln

Net cash in parent company end 2013	2.4
Dividends received	1.4
Dividends paid	-1.9
Operating costs	-0.3
Investments	-1.5
Divestments	0.1

Net cash in parent company 31 Dec 2014	0.1
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Total credit facilities

Revolving credit facility	5.8
Other credit facilities	0.2

Total **6.0**

Drawn	0
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Investment Guidance

2014

- Original guidance for investments in 2014 was SEK 2-3 billion compared to the SEK 2.4 billion that Kinnevik invested in 2013
- Revised guidance for new investments for the full year provided by new CEO on July 18, 2014 was SEK 1.0-1.5bln
- Total amount invested during 2014: SEK 1.5 bln

Guidance for 2015: we expect to make net investments (gross investments net of sale of assets) of up to SEK 1.0 billion in 2015.

Shareholder Remuneration Guidance

- Kinnevik's business objective is to create long-term value for shareholders, and to have that value reflected in the total return on our share.
- Going forward the aim is to continue delivering growing annual cash returns over the long term but also introduce share buy-backs as a tool to enhance returns.
- We shall track NAV per share as a key metric for measuring performance

Leverage and dividend policy

- Given the nature of our new investments, our goal is to have little or no net leverage at the parent company
- Kinnevik aims to pay an annual dividend growing in line with dividends received from investee companies and the cash flow generated from investment activities
- Buy-back mandate will be executed going forward when in a net cash position

Dividend 2014

- For 2014, the Kinnevik Board proposes a dividend of SEK 7.25 per share
 - Attractive level (2.8% yield)
 - 100% financed from dividends received today
 - Over time we expect that dividends received will grow to cover dividends paid
 - Given liquidity of our portfolio, credit facilities can be used to manage cash flow mismatch between dividends, corporate costs shortfall and divestitures

In Summary: 2014 Accomplishments

- 1 Built a select number of leading digital consumer brands**
- 2 Implemented operational excellence within existing investee companies**
- 3 Created value through consolidation**
- 4 Developed strong strategic and operational partnerships**
- 5 Maintained balanced presence across regions and focus on extending the franchise**
- 6 Attracted other leading International institutional investors**
- 7 Built a unique new business building and investing pipeline**
- 8 Progress in transforming Kinnevik into a value-creating platform**
- 9 Crystallized the value of two significant investments**
- 10 Maintained a strong balance sheet and broadened investor base**

Crystallise the Value of our Investments: Zalando & Rocket Internet Case Studies

SEKm, Dec 2014	Net Invested Amount	Book/ Fair Value	LTV	Fair value		LTV		
				MOIC	IRR	MOIC	IRR	
Rocket Partnership	Rocket Internet	(3,077)	10,620	10.9x	131%	10.9x	131%	
	Zalando	7,916	19,030	2.4x	50%	2.4x	50%	
	GFG	3,620	6,092	6,675	1.8x	32%	2.0x	37%
	Home24	794	833	1,577	1.1x	2%	2.0x	28%
	Westwing	175	379	564	2.2x	37%	3.2x	57%
	Lazada & Linio	664	739	1,111	1.1x	8%	1.7x	37%
Direct Investments	Avito	438	2,298	3,681	5.3x	52%	8.4x	68%
	BIMA	84	206	206	2.5x	87%	2.5x	87%

¹ Zalando shares received in 2013 valued at implied EUR 15.7 per share

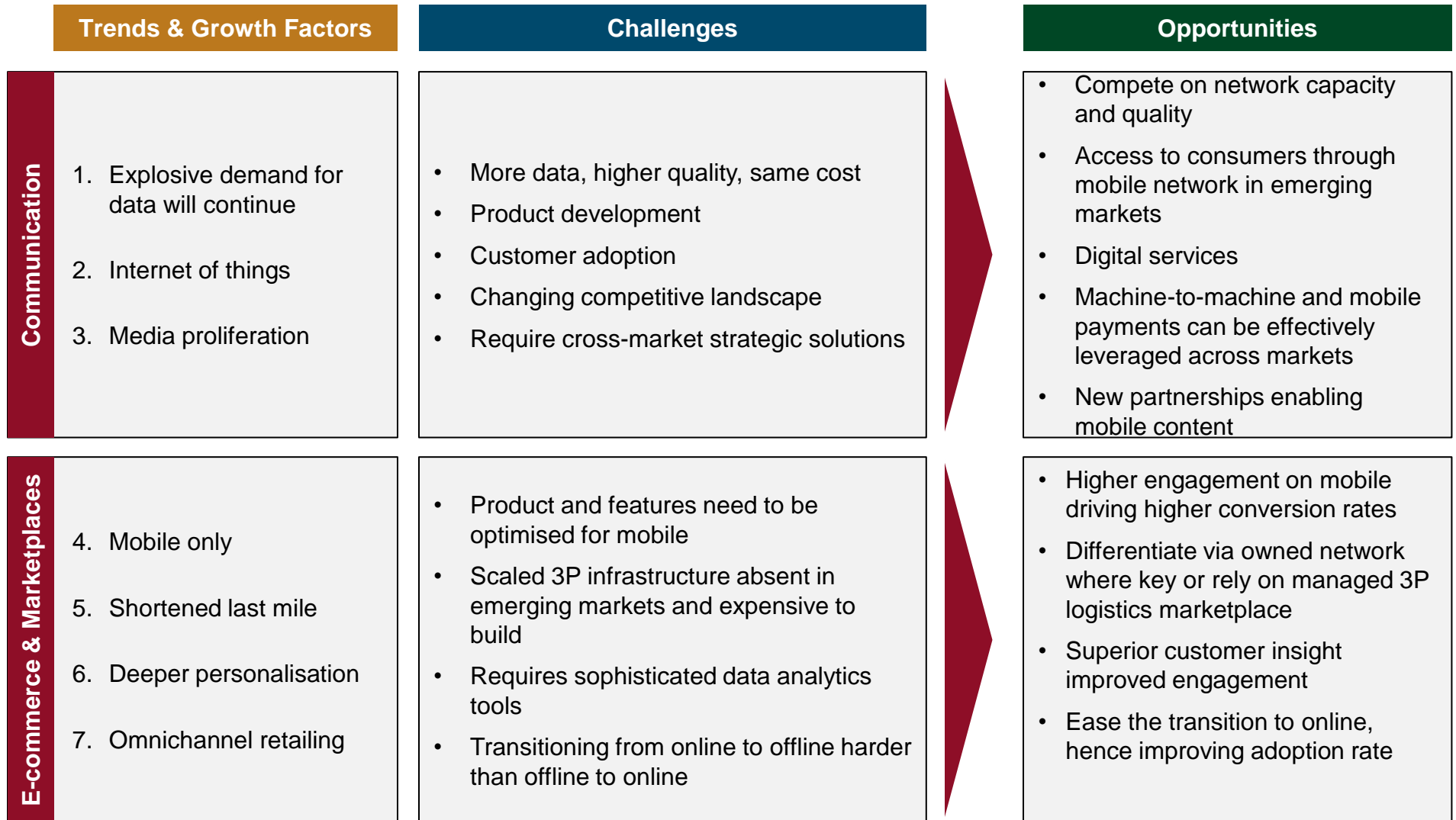
² Distribution of shares in Zalando, Groupon and GFG (Bigfoot and Bigfoot II) as well as cash during 2012-14

Kinnevik: Our Contribution to Emerging Markets

Key Initiatives	Kinnevik Contribution
<ul style="list-style-type: none">• New employment: Creating jobs for thousands of people	<ul style="list-style-type: none">• The number of full-time employees in Kinnevik's General Merchandise companies is 2,300 in Latin America, 3,800 in Southeast Asia and 3,300 in Africa
<ul style="list-style-type: none">• Financial inclusion: Access to key financial products and services	<ul style="list-style-type: none">• BIMA offers financial protection to 7 million customers, Millicom Mobile Financial Services offers bank services to 8 million customers
<ul style="list-style-type: none">• Enabling SMEs: Create opportunities for SMEs and individuals to buy and sell	<ul style="list-style-type: none">• GMV for Avito and Quikr represents 2.5% of GDP in Russia and India
<ul style="list-style-type: none">• Improved assortment and pricing: Greater assortment, more affordable pricing, easier access	<ul style="list-style-type: none">• Global Fashion Group offers 400,000 SKUs and give customers in remote areas access to fashion through proprietary last mile delivery services
<ul style="list-style-type: none">• Better GRC: Implement best in class governance structures, risk management processes, compliance procedures and corporate responsibility standards	<ul style="list-style-type: none">• Improving labour standards and protecting children by implementing ethical supply chain practises across our ecommerce businesses

C. OUTLOOK FOR 2015

2015 Market Outlook



Objectives # 1: Drive Value from our Existing Digital Investments

Swedish large listed companies



- Focus on strategy, footprint, capital structure and talent to **improve operating efficiency and financial performance**

Two new



- Support further fast **growth and seasoning as public companies**

Next four



- **Establish as even stronger leaders** in their respective markets

Rising ten



- **Accelerate growth** even further across territories

Objective # 2: Identify New Transformational Models

	Established Models	Emerging Models
e-tailing	<ul style="list-style-type: none">• Moving from inventory-based to marketplace platforms• Increasing share of private label and exclusive brands• Owning last-mile delivery networks to control consumer experience	<ul style="list-style-type: none">• Social commerce – communities with deep engagement• Discovery commerce – “meta” aggregation to improve experience• Hyperlocal commerce – enabling long tail of offline merchants
Marketplaces	<ul style="list-style-type: none">• Offering end-to-end solutions by integrating across value chain• Focusing on categories and verticals to offer deep and customised experience	<ul style="list-style-type: none">• Mobile-only marketplaces – curated experience focused on individuals• Sharing economy – new categories including services and workspaces• Non-transactional platforms – fulfilling basic needs of large, engaged user base
Financial Services	<ul style="list-style-type: none">• Inclusion and empowerment through provision of micro-lending and insurance	<ul style="list-style-type: none">• Social trading and investing – strong network effects• Peer-to-peer services – extending into new realms including foreign exchange

Focused Kinnevik Organisation

Kinnevik Corporate

- Finance, Tax, Legal, IR, GRC, Business Intelligence, HR

Create

- Create new businesses
- Partner with established entrepreneurs
- Build up teams, provide seed funding, engage on strategy and support operational development

Invest

- Invest growth capital
- Partner with founders and other leading investors
- Support new product development, operations and geographical roll-out
- Establish appropriate GRC
- Prepare for listing

Lead

- Long-term lead shareholder in large listed entities
- Select and support Board and Management
- Focus on strategic development and capital allocation

Transform

- Reposition existing investments
- Transform team and strategy
- Create new partnerships to accelerate change
- Facilitate strategic M&A and consolidation

Kinnevik: Leading Entrepreneurial Investment Group Building Growth Companies Whilst Managing Downside Risk

Characteristics of a Passive HoldingCo

- Control Structure
- Diversified
- National
- Portfolio Manager
- Monitoring Positions
- Static Portfolio
- Unpredictable
- Opaque
- Expensive
- Low Returns

NAV Discount?

Kinnevik: An Entrepreneurial Investment Group

- Return Generator
- Specialised
- Global
- Lead Shareholder
- Driving Value Creation Whilst Managing Risk
- Ready to move on
- Predictable
- Transparent
- Lean
- Solid track record of returns

NAV Premium?

Kinnevik: A Track Record of Creating Unicorns

Kinnevik owns a significant stake in 6 of the world's leading consumer "Unicorns" outside of US and China

Company	Sector	Country	Years before reaching \$1bn valuation
Skype	Communication	Sweden	2
Zalando	Fashion Ecommerce	Germany	3
Lazada	Horizontal Ecommerce	Singapore	3
Mobli	Communication	Israel	3
Supercell	Entertainment	Finland	3
Global Fashion Group	Fashion Ecommerce	Emerging Markets	4
Coupang	Ecommerce	Korea	4
DeliveryHero	Food Delivery	Germany	4
Gree	Entertainment	Japan	4
Olacabs	Taxi Booking	India	4
Snapdeal	Horizontal Ecommerce	India	4
Wonga	Financial Services	UK	4
Home24	Home & Living Ecommerce	Germany	5
Rocket Internet	Ecommerce	Germany	5
Colopl	Entertainment	Japan	5
Mojang	Entertainment	Sweden	5
Spotify	Entertainment	Sweden	5
Flipkart	Horizontal Ecommerce	India	6
Vkontakte	Social	Russia	6
Waze	Ride Sharing	Israel	6
Avito	Online Classifieds	Russia	6
Zoopla	Online Classifieds	UK	7
Kakao	Communication	Korea	8
Klarna	Financial Services	Sweden	8
BlaBlaCar	Ride Sharing	France	10
Monitise	Financial Services	UK	10
King.com	Entertainment	Sweden	11