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PRESENTATION

Georgi Ganev *Kinnevik AB - CEO*

Good morning, everyone, and welcome to the presentation of Kinnevik's Result for the Fourth Quarter and Full Year 2019. I'm Georgi Ganev, Kinnevik's CEO. And with me today is our Director of Corporate Communications, Torun Litzén; and our Head of Strategy, Samuel Sjostrom.

We will start this morning by taking you through a presentation of the results. And after that, we are happy to answer any questions you may have.

Now please turn to Page 3, where we have provided you with a summary of the key highlights for the quarter.

If we first look at the quarterly performance, our net asset value amounted to SEK 73.3 billion and was largely unchanged compared to the previous quarter, adjusting for the distribution of Millicom. This was a result of strong share price development in Zalando and Livongo which was offset by weak performance in Tele2. And during the quarter, we made a revision of our valuation of Quikr, as a result of fraudulent behavior in the company, and we will get back to this later in the presentation.

On the investment management side, activity was limited during the quarter with the main attraction being our sale of Westwing.

Looking at our performance and activities for the full year, I'm very pleased to report that we have grown our net asset value by 31%, and our total shareholder return amounted to 40% for 2019.

During the year, we have released a total of SEK 9.1 billion from our more mature assets through divestments and dividends. About 1/3 of that capital was reinvested into our existing portfolio and an additional SEK 1.6 billion was invested into 2 new businesses: VillageMD and MatHem. This dynamic capital reallocation and pivot towards growth is completely in line with the strategy we presented at our Capital Markets Day in September. As you will have seen from our press release on Monday, I'm very delighted to say that Kinnevik has appointed Anna Stenberg as Chief People and Platform Officer, a new role in the Kinnevik management team.

Anna is the founding partner of women executive search, and she started her career in the Kinnevik Group at MTG. With Anna's recent background as a successful entrepreneur and investor and having started her career within our group Anna knows Kinnevik and our culture, and she will do a great job in maximizing the value of our unique platform.

Now please turn to Page 4 for an overview of the key events during the full year of 2019.

On the left-hand side of this slide are the key priorities we set out to execute at the beginning of 2019. We entered the year with 3 clear priorities: intensifying active ownership, accelerate the private portfolio and increase our Nordic focus. And on the right-hand side are the key actions we carried out during the year.

One of the most notable points here is the large investments made in the health care sector. We have a firm belief that new technology and innovation has a real opportunity to disrupt the space and deliver better, more accessible and lower cost of care.

Our health care portfolio amounted to SEK 6.7 billion at the end of the year, corresponding to 9% of our total portfolio. And this can be compared to 2% 1 year ago and only 0.5% the year before that.

Another exciting investment theme during the year is our newly established leadership position in the Nordic online groceries market. Our first investments in 2018 in Norwegian Kolonial was followed up in 2019 with a SEK 900 million investment in MatHem, the Swedish market leader in online groceries.

And in addition to this, we supported the listing of 2 of our portfolio companies on the public markets, Livongo and GFG. And as you know, we also distributed our entire shareholding in Millicom to our shareholders, a dividend in kind of SEK 0.60 per share, and we completed a sell-down in Zalando, generating gross proceeds of SEK 5.9 billion.

With a portfolio consisting of a higher share of growth companies, fewer but larger new investments and significant capital deployed into the health care sector and not at least bold step in the the Nordic food space, we have executed on the priorities that I highlighted at the beginning of this year, last year, that is.

Please now turn to Page 5 for an update on our capital allocation framework plan. As you may recall, from our Capital Markets Day, we outlined a clear capital allocation framework for 2020 to 2023, covering geographies, stages, sectors and a number of companies. The aim of this framework is to pivot our portfolio towards growth by systematically investing our capital into the leading businesses of tomorrow and to achieve a better portfolio balance. During 2019, we have invested around 1/3 of our capital into first round investments, and we have made one new investment in international growth, VillageMD, and one in the Nordics, MatHem.

Furthermore, we have invested across all 3 of our focus sectors, with a higher weighting in E-Commerce and health care, and we have also pruned our portfolio from 31 companies down to 26.

And during 2020, we will continue our dynamic capital reallocation, in line with the framework to further balance and pivot the makeup of our portfolio towards unlisted growth companies.

Please turn to Page 6 for an overview of our large listed companies. Zalando reported strong financial performance, which was driven by outstanding traffic and active customer growth. The company confirmed its outlook for the full year 2019, and we'll report its fourth quarter results on the 27th of February.

Zalando is our largest holding and a cornerstone of our growth portfolio. The company fits squarely with our strategy, and we will continue to support the company's growth ambitions. Something we are very proud to note as a large owner is Zalando's new sustainability strategy launched during the quarter, Do More. It's an ambitious strategy, setting out the company's old vision on being sustainable fashion platform, with a net positive impact on people on the planet.

Zalando also set new diversity target for its top leadership levels, emphasizing the need for the company to reflect its customer base. As consumer behaviors are shifting across the world, we at Kinnevik believe that there's a real opportunity for businesses putting sustainable development at the core of its business model.

Tele2 delivered on its full year guidance, supported by cost synergies from the Com Hem merger and continued strong performance in the Baltics.

2019 was a transformative year for the company, and the Com Hem integration was completed in the fourth quarter, well ahead of the original time plan. This allows Tele2 to enter the next phase of business transformation, during which the company expects to unlock at least SEK 1 billion during the coming 3 years.

Furthermore, the Board of Directors proposed an ordinary dividend of SEK 5.5 per share and an extraordinary dividend of SEK 3.5 per share.

From a Kinnevik perspective, Tele2's shareholder remuneration is enabling us to maintain our pace of investments and fuels growth in our private and early growth companies and also providing stability to our portfolio as a whole.

Now turning to Page 7 for an overview of our early growth companies. In the younger companies in our portfolio, we see continued strong customer growth, and they also remain firmly focused on developing more and better services for its customers.

Livongo reported an impressive development in its third quarter with revenue growth of 148%, a number of diabetes members, up 118% compared to Q3 last year.

In January, the company announced a partnership with Dexcom, a leading provider of continuous glucose monitors, to integrate its G6 device into Livongo's diabetes coaching platform. The collaboration enables Livongo to access blood sugar data in almost real time, generate insights and help Dexcom members manage their diabetes with a personalized experience.

Babylon, launched in the U.S. in January and noted an increase of 10,000 registered patients for its digital service "GP at Hand".

Betterment continues its growth trajectory, with 20% customer growth and 51% growth in assets under management. And MatHem welcomed its new CEO, Johan Lagercrantz in December, and we saw net revenue growth of 20% over the last 12 months per the 30th of September 2019.

I would now like to hand over to Samuel for an update on our financial position as well as more information about the revision of our valuation of Quikr, starting on Page 8.

Samuel Sjöström

Thank you, Georgi. So on Page 8, we outlined the development of our net asset value during the quarter. In Q4, the first and foremost driver of change in the profile of our net asset value was obviously the distribution of our entire shareholding in Millicom. Between September end and the distribution being formally carried out in December, we received around SEK 0.5 billion in dividends, and our shareholding traded down an additional SEK 0.9 billion.

The subsequent distribution amounted to a value transfer to our shareholders of SEK 16.6 billion or almost 8x our annual cash dividend in recent years. The carrying value of the portfolio we ended 2019 with was largely unchanged in the fourth quarter. Starting with our large listed assets, Tele2 was down slightly after a strong first 9 months of 2019, rendering a total shareholder return of around 30% over the full year.

Meanwhile, Zalando ended the year at a share price of EUR 45, up 5% in Q4 and by more than 100% during 2019.

Livongo, which was listed in the U.S. during 2019, was up almost 40% in Q4. And as you know, our return to date on this investment is substantial.

Our assessed fair value of our unlisted portfolio was revised downwards by around SEK 1 billion in the quarter. This is primarily driven by the reassessment of the fair value of our Quikr investment that Georgi pointed out earlier. Now I'd like to spend some time on Quikr to give you some context to this right now. What's happened is that Quikr has discovered that certain dealers and vendors within their managed rentals and car segments have placed fictitious or misrepresented transactions on its platform.

The direct effect of this is twofold. Firstly, the value of revenue generated in these categories may be overstated. And secondly, there is a risk that some receivables may not be entirely recoverable. As a response, the company has reduced its footprint in the concerned segments as managing its overall cost base. Quikr has also strengthened its internal operational controls and is pursuing legal actions against those responsible.

Now as a consequence of these fraudulent transactions, our assessed fair value of our Quikr investment is revised downwards by SEK 764 million to a valuation of $941 million. This is a reflection of not only the effect of the uncovered fraud, but also the company reducing its footprint within these particular segments as well as a number of amendments to the company's revenue recognition principles to strengthen the integrity of its reported financials going forward.

In valuing our Quikr investment, we have moved away from a discounted cash flow analysis and now instead base our valuation on forward-looking net revenue multiples. More specifically, we are focusing on Quikr's upcoming fiscal year, ending in March 2021.

By doing this, we base our valuation on a near-term budget instead of longer-term projections and also make our valuation of Quikr increasingly linked to the trading of its publicly listed peers.

Our valuation, thereby, also reflects the reduced footprint and amended accounting principles I just mentioned.

Now going forward, one should note that Quikr's other business segments, such as blue collar jobs, used goods, classifieds and real estate sales have historically accounted for a majority of revenue and continue to see growth and occupy strong positions in the respective markets. While we are very disappointed with what has been uncovered and its effect on the value of our investment, we believe that the measures that have been taken and are being taken are both forceful and proportionate, and their clear intention is to leave us with a healthier but somewhat smaller company.

We are, of course, happy to try and answer any questions you may have on this topic, when we move to Q&A.

So with this revision and adding other minor net value changes, all in all, we ended the year with a net asset value of SEK 73.3 billion or SEK 265 per share. This is a 31% gain over 2019 when adding back dividends paid and up almost SEK 10 even when not adding back to more than SEK 0.68 per share we distributed to our shareholders during 2019.

And when markets closed yesterday, our NAV was pretty much in line with where we ended 2019.

Now if you please turn to Page 9, I'd like to provide some nuances to our approach to valuing and disclosing the performance of our unlisted portfolio.

You may remember this page from our Capital Markets Day, in assessing the fair values of our unlisted portfolio, we are working hard to be more dynamic in terms of quarter-on-quarter changes in valuations as well as transparent in how we reach our assessments. As you understand, and we'll have noticed from our quarterly reports, this is easier for our later-stage growth companies.

In this quarter, we are, for instance, providing you with the revenue multiple and underlying revenue number that we use in assessing the value of our MatHem investment. We are also providing you with Kolonial's revenues during the last 12 months per end of September last year and the implied trailing revenue multiple that our valuation corresponds to.

For the younger venture-stage companies, it's trickier. These are high-growth businesses whose intrinsic value should not be judged on the basis of to what extent they performed perfectly in line with the budget over the last few months, nor on the basis of smaller movements in public equity markets. Therefore, while we referenced the trading of publicly listed comparable companies and our company's overall performance, we seek to establish milestones for each younger company. These milestones reflect proof points that we believe are substantial enough for us to reassess our carrying value within the framework in which we operate.

As you will recall, this framework is twofold. As a publicly listed company, we follow IFRS 13, and we have also chosen to value our investments in line with the International Private Equity and Venture Capital Valuation Guidelines. These guidelines go beyond what would otherwise be required from a strictly regulatory perspective.

In 2020, we're looking to improve both how we report the performance of our companies and how we describe the manner in which we reach our assessed fair values. And we look forward to presenting this to you and continuing making these improvements as we balance our portfolio towards a higher share of unlisted growth companies over the coming years.

Moving on then to our financial position, Page 10. Having started the year with almost SEK 3 billion in net debt, we end the year with less than SEK 1 billion in net indebtedness, corresponding to a gearing of 1.3%. This is well below the 10% threshold we target not to exceed.

This net debt position is made up of some SEK 3.9 billion in cash and short-term investments and SEK 4.9 billion in short and long-term debt, parts of which we will be looking to refinance during 2020 to balance out our duration profile.

As Georgi has pointed out, we're ending the year with a financial position that provides the foundation we need to keep up the investment momentum we've upheld since 2018 and allows us to continue to deploy capital within the capital allocation framework we adopted during 2019.

In 2020, we're planning to invest slightly less than SEK 4.6 billion we deployed last year, but enough to continue driving the transformation of our portfolio in a meaningful way. The SEK 1.7 billion in cash dividends we're expecting from Tele2 this year, will primarily be reinvested into our portfolio's proven- and high-performing companies, whereas new investments will primarily be financed by reallocating capital within our early-growth portfolio as well as a moderate increase in net debt.

Now to be clear, we don't necessarily earmark particular inflows, but this is how we see it from a capital reallocation perspective. With that, I would like to hand back over to Georgi for his closing remarks.

Georgi Ganev *Kinnevik AB - CEO*

Thank you, Samuel. As you know, we have 3 clear priorities going forward. We will continue to evolve the portfolio towards a higher proportion of growth companies in our target sectors and markets. A step in that direction was a decision to discontinue our ordinary cash dividend in favor of investing in growth companies and instead seeking to distribute excess capital in the form of extraordinary dividends over time. We will strengthen our portfolio balance across focus sectors, geographies and stages. This means constantly moving capital within the portfolio, but at the same time, holding on to our companies for as long as the risk return opportunity is there.

We will reallocate capital more dynamically and exit a number of businesses at attractive terms as a relatively young portfolio matures.

Finally, I would like to take this opportunity to thank you, our shareholders, for your support during the year and our exciting journey ahead. We're now ready to answer your questions. So operator, please open up for Q&A.

(technical difficulty)

Apparently, there are some technical issues, but the operator will just dial in again to handle the questions. Sorry for this inconvenience.

QUESTIONS AND ANSWERS

Operator

Hello, and apologies for that brief technical issue. (Operator Instructions) And we'll go to our first question from the line of Joachim Gunell of DNB Markets.

Joachim Gunell *DNB Markets, Research Division - Junior Analyst*

So with ample investment capacity, could you provide some more details on perhaps, how you plan to deploy capital in 2020 in terms of focusing on new, rather than sizable follow-ons? You mentioned that the 1.7 here from the Tele2 were supposed to go into to follow-ons, so perhaps, which of the new portfolio winners would that be earmarked for?

Georgi Ganev ***Kinnevik AB - CEO***

Yes. Thank you, Joachim. So basically, as we've said before, if you look at an aggregated level on the last couple of years, we have done many investments and that we have to remember that, that we also now will be focusing on slightly fewer investments going forward, as we did in 2019.

Having said that, we still see great opportunities in our 3 focus sectors. And we will continue this pivot to increase those segments where we have less exposure.

Today, I think, it's too early to disclose any intentions. We are constantly looking at companies, and we are screening, I mean, companies every week, basically, in these 4 segments. So throughout the year, you will definitely see some new investments. But again, what's important to us as well is to double down on the potential winners in our early growth portfolio.

Joachim Gunell ***DNB Markets, Research Division - Junior Analyst***

Okay. So in terms of the maturity, you provided the slide you used on the Capital Markets Day. Any comments on how many companies perhaps you expect to move from the venture category into the growth stage in 2020 with more granular KPIs? And also perhaps, if there's any company in that phase, which is expected to take the next step up?

Georgi Ganev ***Kinnevik AB - CEO***

I think it's too early to say and give actually numbers of how many companies we will move from one phase to another. If you go back to the statement, we said, on this call and also last year that our intention ambition is actually to distribute our capital over this maturity curve, and we will continue to do so.

Joachim Gunell ***DNB Markets, Research Division - Junior Analyst***

All right then. Just a final one for me. Can you perhaps elaborate a bit further on current opportunities and perhaps challenges for Betterment? You're still evaluating the company in lines with the levels used I think in mid-2017, whereas the AUM has doubled since. So do you believe the current valuation reflects the value?

Georgi Ganev ***Kinnevik AB - CEO***

Maybe I should give an overview of how we see the opportunities in Betterment, and then maybe Samuel can you just add a few comments on the valuation methodology. I mean, when it comes to Betterment, of course, we see this as a potential winner in portfolio. We've said that many times. You -- as you also pointed out, AUM has increased a lot over the last year. When we invested, it was $4 billion. Today, it's over $20 billion. So Betterment is the leading independent robo-advisors online and have also launched a series of other products in their suite to broaden the customer proposition.

Of course, lately, there's been some volatility in the market that also has impacted the kind of inflow and customer activities within Betterment. We saw that in early quarters. That has now again moved into a more kind of happy, positive trend, whereas the market also has developed in that -- with that trend.

We see still great opportunities for Betterment, both to continue to increase assets under management, but also, and that's important to underline, also to broaden its customer proposition, to launch services like checking, credits and other things to the customers. The brand awareness of Betterment is really high, especially on the East Coast, and this is something that we are very excited about.

Samuel Sjöström

Yes. So on the valuation of our Betterment investment, we're actually marking our investment up slightly this quarter. It is in part offset by dollar depreciation. And I would say, we've been valuing Betterment using a discounted cash flow analysis for some time now, but I think, it's important to note that value appreciation in these companies is not linear. I mean, especially, not in these high growth, early-stage companies. So while Betterment has grown its assets under management quite steadily since our first investments, you shouldn't necessarily expect the value to grow exactly in line with that development.

Operator

Our next question comes from the line of Derek Laliberte of ABG Sundal Collier.

Derek Laliberte ***ABG Sundal Collier Holding ASA, Research Division - Research Analyst***

Sir, I had a question regarding Quikr. I know you gave an explanation, which certainly makes sense. But I think this -- I mean, this valuation downgrade is quite substantial here. And I think it wants some more details, like how widespread has this issue been in the business? How big are these segments that you are now scaling down in terms of the total business? And also, how long has this been going on? And we think that is -- as I mentioned, the valuation capital is quite huge, and I think it's quite negative for the reliability -- and in the valuation, I think, especially in light of what happened to the valuation of Global Fashion Group, et cetera?

Georgi Ganev ***Kinnevik AB - CEO***

Thank you for that question, and it's very relevant, obviously. I mean, first of all, as we have said, these are basically transactions that are fraudulent, very difficult to discover. Quikr is working with the big [Forbe] firms, both on internal audit side and statutory audit functions. And of course, we have our process as well. These issues were discovered last year, and they were not shown in these audits to begin with. We see, basically, now this being in those areas or those verticals where Quikr has moved its business model into transactional business. Compared to the kind of standard classified business. Those verticals are now significantly reduced. That's important to say. And we have taken, of course, a prudent approach to this, when it comes to valuation of the company as such.

I will allow Samuel to elaborate a bit more on that side.

We also know that the CEO and his team has taken forceful measures and addressed what has occurred, and no one in the C-suite or the level below have been identified of being complicit in these fraudulent activities. So it's basically, people further down in organization.

So since then, Quikr has also laid off a lot of their workforce, basically, half of the workforce in order to become profitable faster and not dependent on funding. Which is, of course, something that we appreciate.

So we sit now with smaller company, but we also think it's much healthier. And we will, of course, focus on those remaining verticals and to continue to grow them going forward. Samuel.

Samuel Sjöström

Thank you. Yes, so on the valuation point, as I pointed out, our valuation we're presenting in the Q4 report not only reflects these fictitious or misrepresented transactions but also the measures that are now being taken in relation to reducing Quikr's footprint moving away from the operations where the fraud occurred and also amending revenue recognition principles. Apart from those 3 parameters, if you may, Quikr being a high-growth company, the change in valuation method we're doing now to derisk our valuation in and of itself that also has a negative impact on the valuation as you could assume.

Derek Laliberte ***ABG Sundal Collier Holding ASA, Research Division - Research Analyst***

Okay. That's very clear. I have a second question just on the increased transparency that I think you mentioned also last year, which companies does this mainly related to? Is Betterment one of them?

Samuel Sjöström

So you will have to see. Clearly, Betterment is one of the later-stage growth companies on relative terms, if you look at our portfolio, considering we added it to our portfolio some time ago. I would say, we have been fairly generous in terms of disclosure in and around Betterment, largely a function of them having to file certain numbers with the SEC. But I would say that, our hope is to overall increase disclosure, but we're not going to pinpoint a specific company at this point in time.

Operator

Our next question comes from the line of Ramil Koria of SEB.

Ramil Koria ***SEB, Research Division - Analyst***

Just 2 questions, if I may. First off, a bit high level, but obviously, concentration risk is quite high. I think, I got it to 76% in the quarter now. Just your thoughts on that and perhaps sort of what the latest and greatest is in terms of reducing concentration risk?

And then secondly, I mean, obviously, what happened to Quikr in this quarter could happen to any company really, but to some extent, it illustrates, I guess, the risk of perhaps, geographically being so far away from your company. And I'd love to hear your view on sort of emerging market assets within your portfolio moving on?

Georgi Ganev ***Kinnevik AB - CEO***

Thanks, Ramil. So starting with the concentration risk. I mean, I think, we also have to remember that from last year, we have increased kind of the early growth portfolio from somewhat 50% to 24%, 25% this year. And if you go back 2 years, that early growth was below 10%. So we're moving towards a situation where we have more exposure to companies that we could think could become one of the big companies in our portfolio over time. So that's the way for us to, over time, decrease kind of the portfolio concentration around the 2 cornerstones we have today.

With the sell-down in Zalando, where we actually went down from 32% ownership to 26%, we also have decreased exposure to that particular company, even though in the portfolio, it's a higher share after we distributed Millicom, but we have to see it from that perspective as well.

Now we believe that those 2 companies we have, Tele2 and Zalando, are extremely strong, they are delivering on their strategies. Zalando being a growth company with a structural kind of trend for growth in their markets. And whereas, Tele2 is maybe less of a growth companies due to the market conditions, but extremely clear on their strategy of getting growth in low digit single numbers, but also getting more cost out of the business that could -- can generate more yield for us as a company.

So we actually believe, as such a balance is actually good for us. But back to your question, the best way for us to increase or, let's say, decrease -- sorry, the portfolio concentration is to continue to invest in our early growth companies. Over time, they will become larger.

The other question regarding Quikr. Yes, of course, fraud could happen to any company, you're right, and sometimes, those things will be difficult to discover. I mean we, as an investment company that has operated for many, many years, we have seen this before. But it's also worth to say that, of course, in a very unstructured market such as India, where you deal with a high number of small dealers, of course, this is more kind of risky than in a more mature market.

So again, going back to our geographical focus, we have said that going forward, we will invest in Europe with a focus in Nordics and in U.S., partly for these reasons that we think it's easier to basically take on risk on the technology side in markets that are more kind of mature and well developed.

Having said that, the companies we have in the emerging markets, we're still close to and we seek to exit them in a way that actually generate value for our shareholders. So of course, we are very disappointed in what we have found at Quikr, but we remain confident, that we will actually get out in a way that is somewhat more positive than what you see today for our shareholders.

I don't know, Samuel if there's anything to add, but I think...

Samuel Sjöström

No.

Georgi Ganev ***Kinnevik AB - CEO***

Yes. Then we'll keep it at that.

Operator

Our next question comes from the line of Elizabeth Miliatis of Bank of America Merrill Lynch.

Elizabeth Miliatis ***BofA Merrill Lynch, Research Division - Research Analyst***

I have a couple of follow-up questions on Quikr. Firstly, is there any further risk that the fraud might be discovered in other parts of the business, and then we might see even more pressure on the valuation and the revenue? Or is it very much contained, and you're comfortable with where the valuation is at the moment?

And then secondly, you mentioned that the business is pushing towards profitability, is there a shift and also the cutting of the workforce by almost half. Does that mean in the medium-term that it will be a sole growth company, and that's what we should assume in our valuations?

Georgi Ganev ***Kinnevik AB - CEO***

Thanks for the questions, Liz. So going back to the risk, I mean, I think it's very dangerous for anyone, including myself, to state that there is no risk in the future for any company. But just to repeat also what we have said, Quikr operates in these 5 verticals. In those 3 verticals that were affected or 2 verticals that were affected, there are different type of business models, meaning these transactional models where you are dependent on third-party dealers. And that pivot of business model or that change has not been done in the other 3. So of course, that is a major difference.

So we're more comfortable with the kind of standard classified business from that point of view. We also think that they have been taking forceful actions. We also see that we have a balance in how we value the company in a prudent way. And the whole purpose of downsizing the company and reducing the workforce is basically what I've said before, to get in a situation we're not dependent on external capital or new funding bonds.

And of course, with that situation, Quikr can have -- buy some time now, to improve the healthy part of the business, and from this point in time, increase the valuation rather than the other way around.

Operator

Our next question comes from the line of Lena Osterberg of Carnegie.

Lena Osterberg ***Carnegie Investment Bank AB, Research Division - Head of Research of Sweden, Head of Technology Hardware & Equipment and Financial Analyst***

Two questions, if I may? First of all, I find that 2 companies that are still based on DCF valuations. Is that, perhaps BIMA and Betterment? Or are you using DCF valuations for any of the other companies that are listed? And then my second question, just I understand this correctly, you said that the SEK 1.7 billion that you will get from Tele2, will that be used to fund your existing invested companies over the next 12 months? And could you that, in that case, also clarify what funding need do you see your current portfolio over the next 12 months?

And then, if I understood that correctly, would that mean then that all new investments will be funded by exits from your current portfolio?

Georgi Ganev ***Kinnevik AB - CEO***

Maybe I can start with the second question and then hand over to Samuel, please Samuel then add if there's something that I missed in the second question as well. I mean as Samuel said, we don't earmark the money per se, but what we've said before is that the dividend that we received from Tele2 will mainly be used to double down on the companies that we see traction, companies that we know, meaning following our money. That's the kind of the overall principle.

We will not distribute this evenly around the portfolio, but we will actually be ready to support the companies where we see positive momentum. That's important to say.

When it comes to newer investments, that will happen, as you say, by reallocating companies within the early growth portfolio but also using our strong balance sheet as we have done before. We have a very strong financial position. We know that if we find new companies in the market with healthy valuations, we are ready to invest. That is basically the ammunition we have.

Having said so, SEK 4.6 billion during 2019 is most probably a number that we won't reach during 2020. And I think that's a combination that we don't see that need for our existing company in combination with still the market being quite high valued. So we are systematically deploying capital by also being, I would say, healthy skeptical about certain opportunities that will also get in front of us.

Samuel Sjöström

Yes. And on the first question, you are correct. We value BIMA and Betterment using DCFs. You might have seen a slight tweak in the language in our report on BIMA, where we're now stating that we're also referencing revenue multiples of comparable publicly listed in short tech companies. We're kind of looking to introduce a future change in method as opposed to doing one now, and we want to do this in a mindful way, noting that BIMA is a fairly unique business with no straightforward comparable companies.

Operator

(Operator Instructions) And there are no further questions at this time. Please go ahead, speakers.

Georgi Ganev ***Kinnevik AB - CEO***

So thank you very much for listening and for your questions. And as a reminder, we will report the results for the first quarter 2020 on the 17th of April 2020. Have a nice day. Thank you very much.