



Presentation of the Second Quarter of 2020

13 July 2020



Today's Agenda

- 1** Key Strategic Highlights
- 2** Portfolio Companies' Performance
- 3** Kinnevik's Financial Position
- 3** Key Priorities

Today's Participants

Georgi Ganev

Chief Executive Officer

Erika Söderberg Johnson

Chief Financial Officer

Torun Litzén

Director Corporate Communications

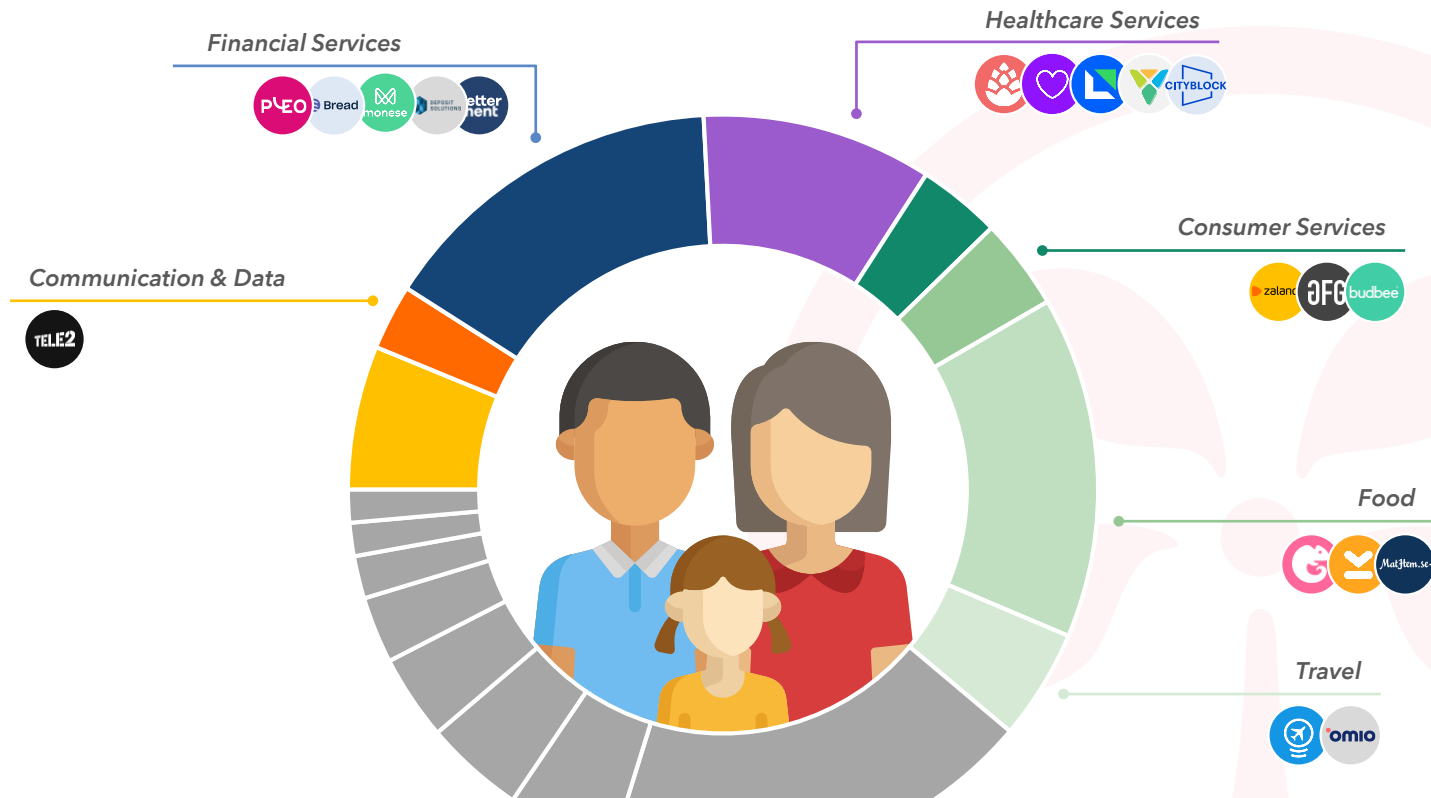
Samuel Sjöström

Head of Strategy

THE ACCELERATING SHIFT TO DIGITAL IS VALIDATING KINNEVIK'S STRATEGY OF BUILDING CHALLENGER BUSINESSES THAT LEVERAGE DISRUPTIVE TECHNOLOGY

Investing in the Power of Technology to Make Life Better

Illustrative % of Household Expenditures



We target **large addressable markets**, and invest in **disruption** to democratize **choice** and build for the **long term**

KEY STRATEGIC HIGHLIGHTS IN THE SECOND QUARTER OF 2020

NAV 30 JUNE 2020

SEK **89.6**

CHANGE IN NAV Q/Q

38%

1-YEAR TSR

31%

5-YEAR TSR

9%

Key Highlights

- **Completed a sell-down of a 4.4% stake in Zalando**, generating net proceeds of SEK 6.7bn and providing us with increased financial flexibility to execute on our strategy
- **The Board of Directors proposed an extraordinary cash distribution of SEK 7 per share, or SEK 1.9bn in total**. The distribution follows the sell-down in Zalando and is subject to approval by an EGM to be held on 19 August 2020
- **Continued to build our healthcare portfolio with a new investment into Cityblock, and follow-on investments in Cedar and VillageMD**, which together with material value uplifts has brought our healthcare businesses' share of our portfolio value to 17%, compared to 3% a year ago
- **Established climate targets in line with the Paris Agreement** to significantly reduce greenhouse gas emissions from Kinnevik's own operations and from our businesses
- **Continued negative impacts from Covid-19** in our travel and emerging market businesses

Investment Management Activities

- We remain focused on **re-allocating capital dynamically** to ensure our portfolio remains balanced and vibrant. In the quarter, we invested SEK 400m in total, including:
 - SEK 235m in **Cityblock**, a value-based care provider focused on complex, underserved urban populations

- SEK 74m in **Cedar's funding round**
- SEK 28m in secondary shares in **VillageMD**
- Total divestments of SEK 6.9bn in the quarter, of which:
 - SEK 6.7bn from the **Zalando sell-down**
 - SEK 198m from the sale of a 23% stake in **Qliro Group**

Financial Position

- NAV of SEK 89.6bn (SEK 323 per share), **up SEK 24.7bn or 38% in the quarter**
- **Net cash position of SEK 5.5bn**, corresponding to 6.6% of portfolio value by quarter-end, and amounting to SEK 3.6bn adjusted for our upcoming SEK 1.9bn extraordinary cash distribution to shareholders

Events After the Quarter

- On 8 July, Kinnevik invested USD 25m in **VillageMD's funding round led by Walgreens Boots Alliance**
- During early July, Kinnevik fully exited its 12% shareholding in **Home24**, generating net proceeds of EUR 21m

KINNEVIK HAS COMPLETED A SELL-DOWN IN ZALANDO AND PROPOSES AN EXTRAORDINARY CASH DISTRIBUTION OF SEK 1.9BN TO SHAREHOLDERS

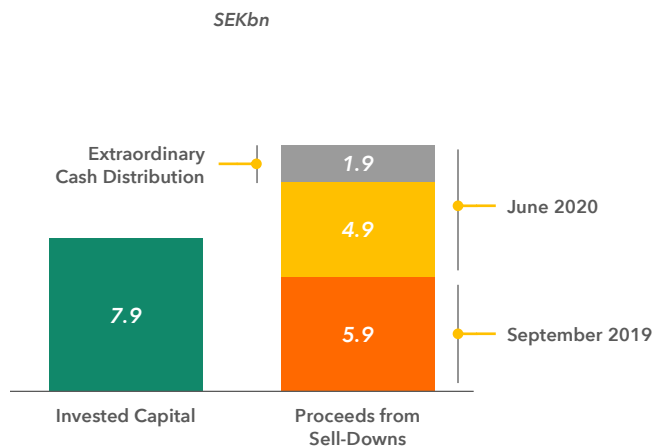
Pivoting Our Portfolio Towards Early Growth

Zalando Sell-Down in Line With Our Strategy

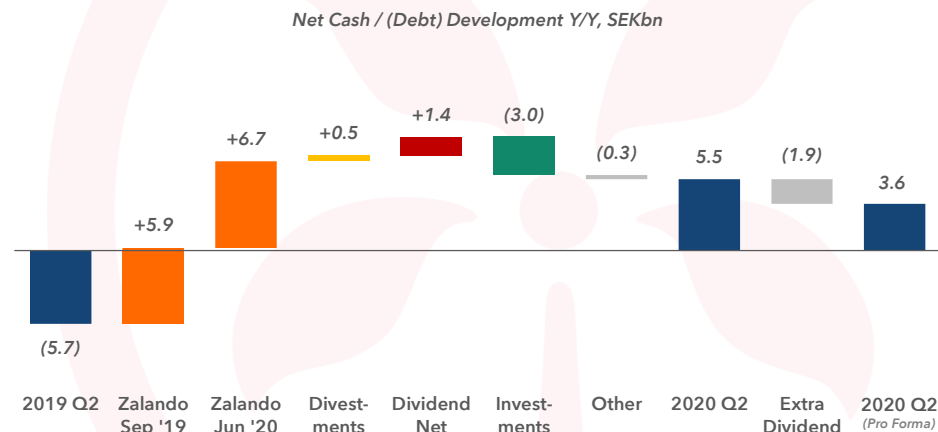
► **Completed a sell-down of a 4.4% stake in Zalando, generating net proceeds of SEK 6.7bn**

- Provides us with increased flexibility and a strong financial position from which to execute our strategy
- With the sell-down, **Kinnevik has recouped the EUR 902m invested in Zalando** and does not plan to realize further cash proceeds from Zalando
- Further to the transaction, **Kinnevik's Board of Directors propose an extraordinary cash distribution of SEK 7.00 per share, SEK 1.9bn in total**, to be approved by an EGM. The cash distribution was determined, as per Kinnevik's shareholder remuneration policy, based on our financial position and net investment forecasts
- **Zalando is well placed to continue benefiting from the acceleration in consumer adoption of digital services** and to extend its position as the leading European online fashion platform, particularly through its scalable Partner Program

We Have Recouped Our Investment in Zalando



Providing us Financial Flexibility



The sell-down is in line with Kinnevik's strategy to increase its exposure to younger growth companies. We see a number of attractive investment opportunities, and the sell-down has meaningfully strengthened our financial position and ability to execute our strategy

KINNEVIK HAS INVESTED USD 25M INTO CITYBLOCK, A VALUE-BASED CARE PROVIDER FOCUSED ON COMPLEX, UNDERSERVED POPULATIONS IN THE US



Investment Overview

Description

- Cityblock is a **US value-based healthcare provider focused on underserved populations with complex care needs**
- The company provides Medicaid and Dual Eligible beneficiaries access to **high-value, readily available, personalized health services** by applying leading-edge care models and technology that fully integrate primary care, behavioural health, and social services

Case Validity

- In government-sponsored programs in the US, **complex managed care represents 10% of the managed care population but drives 60% of managed care costs**. Traditional care models underserve these patients, creating large acute care costs and losses for insurers
- **Cityblock partners with insurance companies and carves high-risk, complex members out of the risk pool**. Equipped with custom-built technology, Cityblock delivers better outcomes for these complex populations, while generating cost reductions and participating in the upside under value-based contracts
- The company's care model is community-based and **uniquely focused on combining medical care with behavioural and social care** as often large acute care costs are the result of several of these issues rather than medical conditions in isolation

Strategic Fit

- **Cityblock is a good complement to our existing healthcare** portfolio, serving a population that accounts for a large share of costs in the healthcare system, and is in line with our strategic focus to increase the share of early growth companies in our portfolio
- **Kinnevik's prior investments in healthcare, particularly VillageMD, has provided us with the insight and understanding of the risk-bearing model to invest in Cityblock**, which has the capacity to address large populations in another reimbursement channel



KINNEVIK CONTINUES TO DOUBLE DOWN IN ITS HEALTHCARE PORTFOLIO THROUGH FOLLOW-ON INVESTMENTS IN CEDAR AND VILLAGEMD

Building Our Healthcare Portfolio

Two Follow-On Investments



Transforming the Patient Financial Experience in the US

USD 8m invested in Cedar's Series C funding round

- ▶ Cedar provides a smarter way for hospitals, health systems and medical groups to manage the patient payment ecosystem
- The round totalled USD 102m and Cedar will use the funding to invest in scaling the company further and accelerating product innovation and roll-out across the pre-visit and post-visit space, as it executes against its ambition to become the leading comprehensive healthcare consumer engagement platform
- Based on the transaction and Cedar's performance over the last months, the value of our investment in Cedar, excluding the new investment of USD 8m, has been written up by SEK 348m, or 166%, from last quarter



#1 Independent Primary Care Provider in the US

USD 25m invested in VillageMD's funding round

- ▶ VillageMD is a leading national provider of primary care in the US
- The round, which was completed in July and thus after the reporting period, totalled USD 275m and was led by the company's existing investor Walgreens Boots Alliance, which has committed to invest USD 1bn into VillageMD over the next three years to finance a deepened partnership with the company
- Because of the partnership and its impact on the future outlook for VillageMD, the value of our investment in the company, excluding the new investment of USD 25m, has been written up by SEK 1.4bn, or 163%, from last quarter

We will continue to support our high-performing companies as they continue to grow and require additional capital

WE MADE OUR FIRST INVESTMENT INTO HEALTHCARE IN 2016, AND THE SECTOR NOW MAKES UP 17% OF OUR PORTFOLIO

Healthcare Investments & Returns

From 2016 Q1 until Today, SEKbn



Capital Invested



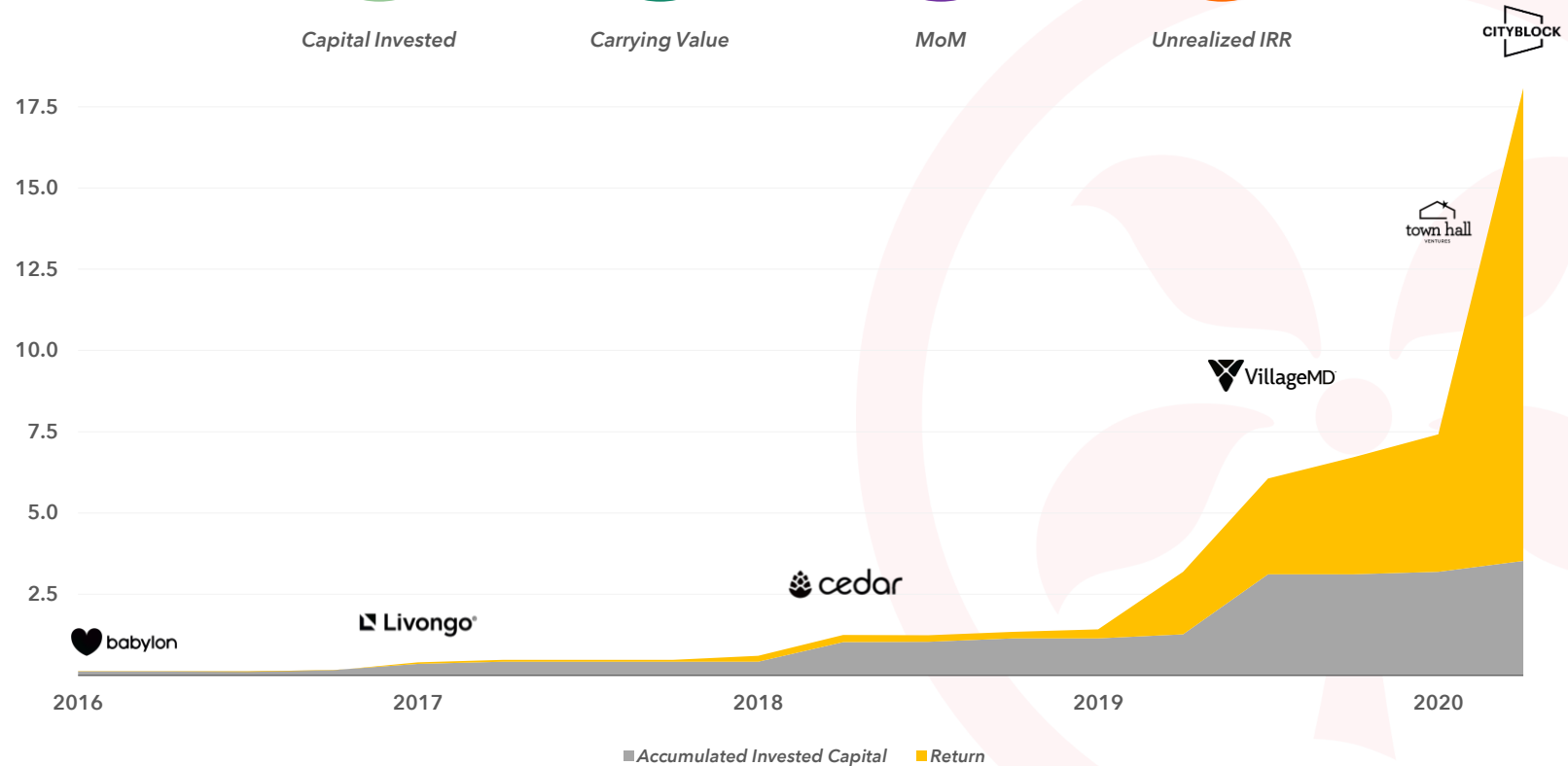
Carrying Value



MoM



Unrealized IRR



OUR NORDIC FOOD AND LAST MILE COMPANIES CONTINUE TO SEE STRONG DEMAND AND ARE RAMPING UP EFFORTS TO IMPROVE THE CUSTOMER EXPERIENCE

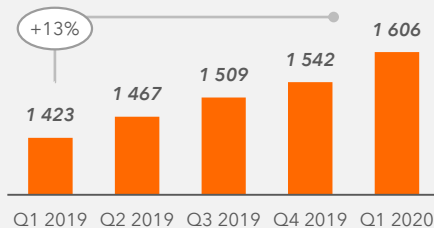
Our Food and Last Mile Companies

Update



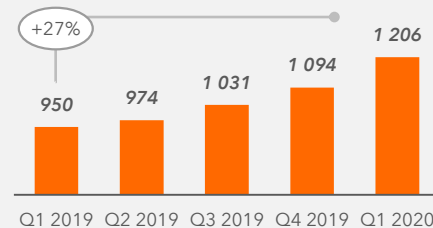
- ▶ *MatHem saw demand for its service grow quickly as the pandemic reached Sweden in late-February, reaching levels never seen before in the company's 10-year history*
- Opened up a second warehouse in Stockholm, and signed a new warehouse in Gothenburg
- Started releasing delivery slots two days in advance instead of all slots being open at all times
- Customers are responding well, however, satisfying the surge in demand has created efficiency challenges, negatively impacting margins

Revenues LTM (SEKm)



- ▶ *Kolonial experienced a significant surge in demand during the first weeks of March following the outbreak of Covid-19, with customer intake 10x higher than normal levels during the peak*
- Doubled its capacity by adding a third shift on the picking line as well as launching pre-packed food boxes in under 48 hours
- Has successfully grown its active customer base, reaching single-households and the elderly more efficiently, and now directing significant efforts into retaining the new shoppers on its platform

Revenues LTM (NOKm)



- ▶ *Budbee has seen significantly higher volumes in the last months, driven by both an increased number of packages and by more retailers signing up for the company's delivery solution*
- Successfully closed a funding round of SEK 278m in the second quarter, with above pro rata participation from Kinnevik. The proceeds will be used to fuel further growth
- 2020 revenues has already surpassed 2019 levels and the company experienced volumes of 50% over budget in March

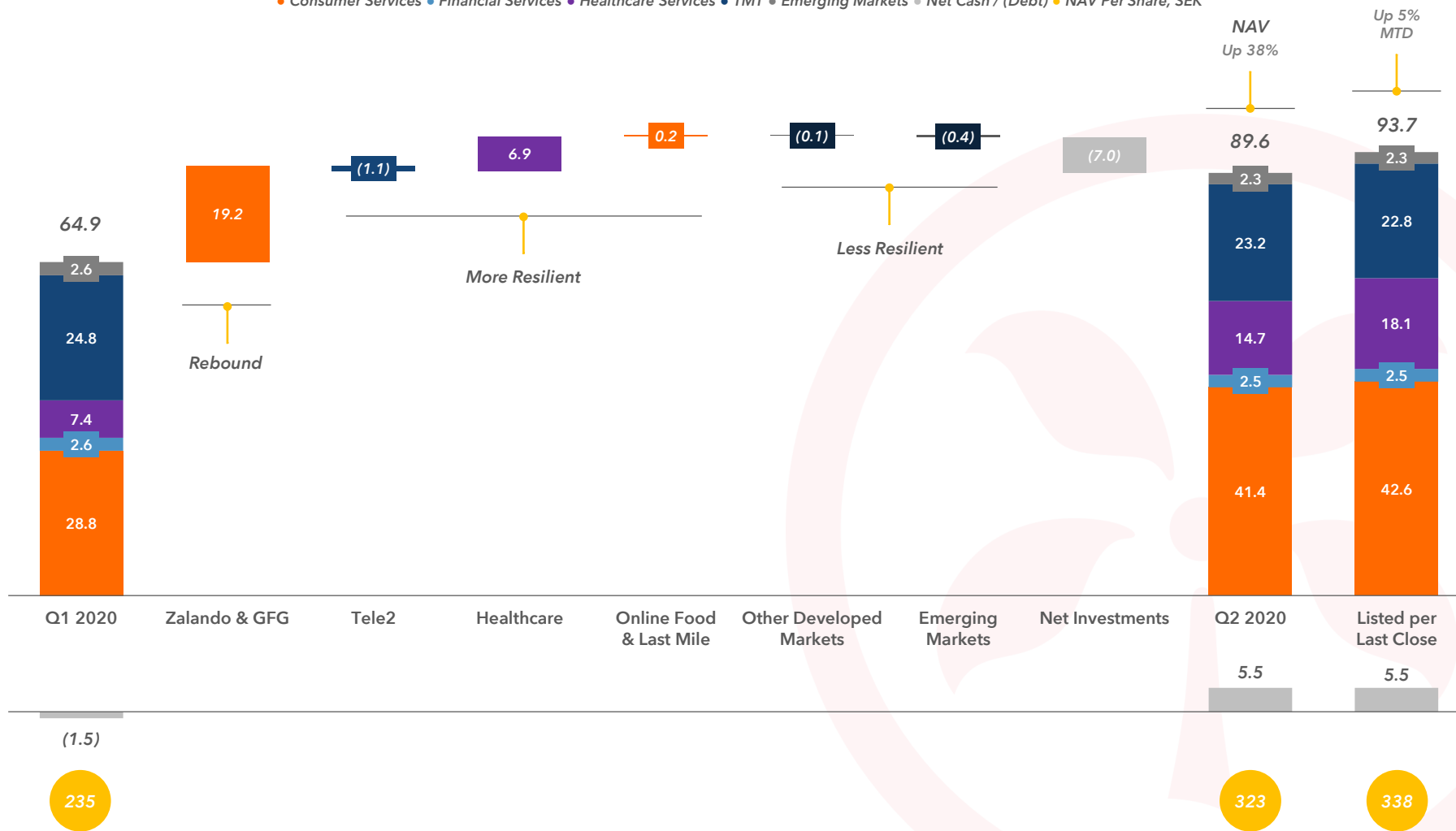
Revenue growth Q1 2020

173%

OUR NET ASSET VALUE IS UP SEK 24.7 BN, OR 38%, IN THE QUARTER, DRIVEN BY A REBOUND IN CONSUMER SERVICES AND STRONG PERFORMANCE IN HEALTHCARE

Net Asset Value Development

• Consumer Services • Financial Services • Healthcare Services • TMT • Emerging Markets • Net Cash / (Debt) • NAV Per Share, SEK



OUR NET CASH POSITION PROVIDES US FURTHER FINANCIAL STRENGTH AND FLEXIBILITY TO CONTINUE TO EXECUTE OUR 2019-23 CAPITAL ALLOCATION PLAN

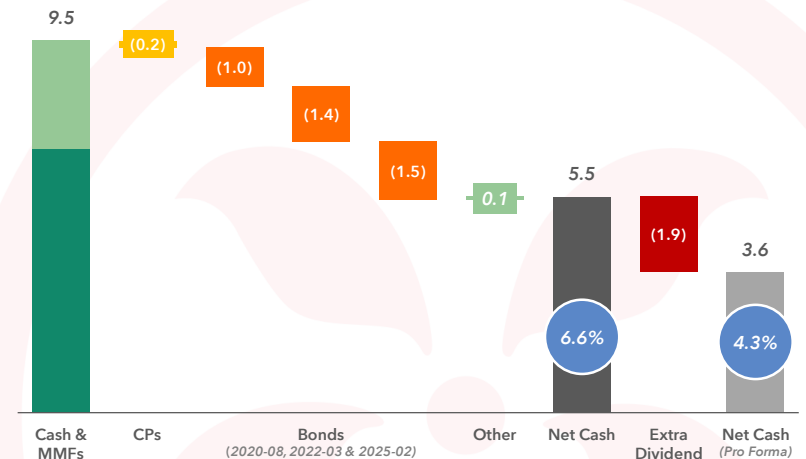
Our Financial Position

Capital Structure and Financial Capabilities

- During the first quarter of 2020, we **net divested SEK 6.5bn**, with SEK 165m into existing businesses, SEK 235m into Cityblock, and SEK 6.9bn released from primarily Zalando and Qliro Group
- At the end of the second quarter of 2020, we held **SEK 9.5bn in cash and money market investments**, up from SEK 3.8bn at March end
- Net of SEK 4.0bn in commercial paper, bonds and unpaid investments/divestments, we had a **net cash position of SEK 5.5bn** corresponding to **6.6% of our portfolio value**
- In Q2, we received the first SEK 516m tranche of Tele2's ordinary dividend, and will receive the second same-sized tranche in October
- Tele2's extra dividend was temporarily postponed in April to maintain a financial buffer until the company gains more clarity on the length and impact of the coronavirus outbreak
 - Our share of the originally proposed extraordinary dividend amounts to SEK 657m
- Our **current financial position provides us with the financial strength and flexibility to execute on our strategy, and complete our 2019-23 transformation** provided we manage to continue to rotate capital within our younger assets
- As communicated in connection with our 2019 Year-End Release, **we are looking to deploy slightly less in 2020 than the 4.6 billion SEK we deployed in 2019**

Composition of Net Cash / (Debt)

By Source, SEKbn and % of Portfolio Value



KINNEVIK HAS SET TWO EMISSIONS REDUCTION TARGETS IN LINE WITH THE PARIS AGREEMENT AND THE 1.5°C AMBITION

Climate Targets for Kinnevik and Our Portfolio

Announced in May 2020

The reduction target for the portfolio is the key focus of our environmental efforts

Climate Targets

- 1 Net zero greenhouse gas emissions from Kinnevik's own operations and business travel by 2020**
(Scope 1, 2 and business travel)

Description

Reduce Kinnevik's own greenhouse gas emissions to as close to zero as possible, and offset emissions from business trips and other unavoidable emissions to achieve net zero emissions.

Actions

- Reduce **Kinnevik's own emissions** through an internal footprint reduction overview
- Offset emissions from business trips and other unavoidable emissions through a **permanent greenhouse gas removal program**
- Issue a **TCFD report** (Task Force on Climate-related Financial Disclosures) and report to **CDP** (the Carbon Disclosure Project)

- 2 50% reduction in greenhouse gas emission intensity in Kinnevik's portfolio by 2030 compared to 2020**
(Majority of Scope 3)

Ensure all portfolio companies set relevant climate targets across their operations and value chains to align with actions needed to limit global temperature rise to 1.5°C above pre-industrial levels. Due to the high growth nature of many of our companies, their emissions will be measured in relation to the development of relevant economic and physical metrics (e.g. per unit of revenue or per product).

- Implement a **greenhouse gas emissions reporting tool** in all Kinnevik's portfolio companies
- Assist companies in setting relevant **climate targets** and defining a **roadmap** to reach the targets
- Drive **tailored transformation programs** for select companies

KINNEVIK HAS THREE CLEAR PRIORITIES GOING FORWARD

1
Continue to Evolve the
Portfolio Towards a
Higher Proportion of
Growth Companies

2
Strengthen Our
Portfolio Balance
Across Sectors, Stages
and Time to Liquidity

3
Reallocate Capital
More Dynamically
Through Attractive
Exits as Our Young
Portfolio Matures

WE BUILD DIGITAL BUSINESSES