

CORPORATE GOVERNANCE REPORT

Corporate Governance in the Kinnevik Group is based on Swedish legislation and generally accepted sound practice on the securities market. Kinnevik applies the Swedish Corporate Governance Code (the "Code")¹⁾.

During 2017, Kinnevik, in line with previous years, deviated from the Code rule stipulating that a member of the Board of Directors may not chair the Nomination Committee. This deviation from the Code is explained in more detail in the section Nomination Committee below.

ANNUAL GENERAL MEETING

The Swedish Companies Act (2005:551) (the "Swedish Companies Act") and the Articles of Association determine how the notice to the Annual General Meeting and extraordinary general meetings shall occur, and who has the right to participate in and vote at the meeting. There are no restrictions on the number of votes each shareholder may cast at the general meeting. Class A shares entitle to ten votes, whereas other shares entitle to one vote. Distance participation and voting at the general meeting is not possible.

Information on major shareholders in the Company is provided on page 19, and authorizations approved by the Annual General Meeting for the Board to resolve on repurchase of own shares is provided in Note 10 for the Parent Company, Shareholders' Equity.

NOMINATION COMMITTEE

At the 2017 Annual General Meeting, it was decided that a Nomination Committee consisting of at least three members appointed by the Company's largest shareholders would be established during September 2017 following consultation with the largest shareholders in the Company as at 31 August 2017. The Annual General Meeting further resolved that Cristina Stenbeck should be a member of the Nomination Committee and be responsible for convening the Nomination Committee.

In accordance with the resolution of the 2017 Annual General Meeting, Cristina Stenbeck convened a Nomination Committee consisting of members representing the largest shareholders in Kinnevik. The Nomination Committee is comprised of Cristina Stenbeck as representative of Verdere S.à r.l., Wilhelm Klingspor appointed by the Klingspor family, Edvard von Horn appointed by the von Horn family, James Anderson appointed by Baillie Gifford, and Ramsay Brufer appointed by Alecta. The Nomination Committee's task is to submit proposals for the Board of Directors and auditors, in the event auditors shall be elected, and fees to the Board of Directors and auditors, a proposal for the Chairman of the Annual General Meeting as well as the procedure for the Nomination Committee ahead of the 2018 Annual General Meeting. Cristina Stenbeck, member of the Board of Directors, was appointed Chairman of the Nomination Committee, an appointment that deviates from what the Code prescribes. The other members of the Nomination Committee declared their decision as being in the Company's and its shareholders' best interest and a natural consequence of Cristina Stenbeck leading the Nomination Committee's work in recent years, as well as her connection to the Company's largest shareholders.

In its work, the Nomination Committee applies rule 4.1 of the Code as its diversity policy. Further information may be found in the Nomination Committee's motivated statement regarding its proposals to the 2017 Annual General Meeting.

AUDITORS

According to the Articles of Association, the Company shall have not more than three auditors, with not more than three deputies, or a registered audit firm. At the 2017 Annual General Meeting, the registered audit firm Deloitte AB was re-elected Company auditor for a period of four years until the 2021 Annual General Meeting, with authorized public accountant Jan Berntsson as auditor-in-charge. Jan Berntsson, born 1964, is also the auditor-in-charge in Boliden AB. The auditor's independence is ensured by legislation and professional ethics and the audit firm's internal guidelines, as well as by adhering to the Audit Committee's guidelines governing the type of assignments that the audit firm may conduct in addition to the audit. During 2017, Deloitte AB has provided advice regarding interpretation of accounting principles for long term incentive plans. Information regarding audit fees is provided in the Annual Report's Note 12 for the Group and Note 5 for the Parent Company, Auditors' Fees.

BOARD OF DIRECTORS AND SENIOR EXECUTIVES

Board members are elected at the Annual General Meeting for a period ending at the close of the next Annual General Meeting. The Articles of Association contains no restrictions pertaining to the eligibility of Board members. According to the Articles of Association, the number of Board members can be no less than three and no more than twelve members elected by shareholders.

At the 2017 Annual General Meeting, following a motion by the Nomination Committee, Tom Boardman, Anders Borg, Dame Amelia Fawcett, Wilhelm Klingspor, Lothar Lanz, Erik Mitteregger, Mario Queiroz, John Shakeshaft and Cristina Stenbeck were re-elected members of the Board and Cynthia Gordon and Henrik Poulsen were elected as new members of the Board. The Annual General Meeting further elected Tom Boardman as Chairman of the Board. At its constituent meeting, the Board appointed Dame Amelia Fawcett and Anders Borg as Deputy Chairmen of the Board. In August 2017, Anders Borg resigned as a Board member and Henrik Poulsen was appointed Deputy Chairman of the Board.

The independence of Board members in relation to the Company and its management, and to the major shareholders of the Company, is specified on pages 25-27. None of the Board members are employed within the Group. Per end of 2017, Senior Executives in Kinnevik included acting Chief Executive Officer and Chief Financial Officer Joakim Andersson, Director of Corporate Communications Torun Litzén, Senior Investment Director Chris Bischoff, Investment Director Christoph Barchewitz and General Counsel Mattias Andersson. In January 2018, Georgi Ganey joined Kinnevik as Chief Executive Officer and Christoph Barchewitz left Kinnevik to assume the role as Co-Chief Executive Officer of Kinnevik's investee company Global Fashion Group. For information about Senior Executives, please see page 13 in the Annual Report, and Note 16 for the Group.

BOARD WORK

Kinnevik's Board of Directors is responsible for the overall strategy of the Group and for organizing its administration in accordance with the Swedish Companies Act. The Board's work and delegation procedures, instructions for the Chief Executive Officer, and

¹⁾The Code is available at: www.corporategovernanceboard.se

reporting instructions are updated and approved at least annually following the Annual General Meeting.

Significant issues addressed by Kinnevik's Board during 2017 include the succession of the company's Chief Executive Officer, the overall strategy and financial performance of Kinnevik and its larger portfolio companies, and Kinnevik's private investment strategy. As the basis for discussions concerning the listed portfolio companies, Kinnevik's management presented independent analyses of each company's strategy, operations and future opportunities within the markets in which they are active. Furthermore, Chief Executive Officers of certain listed portfolio companies held customary investor presentations directly to the Kinnevik Board.

Compliance with laws and regulations, responsibility and market confidence in Kinnevik are some of the key issues which the Board actively focuses on. Kinnevik's Code of Conduct and Corporate Responsibility Policy adopted by the Board describes Kinnevik's policy on issues pertaining to social responsibility, environmental considerations and ethics.

As in previous years, a Remuneration Committee, an Audit Committee and a Governance, Risk and Compliance ("GRC") Committee have been established within the Board. These committees are preparatory bodies of the Board and do not reduce the Board's overall responsibility for the governance of the Company and decisions taken. General Counsel Mattias Andersson is responsible for ensuring that rules of procedure are complied with, and all Board members can turn to the Secretary for advice and assistance in their Board work.

During 2017, Kinnevik's Board of Directors held fourteen meetings (including the constituent meeting), of which eight were extra meetings held via telephone.

EVALUATION OF THE WORK OF THE BOARD OF DIRECTORS

The Board complies with an annual performance review process to assess how well the Board, its committees and processes are functioning and how they might be improved. Every three years a more extensive Board evaluation is undertaken either by an independent Board member or an external consultant.

The evaluation of the Board's work during 2017 was conducted by an external consultant by way of a formal questionnaire and in-person interviews, covering areas such as the Board's performance against its key duties, the Board's composition and processes, as well as the performance of individual Board members. The results of the evaluation were presented to the Nomination Committee by the Chairman of the Board, and were also reported in full to the Nomination Committee in writing.

REMUNERATION COMMITTEE

The Remuneration Committee's assignments are stipulated in Chapter 9.1 of the Code, and comprise issues concerning salaries, pension terms and conditions, incentive programs and other conditions of employment for the senior executives. The guidelines applied in 2017 are presented in Note 16 for the Group, Personnel. The Remuneration Committee shall strive to meet not less than twice a year, and more frequently as required. Minutes are kept at the Remuneration Committee's meetings and are reported to the Board at its next meeting.

BOARD AND COMMITTEE COMPOSITION

Board Director	Position	Audit Committee	Remuneration Committee	GRC Committee
Tom Boardman	Chairman	Member	Member	Member until May 2017
Dame Amelia Fawcett	Deputy Chairman	-	Chairman	Chairman
Henrik Poulsen (from May 2017)	Deputy Chairman	Member from May 2017	-	-
Cynthia Gordon (from May 2017)	Member	-	-	Member from May 2017
Wilhelm Klingspor	Member	-	-	-
Lothar Lanz	Member	Member until May 2017	-	-
Erik Mitteregger	Member	Member	Member	-
Mario Queiroz	Member	-	-	-
John Shakeshaft	Member	Chairman	-	Member
Cristina Stenbeck	Member	-	Member until May 2017	-
Anders Borg (until August 2017)	Deputy Chairman	-	-	-

BOARD AND COMMITTEE MEETING ATTENDANCE

Board Director	Board	Audit Committee	Remuneration Committee	GRC Committee
Tom Boardman	14/14	11/11	5/5	2/2
Dame Amelia Fawcett	10/14	-	5/5	5/5
Henrik Poulsen (from May 2017)	8/9	5/6	-	-
Cynthia Gordon (from May 2017)	9/9	-	-	3/3
Wilhelm Klingspor	13/14	-	-	-
Lothar Lanz	14/14	5/5	-	-
Erik Mitteregger	14/14	10/11	5/5	-
Mario Queiroz	11/14	-	-	-
John Shakeshaft	12/14	11/11	-	5/5
Cristina Stenbeck	14/14	-	3/3	-
Anders Borg (until August 2017)	10/10	-	-	-



AUDIT COMMITTEE

The Audit Committee's assignments are stipulated in Chapter 8, Section 49b of the Swedish Companies Act. These tasks include monitoring the Company's financial reporting and the efficiency of the Company's internal controls and internal audits, as well as maintaining frequent contacts with the external and internal auditors. The Audit Committee's work primarily focuses on the quality and accuracy of the Group's financial accounting and the accompanying reporting, as well as the internal financial controls within the Company. Furthermore, the Audit Committee evaluates the auditors' work, qualifications and independence. The Audit Committee monitors the development of relevant accounting policies and requirements, discusses other significant issues connected with the Company's financial reporting and reports its observations to the Board. The Audit Committee shall meet not less than four times annually. Minutes are kept at the Audit Committee's meetings and are reported to the Board at its next meeting.

GRC COMMITTEE

The GRC Committee is appointed by the Board of Directors to assist the Board in monitoring the governance structures of Kinnevik's investee companies, Kinnevik's risk management process and compliance with laws, regulations and codes of conduct. The GRC Committee shall meet not less than four times annually. Minutes are kept at the GRC Committee's meeting and are reported to the Board at its next meeting.

THE BOARD'S DESCRIPTION OF INTERNAL CONTROL PERTAINING TO THE FINANCIAL REPORTING FOR THE 2017 FINANCIAL YEAR

The Board is responsible for internal control in accordance with the Swedish Companies Act and the Code. This description has been prepared in accordance with the Code's Rule 7.3 and 7.4, and Chapter 6, Section 6 and Chapter 7, Section 31 of the Annual Accounts Act (1995:1554), and is thus restricted to the internal control pertaining to the financial reporting.

BOARD OF DIRECTORS

Tom Boardman

CHAIRMAN

Born: 1949

Nationality: South African citizen.

Independence: Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: 10,000 class B shares.

Committee work: Member of the Audit Committee, member of the Remuneration Committee.

Tom Boardman has been a Director of the Board of Kinnevik AB since 2011 and was elected Chairman of the Board in 2016. He is also Chairman of the Board of Millicom and Non-Executive Director of Nedbank Group, Woolworths Holdings, Royal Bafokeng Holdings and African Rainbow Minerals, and was a Non-Executive Director of Vodacom Group 2009-2011. Tom held various managerial positions within the South African mining and retailing industries during 1973-1986. Between 1986 and 2002 he held managerial positions within the BoE Bank and 2003-2010 he was Chief Executive of Nedbank Group. Tom holds a B Com and CTA from University of Witwatersrand, South Africa.

Dame Amelia Fawcett

DEPUTY CHAIRMAN

Born: 1956

Nationality: US and UK citizen.

Independence: Independent of the Company and management, not independent of major shareholders.

Direct or related person ownership: 10,000 class B shares.

Committee work: Chairman of the Remuneration Committee, Chairman of the GRC Committee.

Dame Amelia Fawcett has been a Director of the Board of Kinnevik since 2011 and was appointed Deputy Chairman in 2013. She is also Chairman of the Standards Board for Alternative Investments, a Board Director of State Street Corporation in Boston, USA and Chairman of its Risk Committee, and a member of the Board of the UK Treasury. Dame Amelia is Deputy Chairman and a Governor of the London Business School, Chairman of The Prince of Wales's Charitable Foundation and a Trustee of Project Hope UK. She held managerial positions within Morgan Stanley during 1987-2006 and was Vice Chairman and Chief Operating Officer of its European operations during 2002-2006. She was a Board Director of the Guardian Media Group during 2007-2013, and Chairman during 2009-2013. In 2010 she was awarded a DBE (Dame Commander of the British Empire) by HM Queen Elizabeth II for services to the financial services industry. She has a Law Degree from University of Virginia, USA, and a BA in History from the Wellesley College in Massachusetts, USA.

Henrik Poulsen

DEPUTY CHAIRMAN

Born: 1967

Nationality: Danish citizen.

Independence: Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: 15,000 class B shares.

Committee work: Member of the Audit Committee.

Henrik Poulsen was elected a Director and appointed Deputy Chairman of the Board of Kinnevik AB in 2017. He is the Chief Executive Officer of Ørsted (formerly DONG Energy). Prior to joining Ørsted in 2012, Henrik was the Chief Executive Officer of Danish telecommunications company TDC between 2008 and 2012, and also spent two years at KKR & Co after seven years at Lego. Henrik graduated with BSc and MSc degrees in International Business and Finance & Accounting from Aarhus School of Business.

CONTROL ENVIRONMENT

The purpose of the Board of Directors' rules of procedure and instructions for the Chief Executive Officer and Board Committees is to ensure a distinct division of roles and responsibility that promotes the efficient management of operational and financial risks. The Board has also adopted a number of fundamental guidelines of significance to activities involving internal controls, which are described in Kinnevik's Policy and Procedure Manual and include instructions governing the financial reporting of results, authorization procedures, purchasing policies, investment policies, accounting principles, financial risk management and internal audits. The Company's management reports regularly to the Board in accordance with established procedures. In addition, the Audit Committee and the GRC Committee report on its respective work. The Company's management is responsible for the system of internal controls required for managing risks associated with ongoing operations. This includes guidelines for the employees to ensure that they understand the importance of their particular roles in efforts to maintain efficient internal control. The Company's operational and financial risks are reported each

quarter to the Board, including an analysis of their consequences and financial impact in the event of them materializing, and how and who exercises ongoing control over each risk and how these can be mitigated in part or in full.

RISK ASSESSMENT AND CONTROL ACTIVITIES

Kinnevik has implemented a model for assessing the risk of errors in accounting and the financial reporting based on COSO's framework for internal control. The most significant items and processes in which the risk of significant errors can typically arise encompass financial assets and instruments in the income statement and balance sheet, and the investment process. Kinnevik has established documented work routines and continuously evaluates how well the controls function in relation to these items and processes.

INTERNAL AUDITS

The Board of Directors evaluate the need for a separate internal audit function on a yearly basis. Kinnevik does not currently have a separate internal audit function, taking into account the size of the company's operations. Instead Kinnevik, on instructions from

BOARD OF DIRECTORS

Cynthia Gordon

BOARD DIRECTOR

Born: 1962

Nationality: UK citizen.

Independence: Not independent of the Company and management, independent of major shareholders.

Direct or related person ownership: 1,381 class B shares.

Committee work: Member of the GRC Committee.

Cynthia Gordon was elected a Director of the Board of Kinnevik AB in 2017. She is currently a member of the Board of Tele2 and was until February 2017 CEO of the Africa Division at Millicom. Prior to joining Millicom in 2015, Cynthia spent three years at MENA and Asia Pacific telecommunications company Ooredoo as Chief Commercial Officer, and also spent nine years at Orange as Vice President, Business between 2001 and 2006, and Vice President, Partnerships and Emerging Markets between 2009 and 2012. Between 2007 and 2009, Cynthia was Chief Commercial Officer at the Russian/Eastern European communications company MTS. Cynthia holds a BA Business Studies Degree.

Wilhelm Klingspor

BOARD DIRECTOR

Born: 1962

Nationality: Swedish citizen.

Independence: Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: 1,315,474 class A shares and 780,071 class B shares.

Committee work: -

Wilhelm Klingspor has been a Director of the Board of Kinnevik AB since 2004 and was Director of Industriförvaltnings AB Kinnevik 1999-2004. He also served as Director of the Board of Billerud-Korsnäs 2012-2014 (Director of Korsnäs 2003-2012). Wilhelm is CEO of Hellekis Säteri. He graduated as a Forest Engineer from the Swedish University of Agricultural Sciences in Skinnskatteberg.

Lothar Lanz

BOARD DIRECTOR

Born: 1948

Nationality: German citizen.

Independence: Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: -

Committee work: -

Lothar Lanz has been a Director of the Board of Kinnevik AB since 2016. He was also elected Chairman of the Supervisory Board of Zalando in 2016, where he has been a Supervisory Board Member and Chairman of the Audit Committee since 2014. He is also Chairman of the Supervisory Board of Home24, and a Supervisory Board Member of Axel Springer, TAG Immobilien and Dermapharm. Lothar was Chief Financial and Operating Officer at Axel Springer 2009-2014, after having spent 12 years at ProSiebenSat.1 Media as Chief Financial Officer. Lothar graduated with a Master of Commerce after studies in Business Administration in Stuttgart and Berlin.

Erik Mitteregger

BOARD DIRECTOR

Born: 1960

Nationality: Swedish citizen.

Independence: Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: 35,000 class A shares and 165,000 class B shares.

Committee work: Member of the Audit Committee, member of the Remuneration Committee.

Erik Mitteregger has been a Director of the Board of Kinnevik AB since 2004. He is also Chairman of the Board of Firefly, Fasadglas Bäcklin, MatHem and Wise Group. Erik was Founding Partner and Fund Manager at Brummer & Partners Kapitalförvaltning 1995-2002. In 1989-1995 he was Head of Equity Research and member of the Management Board at Alfred Berg Fondkommission. Erik holds a B.Sc. in Economics and Business Administration from Stockholm School of Economics.

the Audit Committee, engages independent internal auditors to follow up and evaluate work relating to inter alia risk management and internal control. The internal auditors continuously report the results of their examination in the form of written reports to the Audit Committee. During 2017, an internal audit of Kinnevik's valuation of unlisted assets, code of conduct, and policies and procedures was performed, with satisfactory results.

INFORMATION AND COMMUNICATION

Kinnevik's Policy and Procedure Manual and other guidelines of importance to financial reporting are updated at least once annually. Both formal and informal information channels to the Company's management and Board of Directors are available for internal communication. For external communication, guidelines have been

compiled in an Information Policy ensuring the Company complies with the meticulous demands for timely and accurate information to market participants and other various constituencies, such as shareholders, Board members, employees and customers.

FOLLOW-UP

The Board of Directors continuously evaluates the information provided by management, the Audit Committee and the GRC Committee. The work to monitor the efficiency of management's efforts in this area is of particular importance to the follow-up of internal controls. This work includes ensuring that action is taken concerning those shortcomings and proposed measures that result from external and internal audits.

BOARD OF DIRECTORS & CEO

Mario Queiroz

BOARD DIRECTOR

Born: 1966

Nationality: Brazilian and US citizen.

Independence: Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: -

Committee work: -

Mario Queiroz has been a Director of the Board of Kinnevik AB since 2016. He is Vice President of Product Management at Google for consumer hardware, including smartphones, Chromecast, Google Home, VR, and others. Previously at Google, Mario led Android product management, product internationalization, and the build out of Google R&D centres outside of the United States. Prior to joining Google in 2005, Mario held a number of positions at Hewlett-Packard, including Vice President of Operations and Senior Director of Global eCommerce. Mario also served as non-executive director of Metro International 2008-2013. Mario holds BSc and MSc degrees in Electrical Engineering from Stanford University.

John Shakeshaft

BOARD DIRECTOR

Born: 1954

Nationality: UK citizen.

Independence: Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: 3,200 class B shares.

Committee work: Chairman of the Audit Committee, member of the GRC Committee.

John Shakeshaft has been a Director of the Board of Kinnevik AB since 2014. He is also Deputy Chairman of the Council of Cambridge University, Chairman of Valiance Funds, Investment Director of Cornerstone Investment Managers and a trustee of the Institute of Historical Research, the London Symphony Orchestra and Trinity College, Cambridge. John served as Director of the Board of Tele2 2003-2014. He has 28 years of global financial services expertise and held leadership positions at ABN Amro (2004-2006), Lazard LLP (2000-2002) and Barings (1994-2000). John previously served in HM Diplomatic Service and holds a master's degree from Cambridge University.

Cristina Stenbeck

BOARD DIRECTOR

Born: 1977

Nationality: Swedish citizen.

Independence: Independent of the Company and management, not independent of major shareholders.

Direct or related person ownership: 2,200 class B shares. Cristina Stenbeck owns 25.9% of the shares of Verdere S.à r.l. directly, with CMS Sapere Aude Trust reg., a trust of which Cristina Stenbeck is beneficiary, owning an additional 44.5% of the share capital. Verdere S.à r.l. owns 28.3 million Class A shares, corresponding to 43.8% of the votes and 10.3% of the capital in Kinnevik.

Committee work: -

Cristina was elected Vice Chairman of the Board in 2003 and was the Chairman of the Board during 2007-2016. She currently serves as a non-executive on both the Board of one of Kinnevik's private investee companies, Babylon Health, as well as the Board of Kinnevik. She also serves on the Board of Spotify. Cristina has held Board positions in a number of Kinnevik's investee companies within e-commerce, financial services and communications, including Zalando, Invik & Co., Millicom, Tele2 and MTG. Cristina graduated with a B.Sc. from Georgetown University in Washington DC, USA.

Georgi Ganev

CEO

Born: 1976

Nationality: Swedish citizen.

Direct or related person ownership: 75,000 class B shares and 200,000 call options on class B shares, issued by Verdere S.à r.l.

Committee work: -

Georgi Ganev has been CEO of Kinnevik since 2018. He is a board member of Tele2 since 2016 and was CEO of Dustin 2012-2017. Prior to Dustin, Georgi was CMO at Telenor Sweden AB between 2010-2012, CEO of Bredbandsbolaget AB 2007-2010 and Sales & Marketing Director and Product Manager at Tele2 2002-2007. Georgi holds a MSc in Engineering in Information Technology from Uppsala University.

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

TO THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF KINNEVIK AB (PUBL), CORPORATE IDENTITY
NUMBER 556047-9742

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2017 included in the printed version of this document on pages 23-27 ensuring that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 28 March 2018

Deloitte AB

Jan Berntsson

Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.