



K I N N E V I K

INFORMATION TO THE SHAREHOLDERS



INFORMATION TO THE SHAREHOLDERS OF KINNEVIK AB (PUBL) CONCERNING THE PROPOSAL FOR A SHARE SPLIT AND AUTOMATIC SHARE REDEMPTION PROCEDURE

24 JULY 2020



This information brochure contains information to the shareholders of Kinnevik AB (publ) ("Kinnevik") on the Board's proposal regarding an extraordinary cash value transfer through an automatic share split and redemption procedure (the "Share Redemption Plan").

The Share Redemption Plan is subject to the approval of the Extraordinary General Meeting to be held on Wednesday 19 August 2020 (the "EGM"). The Board's complete proposal which includes resolutions on (i) a share split, (ii) a reduction of the share capital, and (iii) the restoring of the share capital through a bonus issue, as well as amendments of the Articles of Association necessary to facilitate the Share Redemption Plan, are included in the notice document for the EGM which was disclosed by a press release on 13 July 2020. The notice document is incorporated by reference herein and is available on Kinnevik's website www.kinnevik.com under the heading "General Meetings" (which can be found under the section "Governance") and will be sent to shareholders upon request. Please refer to the notice document under the heading "Documentation" (which can be found under the section "Information on giving notice, available documentation, and shareholders' right to request information at the EGM" on page 2 in the notice document) for information on how you may have the notice and this information brochure sent to you. Kinnevik's 2019 annual report is incorporated by reference herein and is available on Kinnevik's website www.kinnevik.com under the heading "Reports and presentations" (which can be found under the section "Investors"), and will be sent to shareholders upon request using the same procedure.

In light of the outbreak of the corona virus that causes COVID-19 and for the safety of all shareholders, Kinnevik strongly encourages shareholders to vote by post before the EGM. The form for postal voting and a link to digital postal voting can be found on Kinnevik's website at www.kinnevik.com under the heading "General Meetings" (which can be found under the section "Governance").

If the Share Redemption Plan is approved by the EGM, no action will be required from you as a shareholder in Kinnevik in order to receive the value transfer. You will also be able to trade in the redemption shares during a limited period of time on Nasdaq Stockholm, but such trading is optional.

INFORMATION TO SHAREHOLDERS

Brief description of the Share Redemption Plan

Kinnevik's Board has convened the EGM to resolve on the Share Redemption Plan.

Under the proposed Share Redemption Plan, each ordinary share in Kinnevik will be split into two shares, one (1) which will be a redemption share and one (1) which will be identical to the current ordinary share that was split, i.e. an ordinary share of Class A or Class B as applicable. In the shareholders' securities accounts, the redemption shares will be referred to as KINV ILA (Class A redemption shares) and KINV IL B (Class B redemption shares).

Redemption shares of Class A and Class B will be traded on Nasdaq Stockholm during 27 August-10 September 2020. However, trading in the redemption shares during this period is optional. **It should be noted that for shareholders outside Sweden, no Swedish withholding tax is normally imposed if the redemption shares are sold on Nasdaq Stockholm.**

Thereafter, all redemption shares will automatically be redeemed by Kinnevik (i.e. no action will be required from you as a shareholder in Kinnevik in order to receive the redemption amount), and on or around 17 September 2020 the holders of redemption shares of Class A and Class B will receive a redemption amount of SEK 7.00 per such redemption share.

Kinnevik shareholders whose shares are registered with a nominee (for example a bank or other securities company) will receive redemption shares and the redemption amount in accordance with each nominee's routines.

Share information

ISIN code for the redemption shares:
 Class A SE0014684536
 Class B SE0014684544

Ticker for the redemption shares:
 Class A KINV IL A
 Class B KINV IL B

New ISIN code for the ordinary shares (as of 25 August 2020):
 Class A SE0014684510
 Class B SE0014684528

KEY DATES

19 Aug

The EGM to resolve on the proposed Share Redemption Plan

24 Aug

Last day of trading in the Kinnevik share before share split including the right to receive redemption shares

26 Aug

Record date for share split and receipt of redemption shares

27 Aug - 10 Sep

Trading in redemption shares on Nasdaq Stockholm

17 Sep (on or around)

Payment of the redemption amount

2021 (in the tax return for the income year 2020)

Declaration of sale or redemption of redemption shares for calendar year taxpayers (if applicable)

The Share Redemption Plan requires the following resolutions by the EGM:

- Split of each Kinnevik share into two shares (share split 2:1), whereof one (1) share will be a redemption share.
- Reduction of the share capital through redemption of the redemption shares.
- Increase of the share capital through a bonus issue.
- Amendments of the Articles of Association to adjust the number of shares to the Share Redemption Plan.

Redemption shares of Class A or Class B held in treasury as well as redemption shares of Class C, D, E, F and G will be redeemed by Kinnevik, however no redemption amount will be distributed to the holders of such redemption shares, instead an amount corresponding to the quota value of such shares will be transferred to Kinnevik's non-restricted equity.

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BACKGROUND AND REASONS

Kinnevik has, as announced on 15 June 2020, made a successful divestment of 11.25 million shares in Zalando, corresponding to 17.2 percent of Kinnevik's shareholding in Zalando prior to the transaction. Kinnevik's gross proceeds from the transaction amounted to EUR 645m. Further to the transaction, and in line with Kinnevik's shareholder remuneration policy to return excess capital generated by its investments to shareholders through extra dividends, shareholders of Kinnevik will receive an extraordinary cash value transfer of SEK 7.00 per ordinary share through the Share Redemption Plan during September 2020. The Share Redemption Plan is subject to the approval of the EGM to be held on Wednesday 19 August 2020.

The Board has proposed that the EGM resolves on the Share Redemption Plan, where each existing share is split into two shares (share split 2:1), one (1) of which will automatically be redeemed against a redemption amount of SEK 7.00. To achieve a quick and efficient Share Redemption Plan, the Board has further proposed that Kinnevik's share capital is restored to its current amount by means of a bonus issue. This means that Kinnevik's shareholders, in September 2020, will receive an extraordinary value transfer of SEK 7.00 per ordinary share.

FINANCIAL EFFECTS OF THE SHARE REDEMPTION PLAN

Should the EGM resolve on the Share Redemption Plan, approximately SEK 1,930m will be distributed to the shareholders of Kinnevik.

Financial effects on Kinnevik:

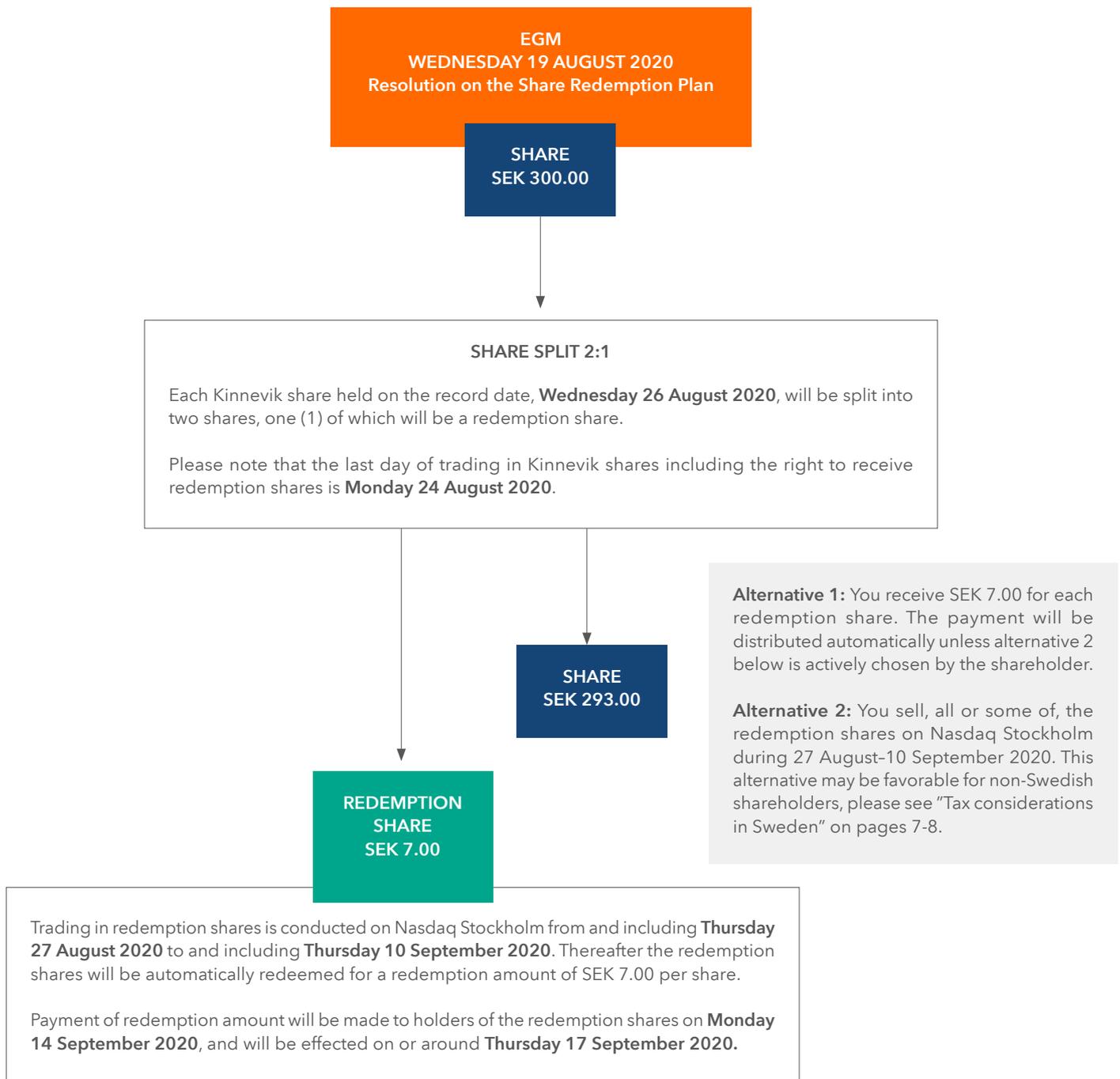
- The parent company's shareholders' equity will be reduced by approximately SEK 1,930m; and
- Net cash, that is the difference between liquid assets and interest-bearing debt, will decrease by approximately SEK 1,930m

Changes in shareholders' equity and number of shares in Kinnevik, per 30 June 2020

	Before the transaction	After share split 2:1	Effect of redemption	Effect of bonus issue	After the transaction
Shareholders' Equity (SEKm)	54,245	54,245	- 1,930	-	52,317
Share Capital (SEKm)	27.8	27.8	- 13.9	13.9	27.8
Shares Issued	278,121,044	556,242,088	- 278,121,044	-	278,121,044
of which Class A	33,755,432	67,510,864	- 33,755,432	-	33,755,432
of which Class B	241,911,206	483,822,412	- 241,911,206	-	241,911,206
of which Classes C-G	2,454,406	4,908,812	- 2,454,406	-	2,454,406

THE SHARE REDEMPTION PLAN STEP BY STEP

This example is based on an assumed share price of SEK 300.00 and does not take into account potential tax effects that could arise in connection with the Share Redemption Plan. The effect on the price of the Kinnevik share following the share split is only theoretical. The actual value and share price should be expected to deviate from the example.



TIMETABLE FOR THE SHARE REDEMPTION PLAN

DATE 2020	ACTION	PLEASE NOTE THAT
19 August	Kinnevik EGM Resolution on the Share Redemption Plan, including resolutions on share split and redemption of shares	Shareholders must on 13 August 2020 be registered to vote and have notified Kinnevik of their intention to participate at the EGM For more information on your participation and postal voting, please see the notice which is available at www.kinnevik.com , under the heading "General Meetings" (which can be found under the section "Governance")
24 August	Last day of trading in Kinnevik shares before share split including the right to receive redemption shares	The last day to buy Kinnevik shares including the right to participate in the Share Redemption Plan
25 August	First day of trading in Kinnevik shares following the share split excluding the right to receive redemption shares	From and including this day, Kinnevik shares are expected to be traded under new ISIN codes; SE0014684510 for Class A shares and SE0014684528 for Class B shares
26 August	Record date for share split and receipt of redemption shares	All shareholders that hold Kinnevik shares on this day, will have their shares split into two shares, one (1) of which will be a redemption share
27 August	First day of trading in redemption shares	The redemption shares are booked into the shareholders' securities accounts and listed on Nasdaq Stockholm, under ticker KINV IL A and ISIN code SE0014684536 and under ticker KINV IL B and ISIN code SE0014684544, respectively Nominee registered shareholdings will be processed in accordance with each nominee's routines
10 September	Last day of trading in redemption shares	Last day for buying and selling redemption shares on Nasdaq Stockholm
14 September	Record date for receiving the redemption amount	Shareholders holding redemption shares of Class A and Class B on this day will be entitled to receive the redemption amount
On or around 17 September	Payment of redemption amount	The redemption amount will be distributed via Euroclear to the yield account linked to the securities account of shareholders directly registered with Euroclear Nominee registered shareholdings will be processed in accordance with each nominee's routines
2021 (in the tax return for the income year 2020)	Declaration of redemption or sale of redemption shares	Please see "Tax considerations in Sweden" on pages 7-8

TAX CONSIDERATIONS IN SWEDEN

Below is a summary of certain Swedish tax regulations relevant to the Share Redemption Plan

TAX CONSIDERATIONS FOR SHAREHOLDERS IN SWEDEN

Receipt of redemption shares and allocation of acquisition cost

The receipt of redemption shares in connection with a share split does not as such give rise to any taxation. Instead, the acquisition cost of the original Kinnevik Class A and B shares will be allocated between the redemption shares and the ordinary shares after the redemption. The allocation will be carried out based on the market value of the redemption shares and the ordinary shares, respectively, at the time of the share split and the separation of the redemption shares from the original shares. Kinnevik will seek recommendations from the Swedish Tax Agency on how this allocation should be made. The Swedish Tax Agency's recommendations will then be published on Kinnevik's website (www.kinnevik.com) and the Swedish Tax Agency's website (www.skatteverket.se).

Redemption and sale of redemption shares

Redemption and sale of redemptions shares (e.g. through a sale in the market) will give rise to capital gains taxation. The capital gain or capital loss is calculated as the difference between the received payment (net of any sales costs) and the acquisition cost. The received payment for redemption shares consists of the redemption amount. For redemption shares sold in the market, the payment received is the sales price.

Calculation of the acquisition cost

The tax basis for redemption shares that are received through the share split is calculated by allocating the acquisition cost as described above under the heading "Receipt of redemption shares and allocation of acquisition cost". Please also refer to the example on the following page. The tax basis of shares acquired in the market is the actual acquisition cost for the shares. The tax basis of all shares "of the same series and type" are added together and calculated collectively in accordance with the "average cost method". It should be noted that redemption shares of Class A and B are not considered to be of the same class and type as the original Kinnevik Class A and B shares.

For listed shares, the tax basis may alternatively be determined

in accordance with a notional method (Sw. *schablonmetoden*) to 20 percent of the redemption consideration/sales price after deduction of sales costs. The taxpayer may choose which method to apply when determining acquisition cost.

Capital gains taxation for individuals

For individuals, capital gains are taxed in the capital income category. The tax rate is 30 percent. A capital loss on listed shares is fully deductible against taxable capital gains in the same year on shares and other securities that are taxed as shares, save for units in Swedish investment funds that only contain Swedish receivables (Sw. *räntefonder*). Any excess losses are 70 percent deductible against other income from capital. The deduction should be made in a certain order depending on what the loss relates to. If an overall capital deficit arises, a reduction from tax on income from employment and business operations as well as real estate tax and municipal property charges is granted. A tax reduction of 30 percent is allowed for deficits not exceeding SEK 100,000 and 21 percent for any remaining deficit. Deficits in the capital income category may not be carried forward to future tax years.

Capital gains taxation for limited liability companies

For limited liability companies, capital gains are taxed at a tax rate of 21.4 percent (note that special rules apply to shares covered by the participation exemption regime). The capital gains calculation is the same as described for individuals (please see above). Deductible capital losses on shares and other securities that are taxed as shares may normally be offset only against taxable capital gains on shares and other securities that are taxed as shares. Capital losses may be offset against capital gains within a certain corporate group if group contributions are permitted among the companies and both companies request it for a fiscal year with coinciding corporate income tax filing dates. Capital losses that cannot be utilized during a certain year may be carried forward and be utilized against capital gains on shares and other securities that are taxed as shares in subsequent fiscal years, without limitation in time.

This summary is based on Swedish tax regulations and practice currently in force for Swedish shareholders and is intended as general information only. The summary is not exhaustive and does not cover situations where securities are covered by the participation exemption regime or held as current assets in business operations or are held by partnerships. Nor does the summary cover the special rules that may apply to holdings in closely held companies or shares that have been acquired by means of shares in closely held companies, or shares held through a capital insurance (Sw. *kapitalförsäkring*) or investment savings account (Sw. *investeringssparkonto*). Specific rules may also apply to certain categories of shareholders.

Example

Assume that you hold 100 Kinnevik Class B shares as follows:

- you have an average acquisition cost of SEK 100 per share prior to the share split
- the lowest trading price for Kinnevik's Class B share at the last day of trading before the share split is SEK 300
- the lowest trading price at the first day of trading in the redemption share is SEK 7

You receive 100 redemption shares in Kinnevik. The Swedish Tax Agency has in its recommendations determined that 2 percent of the acquisition cost should be allocated to the redemption share and the remainder to the original share. The acquisition cost per redemption share will then be SEK 2 and SEK 98 per original share.

Upon redemption or sale of the 100 redemption shares, the capital gain would be SEK 500 (SEK 7 * 100) - (SEK 2 * 100) to be taxed at a rate of 30 percent.

CERTAIN TAX CONSIDERATIONS FOR SHAREHOLDERS OUTSIDE SWEDEN

For shareholders who are not tax residents in Sweden, the redemption of shares is treated as a dividend, which means that Swedish withholding tax is imposed on the received redemption amount. The withholding tax rate is 30 percent but may be reduced under tax treaties that Sweden has concluded with other countries. Swedish withholding tax is imposed regardless of whether redemption shares have been received through the share split or have been acquired in the market.

Withholding tax referable to the shareholder's acquisition cost for the shares or, provided that the shares are listed, 20 percent of the redemption amount if the taxpayer has opted to apply notional method (Sw. *schablonmetoden*), may be reclaimed if a refund request is filed with the Swedish Tax Agency. The

acquisition cost is usually allocated as described on the previous page under the heading "Receipt of redemption shares and allocation of acquisition cost". A refund request must be made in writing and be submitted to the Swedish Tax Agency before the end of the fifth calendar year following the redemption (Sw. *utdelningstillfället*).

The withholding tax is normally deducted by Euroclear or, in the case of nominee registered shares, by the nominee. All received redemption shares will be withheld, and subsequently released to the shareholders upon the relevant shareholder paying the withholding tax in cash.

Shareholders with limited tax liability in Sweden who are not carrying on business operations from a permanent establishment in Sweden are generally exempted from capital gains taxation in Sweden on disposal of shares. However, shareholders may be liable for capital gains tax in their country of residence. Sweden may, under a specific rule, tax individual shareholders with limited tax liability in Sweden on the sale of Swedish shares, in case the individual has been resident or lived permanently in Sweden at any time during the calendar year in which the shares are sold, or the ten calendar years immediately preceding the sale. The applicability of this rule is in several cases limited by applicable tax treaties that Sweden has concluded with other countries.

Note that no withholding tax is levied if redemption shares are sold in the market. Such a sale would however typically trigger capital gains taxation on a potential capital gain in the jurisdiction where the shareholder is tax resident.

The tax implications for each shareholder will depend on the shareholder's specific circumstances, including tax residency. Each shareholder should consult a tax advisor for information on the specific tax consequences arising in relation to the Share Redemption Plan, including in respect of potential tax treaty protection and foreign tax effects.

U.S. TRADING RESTRICTIONS

Shareholders are advised that the redemption shares of Class A and Class B distributed in connection with the share split have not been and will not be registered with the U.S. Securities and Exchange Commission ("SEC") under the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "US Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States. The redemption shares may not be offered, sold, resold, delivered, pledged or otherwise transferred in the United States except (i) to a person that the holder or any

person acting on its behalf reasonably believes is a qualified institutional buyer within the meaning of Rule 144A under the US Securities Act purchasing for its own account or for the account of another qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the US Securities Act, or (iii) pursuant to another available exemption from the registration requirements of the US Securities Act and, in each case, in accordance with applicable law.

QUESTIONS & ANSWERS

Concerning the share redemption plan

GENERAL

What are the consequences of the Share Redemption Plan for me as a shareholder?

If the EGM resolves on the Share Redemption Plan, in accordance with the Board's proposals, each ordinary share will be split into two shares, one (1) of which will be a redemption share that will be automatically redeemed by Kinnevik for a redemption amount of SEK 7.00 per such redemption share.

If you are a calendar year taxpayer, the Share Redemption Plan may result in an obligation for you to declare the sale or redemption of redemption shares in the tax return for the income year 2020 (i.e. in 2021). Please note that if your fiscal year is not the calendar year, the obligation to declare the sale or redemption may arise at a different time.

Do I need to do anything to participate in the Share Redemption Plan?

If the EGM resolves on the Share Redemption Plan, in accordance with the Board's proposals, participation in the Share Redemption Plan will be fully automatic and requires no action from you as a shareholder. If you take no action you will automatically receive SEK 7.00 per redemption share when the redemption shares are redeemed.

For persons with limited tax liability in Sweden, please also see the section "Tax considerations in Sweden" above regarding withholding tax.

When will I receive the redemption shares?

The redemption shares will be booked into your securities account on 27 August 2020. The shareholders will receive a VP notice as confirmation of the number of redemption shares received. On the shareholders' securities accounts, the Class A redemption shares will be referred to as KINV IL A and the Class B redemption shares will be referred to as KINV IL B.

When will the redemption amount be distributed?

The record date for the redemption is 14 September 2020. On or around 17 September 2020, all redemption shares will automatically be redeemed for a redemption amount of SEK 7.00 per redemption share. The redemption amount will be distributed to the yield account linked to your securities account. In connection with the redemption, the redemption shares will be removed from the respective shareholders' securities account. No VP notice will be issued in connection with the de-registration of redemption shares.

Shareholders that want to receive payment earlier may choose to sell all or some of their redemption shares on Nasdaq Stockholm during 27 August-10 September 2020, at the prevailing market price.

What if I have nominee registered shares?

Nominee registered (Sw. *förvaltarregistrerade*) shareholdings will be processed in accordance with each nominee's routines.

Why does Kinnevik propose the Share Redemption Plan?

Kinnevik has, as announced on 15 June 2020, made a successful divestment of 11.25 million shares in Zalando. In line with Kinnevik's shareholder remuneration policy to return excess capital generated by its investments to shareholders through extra dividends, the Board has therefore resolved to recommend the EGM to resolve upon an extraordinary cash value transfer of SEK 7.00 per share, equivalent to approximately SEK 1,930m in total, by way of the Share Redemption Plan.

As regards structure, redemption of shares is an extra measure and may, from a taxation point of view, be more beneficial to certain shareholders compared to a cash dividend.

What are the majority requirements for the EGM's resolutions?

The resolutions in the Share Redemption Plan must be supported by shareholders holding at least two-thirds of the votes cast and the shares represented at the EGM.

What are my options in connection with the Share Redemption Plan?

You can choose either to:

- do nothing, you will then automatically receive SEK 7.00 per share for your redemption shares when these are redeemed, or
- sell all or some of your redemption shares on Nasdaq Stockholm during 27 August-10 September 2020.

How and when will the Kinnevik share price be affected by the Share Redemption Plan?

Theoretically, the price of the Kinnevik share should decrease by the redemption amount of the redemption share, i.e. with SEK 7.00 per share. This share price change should occur one trading day prior to the record date for the share split, i.e. on 25 August 2020.

U.S. TRADING RESTRICTIONS

What do the U.S. trading restrictions mean?

The redemption shares that Kinnevik's shareholders receive in the Share Redemption Plan have not been and will not be registered under the US Securities Act (as defined above) and accordingly may not be offered or sold within the United States except pursuant to certain transactions exempt from the registration requirements of the US Securities Act (which are described under the section "U.S. trading restrictions").

Please note that U.S. trading restrictions do not apply to the sale, transfer, etc. on Nasdaq Stockholm of the redemption shares you receive following the share split.

TAX

What are the tax consequences for me as a Swedish shareholder upon redemption of the redemption shares?

If you are a tax resident in Sweden, you must report the redemption of the redemption shares. A capital gain or capital loss is calculated based on the value of the redemption amount you are entitled to, which means that a shareholder may deduct part of the acquisition cost of the original share from the redemption amount, see "Tax considerations in Sweden" on pages 7-8.

If you represent a legal person that is a Kinnevik shareholder, or a shareholder non-resident in Sweden, you should contact a tax advisor for information on the specific tax consequences triggered by the Share Redemption Plan.

What are the tax consequences for me as a Swedish shareholder upon a disposal of redemption shares?

The tax consequences are the same as for redemption of shares. Please see the answer to the previous question.

What are the tax consequences if I hold my shares through an ISK?

The Share Redemption Plan should typically not result in any immediate taxation as ISK holdings are subject to notional taxation.

What are the tax consequences for me as a non-Swedish shareholder upon redemption of redemption shares?

If you are not a tax resident in Sweden and you participate in the Share Redemption Plan and your shares are redeemed, you are normally subject to Swedish withholding tax, please see "Tax considerations in Sweden" on pages 7-8. Withholding tax will be levied on an amount equal to the redemption amount distributed to the shareholders.

What are the tax consequences for me as a non-Swedish shareholder upon a sale of the redemption shares?

No Swedish withholding tax is imposed if the redemption shares are sold on Nasdaq Stockholm, please see "Tax considerations in Sweden" on pages 7-8.

Are there advantages of selling or keeping the redemption shares?

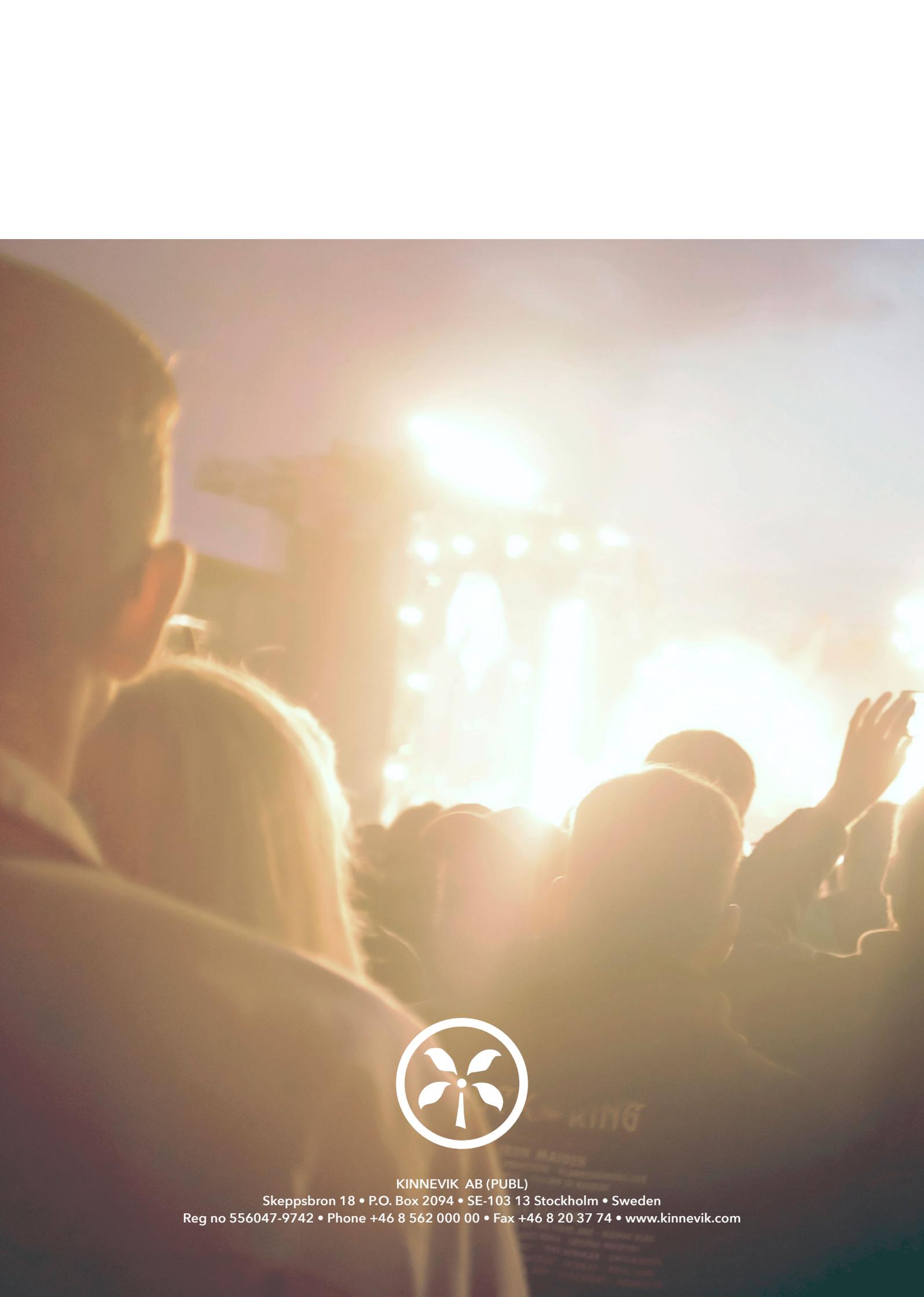
If you are not a tax resident in Sweden there may be tax related advantages in selling your redemption shares. Please see "Tax considerations in Sweden" on pages 7-8.

This information brochure does not constitute an offer to acquire or sell shares, but contains information to the shareholders of Kinnevik on the Board's proposal regarding an extraordinary cash value transfer through a Share Redemption Plan. The purpose of this document is to provide the shareholders in Kinnevik with information before the EGM, which is proposed to resolve on the Share Redemption Plan. This document is not a prospectus under Regulation (EU) 2017/1129 or any other laws or regulations.

Please note that the time table for the Share Redemption Plan, and all dates in relation thereto, stated in this information brochure are indicative and based on an expected record date for the share split (26 August 2020) which, among other things, is dependent on timely processing and registration of the share split and the amendments of the Articles of Association, as well as the timely processing in Euroclear's account based system. The figures reported in the information brochure have been rounded as appropriate. This implies that some tables and examples may not sum up correctly.

This information brochure is not intended for shareholders whose participation in the Share Redemption Plan requires additional information or the implementation of registration measures or other measures beyond those required by Swedish law. This document may not be distributed to countries requiring additional information or measures pursuant to the preceding sentence or to countries in which distribution would conflict with applicable laws or regulations. It is the responsibility of each individual to observe the restrictions according to non-Swedish law. The Kinnevik Class A and Class B redemption shares to be distributed following the share split have not been and will not be registered with the SEC under the US Securities Act or any U.S. state securities laws. Neither the SEC nor any U.S. state securities commission has approved or disapproved the redemption shares or passed comment or opinion on the accuracy of this document or any document referred to herein.

This document is a translation of the Swedish version. In the event of any discrepancies between this translation and the Swedish original, the Swedish original shall prevail.



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