KINNEVIK

Q1 Report 2021

Thursday, 22nd April 2021

Highlights of the Quarter

Georgi Ganev

Chief Executive Officer, Kinnevik

Welcome

Good morning everyone and welcome to the presentation on Kinnevik's results for the first quarter 2021. I am Georgi Ganev, Kinnevik's CEO, and with me today is our CFO, Erika Söderberg Johnson; our Director of Corporate Communications, Torun Litzén; and our Head of Strategy, Samuel Sjöström. We also have two special guests, Senior Investment Directors Andreas Bernström and Natalie Tydeman, who will join us for a strategic deep-dive into Food & Groceries, as well as exciting opportunities within the Enablers category.

Kinnevik's Q1 2021 Results

Let us move to page two. We will start today with some strategic highlights during the first quarter, an update on our company's performance, the previously mentioned strategic deep-dives and key valuation changes. We will follow up with our financial position, as well as a recap of our priorities for 2021. As we have been clear on, in the last few quarters, valuations of fast-growing digital companies continued to be elevated compared to the pre-pandemic levels. While we clearly benefit from the investor appetite in companies such as ours, we are keeping our feet on the ground and focusing on the very strong growth in operational performance that our companies continue to deliver.

Highlights of the Quarter: Q1 2021

On page three, we have summarised the key strategic highlights during the first quarter. We started 2021 from a position of strength across our portfolio. In the first quarter, we continued to see significant traction and interest in our companies, and several, including Budbee, Cedar, Cityblock and Oda, attracted new partners in successful funding rounds. This will enable them to continue to grow their businesses as the shift to digital across our sectors continues with a high pace. As we talked about during the Q4 call, we also made an investment into Vivino. We will shortly come back to these developments in more detail.

The planned distribution of our shares in Zalando will enable Kinnevik to make a step change in our strategic transformation, even further increasing our focus on attractive, younger growth companies. And this morning Tele2 reported that the board is proposing an extraordinary dividend of SEK 3 in addition to the ordinary dividend of SEK 6. This is a clear proof-point of Tele2's strong balance sheet and resilient business model that remains highly cash-generative. For Kinnevik, the extra dividend means that we will receive SEK 560 million in addition to the SEK 1.2 billion from the ordinary dividend.

At Kinnevik, we have deeply embedded sustainability principles, with clearly articulated targets which are key for long-term returns, and our work in this area continues. During the quarter, we published our second TCFD report, this time taking the analysis a step further. We assessed how our investment strategy likely would perform in two different climate scenarios; one in which emissions are reduced in line with the Paris Agreement and one in which emissions continue to rise at current rates. The analysis strengthened our understanding of the impact of global warming on our business and strategy, and furthered our appreciation of the importance of preventing it.

We also believe that our work within diversity and inclusion is business critical, and we were very happy to see this being highlighted in the beginning of March. The global report on gender equality by Equileap ranks Kinnevik as number one in Sweden and number 61 globally.

So, at the end of the first quarter, this summed up to our net asset value being up by SEK 6.1 billion, or 5% compared to year-end, and amounted to SEK 117.8 billion, or SEK 424 per share. The increase was driven primarily by valuation increases in our private portfolio, widely distributed across companies but concentrated to healthcare, with material uplifts in Cityblock, Cedar and VillageMD.

The NAV was negatively impacted by a weaker share price performer in Zalando and lower valuations of our emerging market companies. Currency tailwinds provided a positive impact on our unlisted portfolio of SEK 1.2 billion and our financial position remains strong, with a net cash position of SEK 3.9 billion at the end of the quarter.

Erika will take you through the development of our NAV in more detail, as well as the valuations of our unlisted companies, just in a few minutes. But, first, I would like to focus on some exciting developments in our portfolio during the quarter, starting on page four.

Winners in Our Private Portfolio: Healthcare Services

This past year has, once again, demonstrated the fundamental importance and enormous inequality of healthcare systems across the world. Everywhere, demand and costs are increasing, while efficiency and outcome seems to be falling behind. Kinnevik has a broad and exciting healthcare portfolio and these companies clearly demonstrate the potential for technology and digital innovation to improve this gloomy picture. And during the quarter we have seen exceptional performance in healthcare services. Two companies I would like to highlight here are Cityblock and Cedar.

Cityblock

In just four years since its launch, Cityblock has achieved positive results with its comprehensive care model. Data from Cityblock’s first member cohort show a 15% reduction in emergency room visits and a 20% reduction in in-patient hospital stays. Cityblock sees around 70% member engagement compared to the health plan average of 5-7%, and they receive average NPS scores of over 85, compared to the provider average of 15. While delivering these outcomes, Cityblock experienced an impressive 3x year-over-year revenue growth. In the fourth quarter of 2020 we participated in a funding round in Cityblock that valued the company at over $1 billion, and in this quarter Cityblock again attracted new capital and a materially higher valuation, which will be used to accelerate deployment of its community and value-based care model across the US.

Cedar

Cedar, the patient engagement and financial technology platform that we first invested in back in 2018, also raised additional capital. The company has shown significant growth on the back of its high levels of patient satisfaction and digital engagement, maintaining an 88% patient satisfaction score. With the return on our capital invested in Cedar 9x to date, the company is yet another example of how Kinnevik backs world-class teams and business models that underpin a rapidly changing healthcare sector.

Winners in Our Private Portfolio: GFG, Budbee and VillageMD

On the next page, we have highlighted a few other of our younger growth companies with exceptional momentum.

Global Fashion Group

Global Fashion Group reported a record fourth quarter of 2020. Net merchandise value grew 29% in constant currencies year-over-year to an all-time high, and the full year of 2020 was the company's first EBITDA positive year. At its recent Capital Market Day, the company also announced an ambition growth target to grow net merchandise value to €10 billion within seven to nine years.

Budbee

At our own Capital Markets Day in February, we were pleased to present that Budbee continues its strong momentum. Revenue grew by 170% in 2020 and the first two months of 2021 has started even stronger, with an ambition to triple revenue during the year. The company is also launching in new markets and continues its box roll-out, with 650 live boxes by the end of the first quarter.

VillageMD

VillageMD has performed strongly in the past 12 months as the company was able to keep its clinics open during the pandemic, while the situation also pushed the company to another level of innovation and technology adoption. In the early days of the pandemic, VillageMD went from a single-digit telehealth utilisation to 80-90% across clinics. The reduction in hospital and emergency room usage also led to positive developments of risk-based contracts, driven by VillageMD providing highly accessible primary care. The exciting partnership with Walgreens continues. The company reports 65 village medical clinics open so far, and now launching two new per week; the company expects this to continue for the better part of the next five years in over 30 states around the US.

With that said, let us now turn to page six. I will hand over to Andreas to go into more details about our view of the food and grocery space.

Food & Groceries

Andreas Bernström

Senior Investment Director, Kinnevik

Further Proof Point for Food & Groceries: Kolonial transforms into Oda

Thank you, Georgi. Kolonial, now known as Oda, closed a funding round, injecting NOK 1 billion of new capital into the company to support scaling and accelerating in Norway, as well as its international roll-out plan. Kinnevik participated in the round and now emerge as the largest investor in the company, a company we first invested in almost three years ago, being impressed by the company's new take on online groceries, their understanding of operational efficiencies and their relentless drive and commitment. We are excited that Softbank and Prosus will join the company for the next stage of acceleration in the company's development, which, as a first step, means launching in Finland and Germany. There have been many impressive developments at Oda, but one that is of key importance to highlight is their world-leading picking efficiency at 212 units per hour, which is reached through a combination of automation, in-house software and lean management.

As you may have noticed, we also announced a new funding round for MatHem today. Kinnevik participated pro rata, with AMF and Stena investing SEK 100 million and SEK 50 million respectively, thereby increasing their ownership. The funding round also includes a debt facility of SEK 700 million, provided by Proventus. After a stellar 2020, where the company grew revenues by 50% and outperformed the market in home delivery each quarter, this new funding will be used to continue to drive growth, as well as launch our new fulfilment centre next year. Next page please.

The Largest Share of Household Spend: Disruptive forces at play

The food sector presents a significant opportunity for Kinnevik and we were early in identifying the opportunity in the space, deploying around SEK 1.6 billion in the sector between 2018 and 2019; well ahead of the curve and thereby benefitting from the exponential growth in the segment we have seen over the last 12 months. Oda was our first investment in the food space and, since then, we have made a further five investments into the sector. We have met and analysed over 200 food companies, we have learned a great deal and we have built our hypothesis. Outside of the fact that food covers a truly large addressable market, we like the space because of its impact on people's lives, its importance in the sustainability of the planet and due to the fact that change in this industry is still relatively nascent, which opens up opportunities.

More specifically, when we look at potential food investments, we look for companies that are addressing and taking advantage of tailwinds within consumption patterns, the importance of health and sustainability. And as you can see from our latest three investments, in Simple Feast, HungryPanda and Vivino, they all sit squarely within this investment thesis.

Georgi Ganev: Thank you, Andreas. I think our partnership with Oda is truly a great example of the work and ambition of the Kinnevik team to identify changes in the consumer trends ahead of the curve. We are immensely proud of backing Karl and the entire team at Oda.

Now I would like to invite Natalie Tydeman, who you all met on our last call, to take us more in-depth in another exciting area, Enablers, starting on page eight.

Enablers

Natalie Tydeman

Senior Investment Director, Kinnevik

Enablers: Emerging investment theme

Thank you, Georgi. So, over the past few years, you will all have seen our investment focus evolve away from being a pure focus on B2C companies to include also B2B2C and even B2B businesses within the sectors and the themes for which we have the deepest conviction. This has allowed us to scan the full value chain and ecosystem for the most interesting opportunities. This has brought us to a new opportunity set of businesses that we call Enablers.

What are Enablers?

These are businesses, by our definition, which have a B2B or B2B2C business model; they are solving a pain-point in B2C or B2B companies' delivery of superior end customer experiences; and they are providing services that enable their customers to scale quickly and capital-efficiently, and thereby supercharging their growth. There are many examples where the less visible points in the value chain have been the points at which most value has been created. Take, as an example, Shopify, the full suite eCommerce platform provider powering third-party eCommerce brands, which has a larger market cap at $140 billion than Zalando, Etsy, Chewy, Farfetch, Wayfair and ASOS all combined.

Why do we like them?

So why do we like Enablers? There are a few reasons. Firstly, they typically service large and growing addressable markets as they operate across multiple high-grade sectors and they can scale with the customers that they serve.

Secondly, their predominant business model is software as a service, or SaaS, which is attractive because it provides recurring pay-for-usage revenues with high gross margins and often annual or multiannual contracts. Additionally, B2B or B2B2C as a go-to-market route typically allows more attractive customer acquisition metrics than B2C.

Thirdly, Enablers deploy cloud-based plug-and-play API platforms, which accelerates their roll-out and means that they are therefore highly scalable. Enablers are typically deeply and seamlessly embedded into their customers' core processes via these APIs, which makes them extremely sticky. And by our definition, Enablers are solving a major pain-point and therefore have the ability to extract value, while at the same time delivering high return on investment for their customers.

Lastly, and very importantly, we believe that we understand these businesses through our investment in their target customer markets, which means that we can source better, diligence better and add more value.

Enablers: Cedar, Budbee and Bread

Now let's turn to page nine, please. So, without defining Enablers as a stand-alone strategy historically, we have already had some great successes generating strong IRRs with these types of businesses. A few examples here. Budbee, which shows an 89% IRR at current valuation, is solving pain-points in eCommerce delivery. Bread, another eCommerce enabler which we exited with a realised 34% IRR, enables eCommerce brands to provide a more flexible shopping experience and thereby drive more conversions. On the healthcare side, Cedar, which shows 163% IRR and 9x money multiple at current valuations, is solving the pain-points in the complex US healthcare payment system and enabling healthcare providers to offer a more personalised and smooth billing experience.

Going forward, we will be amplifying our investment focus in this Enabler category. We will be driving cross-sector fertilisation and collaboration, tying our Enabler investment themes into the fanatic approaches within our other core sectors. This, we believe, will enable us to leverage our deep insight and our networks to give an advantage in forcing[?] diligence and portfolio management.

Georgi Ganev: Thank you very much, Natalie. As I say, I think this is a great example of how we can leverage our network of founders, co-investors, our alumni network, our operating partners and, of course, our own know-how from our focus sectors to identify new, interesting and exciting investment opportunities.

Let us now move to page ten for Erika to go through the details of valuation changes and our NAV development.

Key Valuation Changes

Erika Söderberg Johnson

Chief Financial Officer, Kinnevik

Key Unlisted Valuation Changes: Overview

Thank you, Georgi. The first quarter of 2021 was a transaction intense one and this is reflected in the more material valuation reassessments in our unlisted portfolio. The fair value of our unlisted assets was written up by SEK 6.4 billion, or 35%, in the quarter. With SEK 1 billion net invested, the total value increase amounts to SEK 7.4 billion.

Cedar

Now to focus on the key valuation changes during the quarter. Cedar closed a Series D funding round led by Tiger Global Management and brought total company funding to more than $350 million. Strong operational development, in combination with a funding round which only had a minor dilutive effect for Kinnevik, led to a value uplift of our investment exceeding SEK 1.8 billion. This meant that the fair value of our Cedar investment increased by more than 4x, corresponding to the valuation in the recent funding round. This is a materially higher revenue multiple than we have previously applied. On the near-term, forward-looking basis, this is at a considerable premium to peers, but at a normalised level when looking into 2022 and 2023.

Cityblock

Our fair value for Cityblock is in line with the company’s extended $192 million Series C funding round that closed in March, in which Kinnevik participated with $30 million. This means a valuation increase by more than 120% in Q1, with higher revenue multiples than previously applied. The applied multiple, however, remains at a material discount to peers. Our investment in Cityblock has so far rendered a 3.3x return, and we currently value our stake at SEK 2.1 billion.

Village MD

Our fair value assessment of VillageMD increased by SEK 2.5 billion, driven by strong performance, forward outlook and increased multiples applied. We have yet again contracted our discount on the back of continued strong performance and key direct-to-consumer peers consistently trading at multiples around 10x forward revenues. As[?] we focus increasingly on forward-looking multiples in triangulating our fair value assessment, the company continues to be valued at a fairly material, but shrinking discount to peers on the future-looking basis.

Oda

The fair value of our 21% shareholding in Oda increased by more than 40% in the first quarter to a mark in line with the recent fundraise, with revenue multiples being calibrated upwards. On an LTM basis, our valuation implies a premium of around 15-25% due to stronger performance in our composite peer group of discretionary eCommerce and meal kit businesses.

Budbee

The value increase in Budbee of 23% is primarily driven by the company consistently delivering on or above plan. Budbee continues to perform strongly and is planning to triple its top line during 2021, a growth rate significantly higher than more mature logistic businesses, all while retaining healthy gross margins.

We are, of course, as always happy to answer any questions you may have on our valuations when we move to Q&As.

I would also like to take the opportunity to highlight pages 23 to 25 in the quarterly report, where we have elaborated more on our valuation assessments and methodologies.

Net Asset Value Development

Let us turn to page 11. All in all, our net asset value amounted to SEK 117.8 billion at the end of March. That is SEK 424 per share and on a pro forma basis, post the planned Zalando distribution, represents an increase of SEK 9.1 billion or 15% in the quarter, with continued strong momentum in our private portfolio and value-based care assets driving value increases.

The NASDAQ traded up 3% and the OMX has further traded up 17%, while our share price appreciated by 2%.

Finally, with yesterday's closing prices of our listed assets, our NAV was SEK 121.2 billion, up 9% so far this year.

Capital Allocation: Investment Plan

Now please turn to page 12 for an update on our financial position and capital allocation framework for 2021.

During the quarter, we invested SEK 1 billion. Further, we released SEK 196 million from the divestment of shares in Alliance Data that was received as part of the sale of Bread completed in Q4 2020, generating a realised IRR in excess of 30%. This takes our net cash position at the end of the first quarter to SEK 3.9 billion.

We have a continued very strong financial position, which gives us full flexibility to execute on our capital allocation plan and continue transforming our portfolio towards a higher share of younger growth companies.

During the coming second quarter, we expect to receive the first tranche of Tele2’s ordinary dividends, amounting to approximately SEK 560 million. With the extraordinary dividend announced by the company this morning, we expect a total of around SEK 1.7 billion in dividends from Tele2 during 2021.

As for our capital allocation in 2021, we are looking to invest somewhere in between the capital put to work in 2019 and 2020, which means a range between SEK 2.3 billion and SEK 4.6 billion. We are likely to again be slightly overweight in new investments relative to our framework as we continue to build a balanced growth portfolio across sectors, stages and business models, with an ambition of adding four to six new companies to our portfolio.

As a reference, we have year-to-date invested SEK 0.6 billion into one new investment, Vivino, and SEK 0.4 billion into follow-ons.

With that, I would like to hand back over to Georgi again, for some comments on the proposed distribution of Zalando on page 13 and some closing remarks.

Conclusion

Georgi Ganev

CEO, Kinnevik

Zalando Distribution

Thank you, Erika. In February, we announced our intention to distribute our entire shareholding in Zalando to our shareholders. This distribution means that we significantly increase our focus on younger, high growth businesses.

Zalando is also a very good example of how Kinnevik works as an investor. We invest early and we actively support our companies through the different phases of their growth journey. We believe Zalando will continue its strong trajectory, underpinned by consumers' accelerated shift to digital. And as we saw earlier this week, Zalando expects to deliver between €80 million to €100 million in EBIT for the first quarter, a very strong result.

And while I am excited to observe as Zalando continues to execute on its own growth strategy and create significant value for its shareholders going forward, I am even more excited by the transformation of Kinnevik that the distribution entails. And as you are all familiar with by now, this transaction means that our growth portfolio will go from approximately 40% of portfolio value to 68%, and unlisted assets from 22% to 36%, based on the valuation at the end of Q1. This means that our younger businesses can really shine in their own right.

We are now approaching the execution of this distribution. And therefore, I would like to remind you of the timeline and changes in portfolio balance. If the General Meeting on 29th April approve the distribution, the last day of Kinnevik share trading, including the value of the Zalando distribution, will be 14th May.

Trading in the redemption shares will be conducted between 19th May and 9th June. And around 18th June, the redemption shares will automatically be redeemed for Swedish Zalando shares. The record date for redemption of redemption shares is 16th June.

During the period 23rd June to 14th July, Swedish Zalando shares, that the holder cannot trade with on any stock exchange, may be reregistered free of charge to German Zalando shares that can be traded with on the Frankfurt Stock Exchange.

Priorities 2021: Overview

Let us turn to page 14. So, finally, before we open up for the Q&A, I would like to reiterate our strategic focus areas for the year to come.

Our priorities remain clear and we will continue to evolve the portfolio towards a high proportion of growth companies in our target sectors and markets. We will continue to strengthen the portfolio balance across sectors, stages and time to liquidity and to relocate capital more dynamically.

We are now ready to answer your questions.

Q&A

Joachim Gunell (DNB Markets): So, perhaps if you can provide your thoughts here. It has been seller unrealised IRRs here in the unlisted portfolio year-to-date[?] [inaudible] sequential uplift that was quite substantial. So, on the back of this, how do you see the unlisted portfolio driving further NAV growth from where we stand today throughout the remainder of the year?

Georgi Ganev: Thank you for the question. I think, of course, it is a difficult question because we really do not know how the markets will develop going forward. But what we can look at is the operational performance of these companies, not only revenue growth but also clear signs and strong unit economics. That means that these models have a clear path to profitability. So, that is, of course, also very comforting for us looking at these companies and how they perform.

We also see that many of these companies are still very early in their maturity or development, which means that they can expand internationally; like an Oda, for instance, that have proven their business model in Norway, but now has the possibility to launch in Finland and later in Germany next year.

We see companies like VillageMD that has just started to accelerate the partnership with Walgreens and have a plan to continue to roll out new village clinics across the US. And we also see companies like Cityblock and Cedar, where we invested early when there were more question marks around these business models, but where we now see very strong tractions.

So, our conclusion of this and our view is that there is still very much potential in these companies going forward. But, of course, as I said in the beginning, it needs to be seen with an overlay of where the markets are.

Joachim Gunell: Understood, Georgi. And if we look at holdings such as Global Fashion Group and Livongo/Teladoc, it took perhaps some IPO and a year before the market really gave these business models credit when the bulk of the value was materialised. So, how do you trade off here? Pivoting towards growing share of unlisted assets while some of your more mature unlisted assets are perhaps ready to take the next step[?].

Georgi Ganev: I think, as we say, we would like to focus our portfolio and increased exposure on younger growth companies. But in today's market, where it is very attractive sometimes for these young companies to attract or to increase capital in a public market, we cannot hold them back from doing so. So, sometimes we see, when a market is like it is today, that companies go in the public market a bit earlier. But here comes our flexibility in holding a company also when it is a public company.

So, a lot of the uplift or the value creation that we have seen in companies like Livongo, but also company like Zalando, has come after the company has become a public company. So, we feel very comfortable that these companies will continue to perform in a public market.

But again, we are also planning to have a distribution along this S-curve that we have talked about many times, distributed across different stages and time to liquidity. So, we have the flexibility to reallocate capital.

Joachim Gunell: Understood. And just the final from me. So, can perhaps Samuel remind us again, how you think and what you need to see before you become more constructive of a holding such as Betterment? They have now doubled AUM in customers in the past three years. Your assessment of what it should be valued is still flat.

Samuel Sjöström: Sure. I think in the very short and crude answer to why we have not seen stronger returns on our Betterment investment to date is that we overpaid some five-odd years ago when we made our first investment. That is a sunk cost by now. So, more interestingly looking forward, we believe this company could start delivering progress that will also be reflected in our NAV statement over time.

And I think many of you saw the company posting in their Q1 update where you saw that the first quarter was a record one in terms of customer intake and net deposit. And you also know that we have changed our valuation method from a DCF into revenue multiples, which also lends itself to a more dynamic approach as it relates to valuation. So, first couple of years pretty flat. Going forward, it looks fairly exciting.

Derek Laliberte (ABG Sundal Collier): Perhaps I am missing something here, but when it comes to VillageMD, I certainly get the strong performance of the company, the accelerated partnership, etc. But the valuation uplift in this quarter is quite massive. So, I am just wondering what has happened in the last three months for you to increase the valuation by 50%. And is it only a coincidence that this corresponds to this mid-year report we are seeing about IPO and the reported valuation?

Samuel Sjöström: Sure. Hi, Derek. Samuel here. VillageMD is an interesting case and it is not a typical Kinnevik one in that we came in ahead of the curve, the curve being the IPOs of these more tech-enabled D2C care provider companies such as One Medical and Oak Street. So we came in at a very low price, the opposite of Betterment, to be frank.

And I think as it relates to the multiple expansion in our books or discount contraction, whichever way you want to look at it, it is something we have been fairly clear with in prior quarters that this is our ambition. And it is not only that VillageMD needs to continue to perform, it is also that these comparable companies continue to trade fairly stable, as Erika said, at around 10x forward revenues.

So, we are taking another incremental step towards marking VillageMD more in line with these peers. And there are more indications of these valuation levels. Just a week ago, we saw the IPO of Agilon Health, which to a certain degree, is reminiscent of VillageMD. And that business is also trading at these higher levels. So, clearly, the demand for value-based care providers is very high in the market right now.

As it relates to the valuation in a hypothetical IPO, I would argue that prospective public market investors could be more forward-looking than we are, in valuing this business. And being more forward looking, even on a risk adjusted basis, would lend itself to a higher valuation than where we come out in our assessment this quarter.

And as Erika mentioned, we are still at a fairly material discount from 2021. And looking into 2020, considering VillageMD is growing immensely faster than the listed peers, that discount expands even further. So, we are still catching up. Clearly, the increments would not be as big as they have been in the last few quarters. But we are still in that catch-up mode for now.

Lena Österberg (Carnegie): I was wondering if you could maybe say something about in which areas you are looking for new investments going forward. You say that you would allocate the majority, or a little bit more than half of your investment this year into new investments. So, it will be interesting to hear in which field you see the best prospective and current valuation.

Georgi Ganev: Absolutely, Lena. I think, overall, we are very excited about the sectors we are already in, so, that of course is something we will continue to look at. And there, of course, we have mentioned before how we would like to look at the broader ecosystem, like in food, for instance, where we started very much downstream with the online groceries players. And now we have started to invest in meal kits and home delivery of food and so forth, and Vivino lately. That expansion will continue.

We also have mentioned at the call today, where Natalie talked about enablers, where we have some very strong proof-points with Budbee, Cedar, Bread in the portfolio, but also Pleo, for instance, with the B2B2C service. So, that is an area we will continue to look at. As we have said many times before, we are still very excited about our consumer businesses area, where we have been moving a little bit from only inventory based eCommerce player to more asset-light players.

I think the general answer is that we always try to leverage our network, our know-how and our co-investor partners for us to have a clear edge when we speak to founders and potential investment opportunities. And I have said that before, there are many times where we actually will not invest because of valuations and there might be more forward-leaning investors out there.

But when we have a good match with a founder, typically a serial entrepreneur for instance, for a long-term partnership, we see that we can build something really strong over a long period of time. So, we have the confidence that although the valuations are high, with our extended network and track record in these sectors, we are able to invest in really strong companies.

Lena Österberg: Can I ask you, then on the enablers, is not there a risk if you go for other enablers in the verticals that they are competing with each other? Or that does not matter you, you can also have several eggs in the same basket?

Georgi Ganev: Yes and no. I would say that if you look at the Budbee for instance, I would argue that Budbee can approach all eCommerce players in the whole world maybe, but Amazon. So, that is a relatively large addressable market. And we have no issues of Budbee serving Zalando and serving Boozt in the Nordics or ASOS for that matter, which they actually are currently doing. And on top of that H&M.

So, we see that enablers are a different type of verticals, where we can leverage our understanding of the customer pain-point and how important, in that case, last mile logistic is for overall customer experience.

Would we invest in another last-mile logistic company in Europe? Probably not. Maybe if we see some great consolidation over time and that could be a way for us to capture that consolidation in the market. But otherwise, we think we have already started to invest and back the winning horse.

Thank you very much for listening in and for your questions. And before we end, as usual, just a reminder, we will report the results for the second quarter 2021 on 12th July. So, please then stay safe everyone. Thank you.

[END OF TRANSCRIPT]