



K I N N E V I K

YEAR-END RELEASE 2016

5 YEAR TSR
16%

NAV 31 DECEMBER 2016
SEK 72.4BN

1 YEAR TSR
-6%

OPERATING COMPANIES' PERFORMANCE

- **Zalando** had preliminary fourth quarter revenue growth of 25-26% and an EBIT margin of 7.5-9.5%. For the full year, Zalando delivered preliminary revenue growth of 23% and an EBIT margin of 5.6-6.2%, in line with guidance
- **Millicom's** largest market Latin America reported cable and mobile data revenue growth of 6% and 17% respectively during the fourth quarter, and the adjusted EBITDA margin amounted to 36% for the group. Organic service revenues grew 1.2% for the full year 2016, with an adjusted EBITDA margin of 36%
- **Tele2** grew fourth quarter revenues by 18% and achieved an EBITDA margin of 18% for the fourth quarter and 19% for the full year. Revenue growth for the full year amounted to 5%
- **MTG** reported an organic revenue growth of 8% and an EBIT margin of 11% for the fourth quarter. For the full year, MTG had organic revenue growth of 5% and an EBIT margin of 8%

INVESTMENT MANAGEMENT ACTIVITIES

- Kinnevik made investments of SEK 971m in the fourth quarter of 2016, whereof SEK 898m in Tele2's SEK 3bn rights issue financing the acquisition of TDC Sweden. Net investments amounted to SEK 872m in the quarter
- Full-year investments of SEK 3.4bn, focused primarily on investments in existing companies. Net investments amounted to SEK 2.8bn

FINANCIAL POSITION

- Net Asset Value of SEK 72.4bn (SEK 263 per share) per 31 December 2016
 - Down SEK 2bn, or 3%, since last quarter-end, driven by a SEK 1.9bn, or 3%, decrease in the value of the listed investee companies
 - Down SEK 11bn, or 13%, for the full year 2016, whereof SEK 7.1bn was distributed to shareholders
- Net debt position of SEK 1.4bn per 31 December 2016, corresponding to 2% of portfolio value

REFINED RETURN AND LEVERAGE TARGETS

- **Attractive returns:** Kinnevik's objective is to generate a long term total return to our shareholders in excess of our cost of capital. We aim to deliver an annual total shareholder return of 12-15% over the business cycle
- **Low leverage:** Given the nature of Kinnevik's investments, our goal is to carry low leverage, not exceeding 10% of portfolio value

2016 DIVIDEND RECOMMENDATION

- Kinnevik's Board of Directors recommends an ordinary dividend of SEK 8.00 per share for 2016, an increase of 3.2% from last year's ordinary dividend (SEK 7.75 per share), equivalent to a dividend yield of 3.7%
- The Annual General Meeting will be held on 8 May 2017

SEKm	31 Dec 2016	30 Sep 2016	31 Dec 2015
Net Asset Value	72 434	74 507	83 517
Net Asset Value per share, SEK	263.29	270.82	301.10
Share price, SEK	218.90	218.20	262.00
Net cash / (net debt)	-1 367	-419	7 558

SEKm	Q4 2016	Q4 2015	FY 2016	FY 2015
Net profit/loss	-2 082	1 366	-3 459	1 207
Net profit/loss per share, SEK	-7.56	4.93	-12.55	4.35
Change in fair value of financial assets	-1 955	1 449	-4 969	-1 537
Dividends received	17	-	1 733	2 984
Dividend paid	-	-	7 084	2 011
Investments	971	33	3 399	1 562
Divestments	99	7 633	563	8 298

Comparative figures for the corresponding periods 2015 are restated due to a change to Investment Entity accounting in accordance with IFRS10, see further in Note 1.

Chief executive's review

In 2016, Kinnevik combined a high level of investment activity with a significant cash return to our shareholders. We added two new digital consumer-focused companies to our portfolio, Betterment and babylon, and invested in our existing companies to support their growth and profitability. We returned SEK 7.1bn to our shareholders through our ordinary dividend and a share redemption programme and, in addition, executed a SEK 500m share buyback programme. These actions reflect the strength of our business model. We invest to build leading digital consumer brands, whilst maintaining our financial discipline and commitment to return value to our shareholders.

KINNEVIK FOURTH QUARTER RESULTS

During the fourth quarter of 2016, Kinnevik's NAV decreased by 3% to SEK 72.4bn, or SEK 263 per share. The value of our private assets was stable and amounted to SEK 12.3bn at year-end. Our share price increased slightly and ended the quarter at SEK 219. On 9 February, Kinnevik's NAV had increased to SEK 78.2bn, or SEK 284 per share.

2016: FOCUS ON SUSTAINABLE VALUE CREATION

At Kinnevik we build companies over the long term. This requires a focus on sustainability from financial, governance and corporate responsibility perspectives. During 2016, our larger private companies implemented clear guidelines for governance, risk management, compliance and corporate responsibility. In addition, whilst firmly focused on maintaining growth, an increased emphasis on operational efficiency enabled our companies to improve profitability. The execution of our investment strategy continued in a disciplined and focused manner. 2016 involved re-allocations of capital within the existing portfolio but also net investments of almost SEK 3bn, including in particular our leading role in Global Fashion Group's financing round and our participation in Tele2's rights issue financing their acquisition of TDC Sweden.

Zalando, Kinnevik's largest asset, had a successful 2016. The company continued to strike a good balance between growth and profitability, and pushed forward with investments to develop its platform initiatives and further improve its offering. Preliminary numbers for 2016 show a 23% revenue growth for the year to EUR 3.6bn and an EBIT margin of around 6%, which is in line with their guidance. The company continued to strengthen its market presence and expressed intentions to open a satellite warehouse in Sweden during 2017 to further improve Zalando's customer proposition in its important Nordic markets.

Global Fashion Group strengthened its financial position in 2016 by raising a EUR 330m funding round and by divesting operations in India, Thailand and Vietnam. GFG achieved significant margin improvements driven by improved inventory management, meaningful efficiency gains and path-to-profit initiatives leading to fixed cost optimisation. GFG continues to focus on the roll-out of marketplace platforms in addition to securing key international brands.

Millicom's largest market Latin America grew cable revenues by 6% and mobile data revenue by 17% in the quarter, and the adjusted EBITDA margin for the group amounted to 36%. The company continued to execute on its strategy to reshape the business on two main focus areas. First, driving rapid growth in mobile data and expanding the cable

footprint to reconfigure the revenue mix towards these high growth segments as voice and SMS revenues weaken further. Second, enhancing operational efficiency in order to refocus the cost structure. Millicom's Board of Directors recommends a dividend for 2016 of USD 2.64 per share.

Tele2 reported sales growth of 18% and an EBITDA margin of 18% in the quarter, supported by increasingly strong mobile momentum driven by 4G data monetisation across the group. The acquisition of TDC Sweden was completed in October and the rights issue was finalised shortly thereafter. Tele2's Board of Directors recommends a dividend for 2016 of SEK 5.23 per share.

MTG reported a fourth quarter organic sales growth of 8% driving an operating margin of 11% further boosted by the company's strategic cost transformation program. A strong content offering, including the best of sports such as the Olympics and UEFA Champions League, as well as new original programming on Viaplay, ensured continued good performance in the Nordic Entertainment part of the business. MTG's Board of Directors recommends a dividend for 2016 of SEK 12.00 per share.

SHAREHOLDER REMUNERATION AND FINANCIAL TARGETS

In 2016, Kinnevik paid an ordinary dividend of SEK 7.75 per share and executed a share redemption programme of SEK 18 per share. Accordingly, the total shareholder remuneration during 2016 represented a record high dividend yield of 9.8% based on the closing price per 31 December 2015. Kinnevik also executed a SEK 500m share buyback programme.

For the fiscal year 2016, Kinnevik's Board of Directors recommends a dividend of SEK 8.00 per share, corresponding to a 3.7% dividend yield based on the closing price for 2016, to be approved by the Annual General Meeting in May.

The Board has refined Kinnevik's financial targets with respect to target returns and leverage, reflecting the current macroeconomic environment and the composition of Kinnevik's portfolio. Kinnevik's shareholder remuneration target remains unchanged.

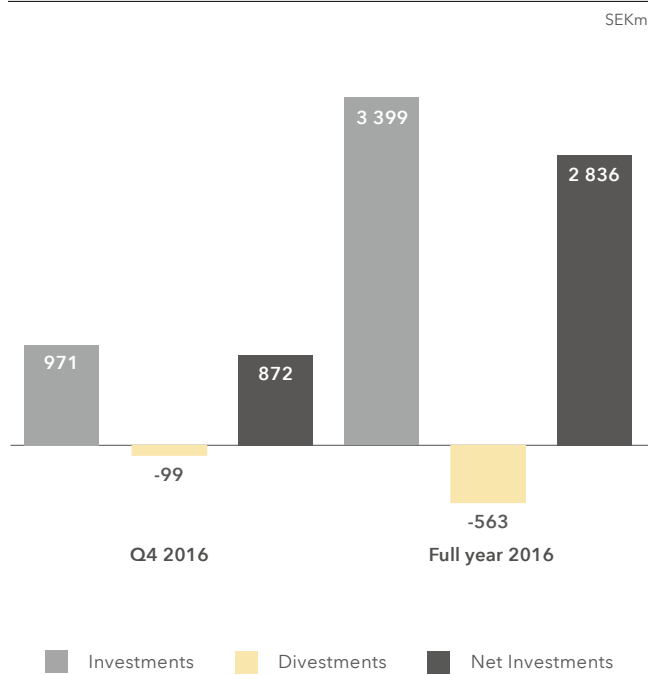
As acting CEO, and on behalf of the entire Kinnevik team, I would like to thank all of our shareholders for the support during 2016 and say that we look forward to a very interesting 2017. Kinnevik has a clear strategy and will continue to work closely with our investee companies to drive innovation and growth in order to deliver shareholder value.

Joakim Andersson
Acting Chief Executive Officer, Chief Financial Officer

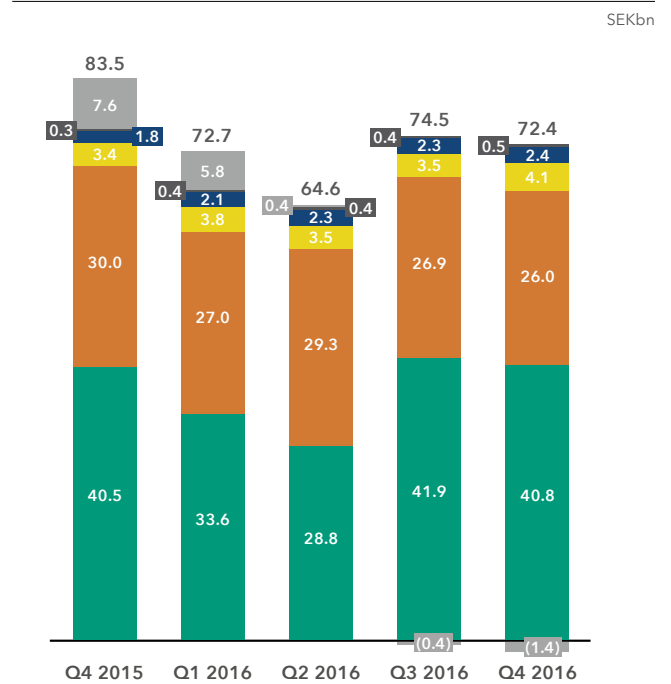
Kinnevik in summary

Kinnevik is an industry focused investment company with an entrepreneurial spirit at its heart. Our purpose is to build the digital consumer businesses that provide more and better choice. We do this by working in partnership with talented founders and management teams to create, invest in and lead fast growing businesses in developed and emerging markets. We believe in delivering both shareholder and social value by building well governed companies that contribute positively to society. Kinnevik was founded in 1936 by the Stenbeck, Klingspor and von Horn families. Kinnevik's shares are listed on Nasdaq Stockholm's list for large cap companies under the ticker codes KINV A and KINV B.

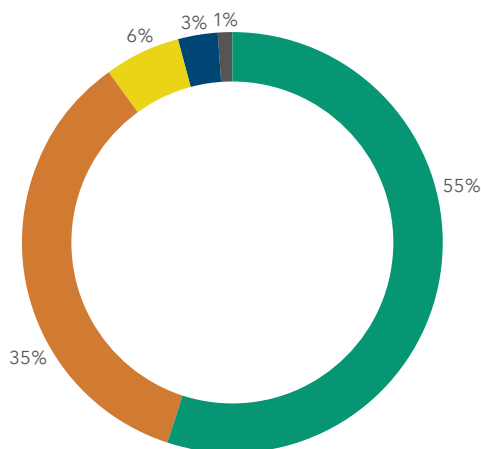
INVESTMENT ACTIVITY



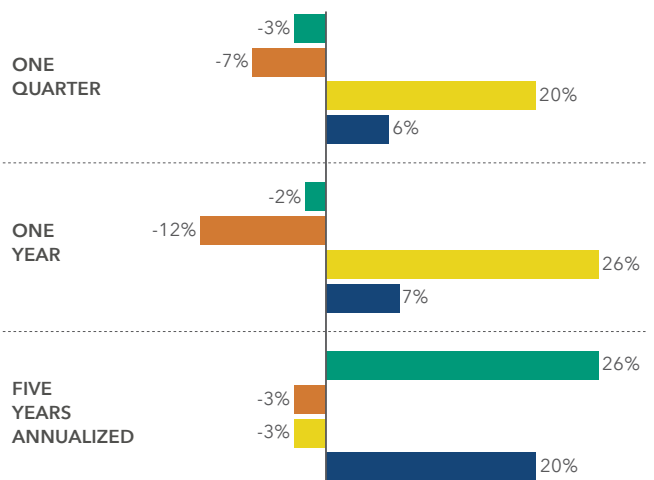
PORTFOLIO DEVELOPMENT



PORTFOLIO COMPOSITION



PORTFOLIO RETURN RATES



One and five-year returns are annualized internal rates of return (IRR). The returns are based on fair values at the beginning and end of the respective period, includes cash and non-cash items and is calculated on a SEK gross basis.



Net Asset Value

SEKm	Fair value 2016 31 Dec	Fair value 2016 30 Sep	Fair value 2015 31 Dec	Total return 2016 ¹
Zalando	27 245	27 992	25 943	5%
Global Fashion Group	5 641	5 668	4 067	2%
Rocket Internet	3 990	4 019	5 627	-29%
Qliro Group	367	507	513	-28%
Home & Living E-Commerce ²	551	582	1 250	-63%
Other E-Commerce ²	1 280	1 338	1 028	53%
Quikr	1 535	1 544	1 519	1%
Other Marketplaces ²	220	232	505	-59%
Total E-Commerce & Marketplaces	40 829	41 882	40 452	-2%
Millicom	14 790	16 856	18 479	-16%
Tele2	11 166	10 006	11 524	-5%
Total Communication	25 956	26 862	30 003	-12%
MTG	3 650	2 959	2 938	30%
Other	439	505	489	1%
Total Entertainment	4 089	3 464	3 427	26%
Bayport	1 201	1 132	1 278	-6%
Betterment	590	557	-	10%
Other ²	649	626	501	21%
Total Financial Services	2 440	2 315	1 779	7%
Other	487	403	298	15%
Portfolio Value	73 801	74 926	75 959	-4%
Net cash/debt	-1 367	-419	7 558	
<i>whereof unpaid investments/divestments</i>	-49	-131	-62	
Total Net Asset Value	72 434	74 507	83 517	-5%
Net Asset Value per share, SEK	263.29	270.82	301.10	-4%
Closing price, class B share, SEK	218.90	218.20	262.00	-6%

¹ Includes investments, divestments and dividends.

² For split see page 13.

E-Commerce & Marketplaces



Zalando is Europe's leading online fashion platform, offering clothing, shoes and accessories for women, men and children with more than 1,500 global and local brands as well as private labels. Zalando was founded in 2008, has an online presence in 15 European markets and is tailored to country-specific customer preferences.

- On 17 January, Zalando announced preliminary results for the fourth quarter 2016, growing revenues by 25-26% to EUR 1,086-1,094m
- The company expects to achieve an adjusted EBIT of EUR 81-104m in the fourth quarter, corresponding to a margin of 7.5-9.5%
- Zalando delivered on its 2016 full-year guidance, growing 22.9-23.1% and achieving an adjusted EBIT margin of 5.6-6.2% for the full year
- The company intends to open a new satellite warehouse in Sweden during 2017, further improving its customer proposition in the important Nordic markets
- Financial results for the full year 2016 will be published on 1 March 2017

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32%
KINNEVIK STAKE

SEK 27.2BN
FAIR VALUE

19.2M
ACTIVE CUSTOMERS

Key data (EURm)	Oct-Dec		Full year	
	2016	2015	2016	2015
Revenue	1 086	869	3 633	2 958
% Growth	25%	31%	23%	34%
EBIT	81	72	202	108
% Margin	8%	8%	6%	4%

EBIT adjusted for share-based compensation. Fourth quarter and full year 2016 numbers are preliminary, figures included in table represent bottom of preliminary range.

Global Fashion Group is the leading emerging markets fashion e-commerce company with operations across 24 markets with a 1.9 billion population, addressing a fashion market estimated to be worth EUR 300bn. The GFG companies, Lamoda, Dafiti, Namshi, Zalora and The Iconic, were founded in 2011 and 2012.

- GFG's operating momentum was strong in the third quarter with improving margins across all regions. Number of active customers grew by 20%, totaling 9.1 million, NMV growth amounted to 22% and net revenue growth amounted to 16% in Q3 2016
- Adjusted EBITDA margin amounted to -13%, an improvement of 15 percentage points compared to Q3 2015, driven by improved inventory management, meaningful efficiency gains and path-to-profit initiatives leading to fixed cost optimisation
- The successful closing of the EUR 330m funding round in Q3 2016 and announced divestments in India, Thailand and Vietnam substantially strengthened GFG's financial position with a pro forma cash balance of EUR 284m at the end of Q3

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35%
KINNEVIK STAKE

SEK 5.6BN
FAIR VALUE

9.1M
ACTIVE CUSTOMERS

Key data (EURm)	Jul-Sep		Jan-Sep	
	2016	2015	2016	2015
Revenue	250	197	706	558
% Growth	16%	-	29%	-
Gross profit	104	76	296	223
% Margin	41%	39%	42%	40%
EBITDA	-32	-54	-100	-175
% Margin	-13%	-27%	-14%	-31%

All figures excludes Jabong. EBITDA adjusted for share-based compensation. Growth figures in constant currencies and pro forma divested operations.



Rocket Internet is a global internet platform that incubates and develops e-commerce and other consumer-oriented online companies. Founded in 2007, Rocket Internet now has a network of companies in a large number of countries across the globe.

- Rocket Internet's larger portfolio companies continued to grow revenues and reduce losses on their path to profitability. Aggregate GMV amounted to EUR 1.9bn and net revenues to EUR 1.6bn during the first nine months of 2016, a growth of 35% and 31%, respectively
- Aggregate adjusted EBITDA margin for the larger portfolio companies amounted to -18% during the first nine months of 2016, an improvement of 17 percentage points compared to the same period 2015
- Rocket Internet and its companies continue to be well funded, with available cash of EUR 1.6bn at Rocket Internet and an additional EUR 1.1bn at the companies, as of the end of October 2016
- Full year 2016 results for Rocket Internet and larger portfolio companies will be published on 27 April 2017

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13%
KINNEVIK STAKE

SEK 4.0BN
FAIR VALUE

Qliro Group

Qliro Group was founded in 1999 and is a leading e-commerce group in the Nordic region. Qliro Group focuses its operations on three business areas: Marketplace, Fashion and Financial Services.

- Qliro Group's fourth quarter gross margin increased by 4.2 percentage points to 18.7%, primarily driven by Nelly's focus on private label and continued efforts with the assortment strategy, along with Qliro Financial Services' continued increase in earnings
- The strategic review conducted during the end of 2016 resulted in Qliro Group revising its strategic direction and adopting new long-term financial targets, with the ambition to secure and further strengthen its position as the leading Nordic player within the e-commerce segment
- As a result of the strategic review, the company has also made the decision to focus its operations on the business areas Marketplace (CDON), Fashion (Nelly, NLY Man, Members) and Financial Services (Qliro Financial Services)

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29%
KINNEVIK STAKE

SEK 367M
FAIR VALUE

3.9M
ACTIVE CUSTOMERS

Key data (SEKm)	Oct-Dec		Full year	
	2016	2015	2016	2015
Net sales	1 523	1 488	4 469	4 431
% Growth	2%	-	1%	-
Gross profit	285	216	787	679
% Margin	19%	15%	18%	15%
EBITDA	48	6	18	-28
% Margin	3%	0%	0%	-1%

Excluding items affecting comparability and discontinued operations.



Home24 is an online store for furniture and home accessories in seven core markets in Europe and Brazil. The broad range of around 100,000 products from over 800 manufacturers includes furniture, lamps, home accessories and garden equipment.

- Active customers increased by 6% and totalled 1.0 million at the end of the third quarter 2016
- Revenues amounted to EUR 54m during the third quarter, largely flat compared to the previous year, whilst profitability improved substantially from an adjusted EBITDA margin of -35% in the third quarter 2015 to -17% in the third quarter 2016, an 18 percentage points improvement
- Home24 acquired Returbo, a German e-commerce company that sells overstock and returns. The acquisition will allow Home24 to further optimise its return and recycling processes
- The company opened its first showroom in Vienna, including professional furnishing consultants that provide customers with individual tips and ideas. The offline presence enables Home24 to showcase its collections live and further extend its customer relationships

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17%
KINNEVIK STAKE

SEK 94M
FAIR VALUE

1.0M
ACTIVE CUSTOMERS

Key data (EURm)	Jul-Sep		Jan-Sep	
	2016	2015	2016	2015
Net revenue	54	55	178	172
% Growth	-1%	19%	3%	63%
Gross profit	23	20	72	64
% Margin	42%	37%	41%	37%
EBITDA	-9	-19	-35	-56
% Margin	-17%	-35%	-20%	-33%

EBITDA adjusted for share-based compensation.

WESTWING

Westwing is an international Home & Living e-commerce company offering a curated selection of home décor, interior design and furniture products. Westwing covers 14 markets across Europe, Brazil and Russia.

- Active customers increased by 7% on a yearly basis and totalled 1.0 million at the end of the third quarter 2016. GMV increased by 27% and amounted to EUR 60m in the third quarter
- Revenues increased by 23% in the third quarter to EUR 56m and the adjusted EBITDA margin improved by 14 percentage points to -11%
- Profitability continues to improve as a result of further automated processes, reduced logistics costs and focus on the most efficient marketing channels
- Over half of Westwing's revenue is now generated through mobile purchases, a result of the company's focus on creating an easy to use, inspiring customer experience

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17%
KINNEVIK STAKE

SEK 429M
FAIR VALUE

1.0M
ACTIVE CUSTOMERS

Key data (EURm)	Jul-Sep		Jan-Sep	
	2016	2015	2016	2015
Net revenue	56	45	174	154
% Growth	23%	-5%	13%	27%
Gross profit	23	20	73	65
% Margin	41%	44%	42%	42%
EBITDA	-6	-11	-16	-46
% Margin	-11%	-25%	-9%	-30%

EBITDA adjusted for share-based compensation.



Launched in 2012, Linio is an online shopping and selling destination in Spanish speaking Latin America with a presence in Argentina, Chile, Colombia, Mexico, Peru and Venezuela.

- Linio ran a successful Black Friday campaign, with improved traffic and engagement from both new and existing customers across markets
- The company's new mobile app has been very well received and has resulted in improved conversion rate and sales

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27%
KINNEVIK STAKE

SEK 292M
FAIR VALUE



Konga was founded in 2012 and is one of the largest general merchandise marketplaces in Nigeria, ranked as one of the top 15 websites in the country.

- The number of customers with more than four purchases increased by over 60% compared to the same period last year. Konga has primarily focused on improving operational efficiency during the quarter
- Konga delivered an exceptional performance on Yakata (Nigeria's Black Friday) and almost doubled GMV compared to last year

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34%
KINNEVIK STAKE

SEK 133M
FAIR VALUE



Quikr is India's number one online classifieds platform. The company launched in 2008 and serves approximately 20 million unique monthly visitors.

- Quikr's platform generated 10.3 million responses in December 2016. Responses per listing increased by 125% compared to the same period last year
- The company more than doubled its quarterly revenue year-on-year, despite a broader macro-economic slowdown in November and December following the move to demonetise high-value currency in India
- During the quarter, Quikr completed the acquisition of Grabhouse, a managed marketplace that provides standardised and branded accommodation to young professionals

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18%
KINNEVIK STAKE

SEK 1.5BN
FAIR VALUE

10.3M
DECEMBER RESPONSES



Saltside launched in 2011 and operates the top online horizontal classifieds platform in four frontier markets - Bangladesh, Sri Lanka, Ghana and Nigeria.

- Saltside's regional platforms generated 3.3 million responses in December, an increase of 27% compared to the same month last year
- The company more than doubled its quarterly revenue compared to the same period last year, largely driven by strong growth in the number of paying SMB membership packages
- Saltside's local websites continue to be able to optimise marketing costs as a result of increasing market share and organic traffic

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61%
KINNEVIK STAKE

SEK 200M
FAIR VALUE

3.3M
DECEMBER RESPONSES

Communication



Millicom is a leading international telecommunication and media company dedicated to emerging markets in Latin America and Africa since 1990. Millicom strives to lead the development of innovative and customer-centric digital lifestyle services.

- In Latin America, Millicom's largest market, cable revenue increased by 6.5% during the quarter driven by continued extension of the cable footprint to over 8.1 million homes, ahead of the full-year target, and mobile data revenue grew 17.5% supported by increased smartphone data use
- Adjusted EBITDA margin strengthened to 35.5% in the fourth quarter, supported by operational efficiencies driving lower operating costs
- On 7 February, Millicom announced the sale of its Senegal business for USD 129m, in line with the strategy to focus on the development of advanced fixed and mobile data services
- Millicom's Board of Directors recommends a dividend for 2016 of USD 2.64 per share

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38%
KINNEVIK STAKE

SEK 14.8BN
FAIR VALUE

57M
MOBILE SUBSCRIBERS

Key data (USDm)	Oct-Dec		Full year	
	2016	2015	2016	2015
Revenue	1 594	1 636	6 249	6 572
% Growth	-3%	-10%	-5%	5%
EBITDA	566	549	2 225	2 227
% Margin	36%	34%	36%	34%
EBIT	81	134	761	843
% Margin	5%	8%	12%	13%
Net profit/loss	-143	-426	-32	-559

Revenue, EBITDA and EBIT are based on full consolidation of Guatemala (55% ownership) and Honduras (66.7% ownership). EBITDA is adjusted for restructuring and integration costs and other one-off items.

TELE2

Founded in 1986, Tele2 is one of Europe's leading telecommunications operators offering mobile communication services, fixed broadband and telephony, data network services and content services in 9 countries.

- Mobile end-user service revenue grew by 6% on a like for like basis in the fourth quarter, supported by increasingly strong mobile momentum driven by 4G data monetisation across the group
- Strong fourth quarter EBITDA growth of 4% on a like for like basis, despite continued investments in the Netherlands
- The acquisition of TDC Sweden was completed on 31 October and integration is already underway with a number of key contracts retained
- Tele2's Board of Directors recommends a dividend for 2016 of SEK 5.23 per share and expects to propose a dividend for 2017 of SEK 4.00 per share

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30%
KINNEVIK STAKE

SEK 11.2BN
FAIR VALUE

15.6M
MOBILE SUBSCRIBERS

Key data (SEKm)	Oct-Dec		Full year	
	2016	2015	2016	2015
Revenue	8 217	6 943	28 292	26 856
% Growth	18%	1%	5%	3%
EBITDA	1 459	1 337	5 334	5 757
% Margin	18%	19%	19%	21%
EBIT	526	602	2 071	2 890
% Margin	6%	9%	7%	11%
Net profit/loss	-177	45	-2 164	1 268

Figures refer to continuing operations excludes one-off items. TDC Sweden is included from 31 October 2016.

Entertainment



MTG is an international digital entertainment group. Its operations began in 1986, spans six continents and include TV channels and online platforms, content production and distribution businesses, radio stations, multi-platform networks, eSports and online gaming.

- Organic sales grew by 8%, a fourth quarter sales record and a reflection of MTG’s continued investments in product development, high quality programming and improving the user experience
- EBIT was up 28% in the quarter despite currency headwinds and significant investments in content and MTG’s digital transformation. The increased profitability was driven by organic growth and the strategic cost transformation program
- MTG continued to progress its strategic portfolio realignment through the divestment of its Czech TV assets and its free-TV businesses in Africa. Proceeds are intended to be used to increase MTG’s stake in previously acquired online gaming company InnoGames
- MTG’s Board of Directors proposes a dividend for 2016 of SEK 12.00 per share

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20%
KINNEVIK STAKE

SEK 3.7BN
FAIR VALUE

1.2M
SUBSCRIBERS

Key data (SEKm)	Oct-Dec		Full year	
	2016	2015	2016	2015
Revenue	5 019	4 545	17 299	16 218
% Growth	8%	-0%	5%	1%
EBIT	554	434	1 347	1 268
% Margin	11%	10%	8%	8%
Net profit/loss	422	375	-109	251

Excludes discontinued operations. EBIT is excluding non-recurring items.

Financial Services



Bayport provides unsecured credit and other financial services to the formally employed mass market in Africa and Latin America since 2001.

- In 2016, Bayport’s core payroll customer base grew by 6.5% to 440,000, providing 10.5% loan book growth
- The new digital retail offering My Money continued its growth trajectory, surpassing 134,000 customers
- In Ghana, the company launched a tablet-based loan origination tool with automated underwriting capability for small unsecured loans (My Credit), becoming the first lender in Ghana with such capabilities

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24%
KINNEVIK STAKE

SEK 1.2BN
FAIR VALUE

440 000
CORE PAYROLL CUSTOMERS



Milvik offers, under the brand name BIMA, affordable and uniquely designed life and health insurance products via mobile phones since 2010. BIMA is active across 16 markets in Africa, Asia, Latin America and the Caribbean.

- At the end of the year, BIMA had 5.6 million active users, representing a yearly increase of 24% excluding discontinued products
- BIMA continued to establish new strategic partnerships with leading mobile operators, enabling the company to expand its footprint in new and existing markets, as well as accelerate growth

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39%
KINNEVIK STAKE

SEK 464M
FAIR VALUE

5.6M
ACTIVE USERS

 Other



Betterment is the largest independent automated investing service company in the United States. Betterment’s vertically integrated platform provides fully automated, personalized advice and access to a low-cost, globally diversified investment portfolio.

babylon launched in 2015 and is a pioneer in personal digital healthcare globally. Based in the UK, it has over 500,000 registered patients across the UK and Ireland, and a pilot in Rwanda.

- Assets under management amounted to USD 6.8bn at the end of 2016, an increase of over 100% compared to the end of 2015. Number of customers totalled 208,000, a yearly increase of over 60%
- In early February 2017, Betterment expanded the company’s platform beyond a single digital product to a multi-plan advice offering that now includes human advice through a team of CFP® (Certified Financial Planner) professionals and licensed financial experts
- Betterment for Business, the company’s 401(k) solution, has now signed on more than 300 employer plans since it was launched in the beginning of 2016

- At the end of 2016, babylon had over 500,000 registered users and thousands of interactions per day, awarding the company sector-leading user ratings
- During the fourth quarter, babylon launched a chatbot interface to check symptoms and triage patients more naturally, which has increased user engagement
- babylon also announced a partnership with NHS to power its urgent care line with babylon’s automated triage for a test group of over one million people

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9%
KINNEVIK STAKE

SEK 590M
FAIR VALUE

13%
KINNEVIK STAKE

SEK 154M
FAIR VALUE

208 000
CUSTOMERS

500 000
REGISTERED USERS

Financial review

DIVIDEND AND CAPITAL STRUCTURE

As at 31 December 2016, Kinnevik was in a SEK 1.4bn net debt position.

During 2016, Kinnevik received cash dividends from Millicom, Tele2 and MTG of SEK 1.7bn in aggregate, and paid out an ordinary cash dividend of SEK 2.1bn to its shareholders. During 2016, Kinnevik also executed a SEK 5.0bn mandatory share redemption program, and a SEK 500m share buyback program.

For the financial year 2016, the Board of Directors of Millicom, Tele2 and MTG have recommended the following dividends:

Kinnevik's part of dividend recommended to be paid from listed investee companies		Amount (SEKm)
Millicom	USD 2.64 per share	887 ¹
Tele2	SEK 5.23 per share	797
MTG	SEK 12.00 per share	162
Total ordinary dividends		1 846

Recommended cash distribution to Kinnevik's shareholders		
Ordinary dividend	SEK 8.00 per share	2 201

¹ Based on a USD/SEK exchange rate of 8.88

REFINED FINANCIAL TARGETS

Kinnevik has refined its financial targets relating to its targeted shareholder return and leverage goal. The refined financial targets are:

Attractive Returns

Kinnevik's objective is to generate a long term total return to our shareholders in excess of our cost of capital. We aim to deliver an annual total shareholder return of 12-15% over the business cycle.

Low Leverage

Given the nature of Kinnevik's investments, our goal is to carry low leverage, not exceeding 10% of portfolio value.

Increasing Shareholder Remuneration

Kinnevik aims to pay an annual dividend growing in line with dividends received from our investee companies and the cash flow generated from our investment activities.

Kinnevik will make share buybacks when our shares trade at a significant discount to their intrinsic value, as perceived by Kinnevik, and the company has significant net cash (taking into consideration its dividend expectations, net investment plan and operating cost).

INVESTMENT ACTIVITY

Investee company (SEKm)	Oct-Dec 2016	FY 2016
Tele2	898	898
Betterment	-	538
Global Fashion Group	-	1 503
Home24	-	27
Babylon	46	164
Linio	-	115
Westwing	-	58
Other	27	96
Investments	971	3 399
Lazada	-	415
Other	99	148
Divestments	99	563
Net investments	872	2 836

Kinnevik does not provide guidance in relation to its investment activities during 2017.

KINNEVIK'S ORGANISATION

On 7 December 2016, the Board of Directors announced that Lorenzo Grabau was leaving Kinnevik with immediate effect. Joakim Andersson was appointed acting CEO. A search process for a new CEO is ongoing.

On 5 December 2016, Stina Andersson, Investment Director, left Kinnevik to join Tele2 as Executive Vice President Strategy & Business Development.

VALUATION OF UNLISTED ASSETS

Investment (SEKm)	Kinnevik ownership	Net invested amount	Fair value 31 Dec 2016	Change in fair value and dividends received		Valuation method
				Oct-Dec 2016	Full year 2016	
Global Fashion Group ^{1,2,3}	35%	5 658	5 641	-27	71	Revenue multiple
<i>Home & Living</i>						
Home24 ²	17%	833	94	-30	-734	Revenue multiple
Westwing ²	17%	419	429	-	-16	Revenue multiple
Other	Mixed	52	28	-1	-41	Mixed
<i>Other E-Commerce</i>						
Lazada	4%	87	706	40	601	Latest transaction
Linio ²	27%	438	292	-67	42	Revenue multiple
Konga ³	34%	257	133	-10	7	Revenue multiple
Other ¹	Mixed	182	149	-48	-106	Mixed
<i>Marketplaces</i>						
Quikr	18%	879	1 535	-9	16	DCF
Saltside	61%	195	200	3	5	DCF
Other	Mixed	223	20	-15	-306	Mixed
Total E-Commerce & Marketplaces		9 222	9 227	-164	-461	
Metro	100%	966	327	29	34	DCF
Other	Mixed	128	112	-25	-41	Mixed
Total Entertainment		1 094	439	4	-7	
Bayport	24%	467	1 201	69	-77	Latest transaction
Betterment	9%	538	590	33	52	Latest transaction
Milvik/BIMA	39%	213	464	38	113	DCF
Other	Mixed	103	165	3	62	Mixed
Total Financial Services		1 321	2 420	143	150	
Babylon ³	13%	164	154	1	-10	Latest transaction
Other	Mixed	242	51	20	12	Mixed
Total Other		406	205	21	2	
Total Unlisted Assets		12 043	12 291	4	-316	

¹ Net invested amounts include SEK 1.0bn in share distributions received from Rocket Internet.

² Ownership not adjusted for employee stock option plans and employee equity at subsidiary level.

³ Includes investments and change in fair value of shareholder loan.

FAIR VALUES AS AT 31 DECEMBER 2016

At the end of December, the fair value of Kinnevik's unlisted assets amounted to a total of SEK 12,291m, to be compared with an accumulated invested amount (net after dividends received) of SEK 12,043m. Change in fair value and dividends received amounted to SEK 4m in the fourth quarter, as specified in the table on the previous page.

As a consequence of Kinnevik's investee companies adopting different financing structures, such as liquidation preferences, the value of Kinnevik's shareholding in an investee company may be higher or lower than implied by Kinnevik's percentage ownership stake. Liquidation preferences determine how proceeds from a liquidity event are allocated between shareholders and this allocation may become increasingly complex as a company raises several funding rounds at different valuations. An increase or decrease in the equity value of an investee company where liquidation preferences apply may result in a disproportionate increase or decrease in the fair value of Kinnevik's shareholding in that investee company.

GLOBAL FASHION GROUP

The valuation of Kinnevik's shareholding in Global Fashion Group has been based on an average multiple of 1.4x the company's latest publicly available 12 months' net revenues and net cash position as at 30 September 2016. The average multiple used in the valuation corresponds to a 38% discount to GFG's listed and profitable developed market peers. The fair value of Kinnevik's aggregate shareholding in GFG implies a EUR 1.8bn valuation for 100% of the company's fully diluted equity.

On 26 April, Kinnevik committed to invest up to EUR 200m in a minimum EUR 300m internal capital increase in GFG by way of a joint underwriting with Rocket Internet. Due to strong interest, the financing round's final size amounted to EUR 330m, and Kinnevik's final participation was scaled back to EUR 161m. After completion of the capital increase in the third quarter of 2016, Kinnevik holds 35% of the share capital in GFG.

E-COMMERCE

Revenue multiple valuations have been applied for Kinnevik's shareholdings in the e-commerce companies listed in the table on the right-hand side. The valuations have in all cases been based on the respective company's latest publicly available 12 months' net revenues and net cash positions as at 30 September 2016.

The peer group's average revenue multiple within the Home & Living category has been discounted downwards to 0.8x for Home24 and to 0.9x for Westwing when assessing the fair values of Kinnevik's shareholding.

The valuation of Kinnevik's shareholding in Lazada has been based on the valuation implied by Kinnevik's partial divestment which was completed during the second quarter. The valuation implies an equity value of USD 2.0bn.

Kinnevik's other general e-commerce investee companies, Linio and Konga, are continuing their shift from a purely inventory based business model into a marketplace model,

where third party products are sold on the companies' platforms. Revenues from this model generally consist of the fees charged third party merchants. To reflect the ongoing shift in business model in the method of valuing Kinnevik's shareholding in each company, the average trading multiples of two different peer groups have been applied in proportion to the revenue contribution of each business model. The weighted average multiple applied on the respective company's latest publicly available 12 months' net revenue is 1.7x for Linio and 2.4x for Konga (0.5x and 1.0x, respectively, in relation to net merchandise value during the same period).

Company	31 Dec * 2016	30 Sep * 2016	Adjusted multiple **
GFG	1.4	1.5	Yes
Home24	0.8	0.8	Yes
Westwing	0.9	1.0	Yes
Linio	1.7	1.9	Yes
Konga	2.4	2.5	No

* Multiple of latest publicly available 12 months historical net revenues.

** Multiple has been adjusted as per 31 December 2016 to reflect differences in factors such as profitability and growth rate. See Note 4 for further details.

MARKETPLACES

The valuation of Kinnevik's shares in Quikr has been based on a discounted cash flow analysis. The valuation implies an equity value of USD 940m.

FINANCIAL SERVICES

The valuation of Kinnevik's shares in Bayport has as in the previous quarter been based on the value implied by cash transactions made in secondary Bayport shares in February 2016 at a valuation of USD 547m. The size of the transactions, approximately 5% of the company's diluted share capital at that point in time, is considered sufficiently large to be applied to Kinnevik's entire shareholding in Bayport.

For Kinnevik's shares in Milvik/BIMA, the valuation as at 31 December 2016 has been based on a discounted cash flow analysis resulting in a value of Kinnevik's 39% stake of SEK 464m, or a fully diluted equity value of USD 131m.

Kinnevik's shares in Betterment have been valued in line with the valuation applied in the USD 100m funding round announced in the first quarter of 2016, corresponding to a fully diluted equity value of USD 700m.

FAIR VALUES AND IMPLIED VALUES FROM LATEST TRANSACTIONS AS AT 31 DECEMBER 2016

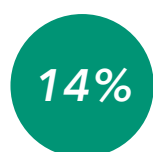
Investment (SEKm)	Valuation in latest transaction	Implied value Kinnevik's stake	Fair value Kinnevik's stake	Difference	Nature of latest transaction
Global Fashion Group	9 888	3 212	5 641	-2 429	New share issue
Home24	4 028	683	94	589	New share issue
Westwing	4 824	817	429	388	New share issue
Lazada	18 169	706	706	-	Sale of shares
Linio	1 432	305	292	13	New share issue
Quikr	13 939	2 504	1 535	969	New share issue
Saltside	1 029	626	200	426	New share issue
Bayport	4 965	1 201	1 201	-	Sale of shares
Betterment	6 287	590	590	-	New share issue
BIMA	1 227	493	464	29	New share issue
Iroko	608	111	111	-	New share issue
Other E-Commerce & Marketplaces	-	1 053	330	723	Various
Other Financial Services	-	166	165	1	Various
Other Entertainment	-	328	328	-	Various
Other	-	205	205	-	Various
Total		13 000	12 291	709	

In a number of Kinnevik's unlisted investee companies, shares have been issued or transacted at price levels that diverge from Kinnevik's recognized assessed fair values.

Newly issued shares may have preferential rights such as higher preference over an investee company's assets in the event of a liquidation or sale than Kinnevik's shares have; may represent a small share of an investee company's share capital; and may be directed solely to existing shareholders. Transactions in secondary shares may also represent a small share of an investee company's share capital or otherwise not be reflective of the value of an investee company as a whole. Therefore, Kinnevik does not necessarily consider these price levels as the most relevant base in assessing the fair values in Kinnevik's accounts.

As specified in the table above, the total difference between Kinnevik's pro rata share of the valuations implied by the latest transactions and the fair values in Kinnevik's accounts amounted to SEK 709m applied to Kinnevik's shareholdings as at 31 December 2016, whereof Kinnevik's E-Commerce & Marketplaces portfolio represented SEK 679m. Excluding Global Fashion Group, where Kinnevik's assessed fair value exceeds the value implied by the EUR 330m funding round completed in the third quarter of 2016, the aggregate difference amounted to SEK 3.1bn.

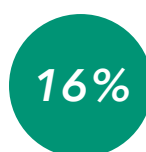
For further information about valuation principles and assumptions, please see Note 4.

TOTAL SHAREHOLDER RETURN


Past 30 years



Past 10 years



Past 5 years



Past 12 months

Total shareholder return is calculated on the basis of shareholders reinvesting all cash dividends, dividends in kind and mandatory share redemption proceeds into the Kinnevik share.

Condensed Consolidated Income Statement

SEK m	Note	2016 1 Oct- 31 Dec	Restated 2015 1 Oct- 31 Dec	2016 Full year	Restated 2015 Full year
Change in fair value of financial assets	4	-1 955	1 449	-4 969	-1 537
Dividends received	5	17	0	1 733	2 984
Administration costs		-107	-100	-261	-245
Other operating income		7	10	47	21
Other operating expenses		0	2	-1	1
Operating profit/loss		-2 038	1 361	-3 451	1 224
Financial net		-43	7	-7	-14
Profit/loss after financial net		-2 081	1 368	-3 458	1 210
Tax		-1	-2	-1	-3
Net profit/loss for the period		-2 082	1 366	-3 459	1 207
Net profit/loss per share before dilution		-7.56	4.92	-12.55	4.35
Net profit/loss per share after dilution		-7.56	4.93	-12.55	4.35
Other comprehensive income					
Cash flow hedging, gains/losses during the period		5	4	5	2
Total other comprehensive income for the period		5	4	5	2
Total comprehensive income for the period		-2 077	1 370	-3 454	1 209
Outstanding shares at the end of the period		275 115 735	277 402 722	275 115 735	277 402 722
Average number of shares before dilution		275 115 735	277 396 796	275 570 219	277 380 851
Average number of shares after dilution		275 457 381	277 567 756	275 802 078	277 516 889

CONSOLIDATED EARNINGS FOR THE FOURTH QUARTER

The change in fair value of financial assets amounted to a loss of SEK 1,955m (profit of 1,449) for the fourth quarter of which a loss of SEK 1,942m (profit of 3,336) was related to listed holdings and a loss of SEK 13m (loss of 1,887) was related to unlisted holdings. See note 4 for further details. Administration costs includes a reservation of SEK 19m regarding termination costs for the former CEO which will be paid over 18 months.

CONSOLIDATED EARNINGS FOR THE YEAR

The change in fair value of financial assets including dividends received amounted to a loss of SEK 3,236m (profit of 1,447) for the year of which a loss of SEK 2,920m (loss of 508) was related to listed holdings and a loss of SEK 316m (profit of 1,955) was related to unlisted holdings. See note 4 for further details.

Condensed Consolidated Cash Flow Statement

SEK m	Note	2016 1 Oct- 31 Dec	Restated 2015 1 Oct- 31 Dec	2016 Full year	Restated 2015 Full year
Dividends received	5	17	-	1 733	2 984
Cash flow from operations		-80	-50	-250	-180
Cash flow from operations before interest net and income taxes		-63	-50	1 483	2 804
Interest, received		0	4	54	12
Interest, paid		-11	-11	-41	-41
Cash flow from operations		-74	-57	1 496	2 775
Investments in financial assets		-971	-339	-3 330	-1 590
Sale of shares and other securities		16	7 496	480	8 259
Other		0	0	0	-10
Cash flow from investing activities		-955	7 157	-2 850	6 659
Change in interest bearing loans		395	116	381	67
Repurchase of shares		-	-	-500	-
Redemption program and dividend paid to equity holders of the Parent company		-	-	-7 084	-2 011
Cash flow from financing activities		395	116	-7 203	-1 944
Cash flow for the period		-634	7 216	-8 557	7 490
Cash and short term investments, opening balance		957	1 664	8 880	1 390
Cash and short term investments, closing balance		323	8 880	323	8 880
SUPPLEMENTARY CASH FLOW INFORMATION					
Investments in financial assets	4	-971	-33	-3 399	-1 562
Current period investments, not yet paid		-	-	69	62
Prior period investments, paid in current period		-	-306	-	-90
Cash flow from investments in financial assets		-971	-339	-3 330	-1 590

Condensed Consolidated Balance Sheet

SEK m	Note	2016 31 Dec	Restated 2015 31 Dec
ASSETS			
Fixed assets			
Financial assets accounted at fair value through profit and loss	4	73 827	75 960
Tangible fixed assets		63	66
Other fixed assets		3	3
Total fixed assets		73 893	76 029
Other current assets		103	18
Short term investments		0	8 321
Cash and cash equivalents		323	559
TOTAL ASSETS		74 319	84 927
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity attributable to equityholders of the Parent Company		72 434	83 464
Interest bearing liabilities, long term		41	1 259
Interest bearing liabilities, short term		1 600	1
Non interest bearing liabilities		244	203
TOTAL EQUITY AND LIABILITIES		74 319	84 927

Key Ratios

Ratio	Note	2016 31 Dec	Restated 2015 31 Dec
Debt/equity ratio		0.02	0.02
Equity ratio		97%	98%
Net cash/(Net debt) for the Group, including net loans to investee companies	6	-1 309	7 568
Leverage		2%	-

Condensed Report of Changes in Equity for the Group

Attributable to the Parent Company's shareholders

SEK m	Share capital	Other contributed capital	Hedging reserve	Translation reserve	Retained earnings including net result for the year	Total	Non-controlling interest	Total shareholders' equity
Closing balance 31 December 2014	28	8 840	-36	-1	75 345	84 176	30	84 206
Effect of changes in accounting principles				1	97	98	-30	68
Opening Equity 1 January 2015	28	8 840	-36	0	75 442	84 274	0	84 274
Other comprehensive income			2			2	0	2
Profit for the year					1 207	1 207		1 207
Total comprehensive income for the year	0	0	2	0	1 207	1 209	0	1 209
Other changes in shareholders' equity								
Effect of employee share saving programme					-8	-8		-8
Cash dividend					-2 011	-2 011		-2 011
Closing balance 31 December 2015	28	8 840	-34	0	74 630	83 464	0	83 464
Other comprehensive income			5			5		5
Profit for the year					-3 459	-3 459		-3 459
Total comprehensive income for the period	0	0	5	0	-3 459	-3 454	0	-3 454
Other changes in shareholders' equity								
Effect of employee share saving programme					8	8		8
Redemption program and cash dividend					-7 084	-7 084		-7 084
Share buy-backs	-1				-499	-500		-500
Closing balance 31 December 2016	27	8 840	-29	0	63 596	72 434	0	72 434

Notes for the Group (SEKm)

NOTE 1 ACCOUNTING PRINCIPLES

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU. This report was prepared in accordance with the Annual Accounts Act and IAS 34, Interim Financial Reporting. Information in accordance with IAS 34, Interim Financial Reporting is provided in the notes as well as on other places in the interim report.

To make the financial statements for Kinnevik better reflect the activities of the group, Kinnevik has, after an assessment, decided to apply Investment Entity accounting according to IFRS 10. This means that the operating subsidiaries; Metro, Saltside, G3 and Vireo (divested in Q4 2016), are valued at fair value through profit and loss instead of being consolidated from 1 January 2016. Comparative numbers for 2015 have been recalculated according to the new policy. The effect of the changes in the accounting principle are presented in the "Statement of Changes in Equity" and in Note 7 "Restatement of Financial Statements in respect of application of IFRS 10, Investment entities" in the interim report for the first quarter 2016.

In all other aspects, the accounting principles and calculation methods applied in this report are the same as those described in the 2015 Annual Report.

Kinnevik believes that the Company meets the criteria to qualify as an investment entity and the following key considerations were observed in conjunction with the assessment:

- Kinnevik receives capital from its shareholders in order to invest in portfolio companies that Kinnevik subsequently assists in developing in an effort to generate a return in the form of both a direct yield and value appreciation on the investment. Investments are made both in listed and unlisted companies.
- Kinnevik continually monitors and evaluates its investments in portfolio companies on the basis of fair value.
- Kinnevik currently focuses on investments in a number of different sectors. The company does not have an explicit time horizon as regards the scheduling of a divestment; instead, the investment strategy is assessed on a continual basis and the focus changes over time.

NOTE 2 RISK MANAGEMENT

The Group's management of financial risks is centralized within Kinnevik's finance function and is conducted on the basis of a policy established by the Board of Directors. The Group's operational risks are primarily evaluated and managed within the particular business area and then reported to the Kinnevik Board.

The Group has established a model for risk management, the aims of which are to identify, control and reduce risks. The identified risks and how they are managed are reported to the Kinnevik Board on a regular basis.

Kinnevik is exposed to financial risks mainly in respect of changes in the value of the stock portfolio, changes in market interest rates, exchange rate risks, liquidity and refinancing risks and counterparty risks. Kinnevik is also exposed to political and other market and funding related risks since a number of the companies Kinnevik has invested in are early stage businesses and may have a substantial part of their operations in emerging markets such as Latin America, Sub-Saharan Africa, Russia and Eastern Europe.

For a more detailed description of the Company's risks and risk management, refer to the Board of Directors' report and Note 24 of the 2015 Annual Report.

NOTE 3 RELATED PARTY TRANSACTIONS

Related party transactions for the period are of the same character as the transactions described in the 2015 Annual Report.

NOTE 4 FINANCIAL ASSETS ACCOUNTED AT FAIR VALUE THROUGH PROFIT AND LOSS

Kinnevik's unlisted holdings are valued using IFRS 13 and the International Private Equity and Venture Capital Valuation Guidelines, whereby a collective assessment is made to establish the valuation method that is most suitable for each individual holding. Firstly, it is considered whether any recent transactions have been made at arm's length in the companies. For new share issues, consideration is taken to if the newly issued shares have preferential rights, such as senior liquidation preference to the company's assets than earlier issued shares. For companies where no or few recent arm's length transactions have been performed, a valuation is conducted either by applying relevant multiples to the company's historical and forecast key figures, such as sales, profit, equity, or by discounting future expected cash flows. When performing a valuation based on multiples, consideration is given to potential adjustments due to, for example, difference in size, historic growth, profitability and geographic market between the current company and the group of comparable companies.

The valuation process for Kinnevik's unlisted holdings is run by the financial department and based on financial information reported from each holding. The correctness of the financial information received is ensured through continuous contacts with management of each holding, monthly reviews of the accounts, as well as internal audits performed by auditors engaged by Kinnevik. Prior to decisions being made about the valuation method to be applied for each holding, and the most suitable peers with which to compare the holding, the financial department obtains information and views from the investment team, as well as external sources of information. Information and opinions on applicable methods and groups of comparable companies are also obtained periodically from well-renowned, valuation companies in the market. The results from the valuation is discussed firstly with the CEO, following which a draft is sent to the Audit Committee, who each quarter analyze and discuss the outcome before it is approved at a meeting attended by the company's external auditors.

Below is a summary of the valuation methods applied in the accounts as per 31 December 2016:

Company	Valuation method	Valuation assumptions
Global Fashion Group	The valuation is based on the average sales multiple of a group of comparable companies (Zalando, Asos and Yoox Net-a-Porter Group), adjusted with a 38% discount on an aggregated level to adjust for emerging market exposure and path to profitability. The valuation considers preferential rights in case of a liquidation or sale of the company.	12 months historical sales (ending 30 Sep 2016) Multiple: 1.4x
Home24	The valuation is based on the average sales multiple of a group of comparable companies (including Ocado Group, Wayfair and AO World), adjusted with a 20% discount on an aggregated level to adjust for growth and path to profitability. The valuation considers preferential rights in case of a liquidation or sale of the company.	12 months historical sales (ending 30 Sep 2016) Multiple: 0.8x
Westwing	The valuation is based on the average sales multiple of a group of comparable companies (including Ocado Group, Wayfair and AO World). The average sales multiple of the peer group has been reduced by 10% due to factors such as lower profitability and company size. The valuation considers preferential rights in case of a liquidation or sale of the company.	12 months historical sales (ending 30 Sep 2016) Multiple: 0.9x
Lazada	The valuation is based on the sale of 4% of Kinnevik's stake in the company. The valuation implies an equity value of USD 2.0bn.	
Linio	The valuation is based on the average sales multiple of a group of comparable companies. Linio generates revenue from two business models, inventory and marketplace. Accordingly, two different peer groups are used in the valuation and the multiple weighted based on sales. The peer group for the inventory model includes Amazon, Qliro Group, JD.com and AO World. The peer group for the marketplace model includes MercadoLibre, eBay and Alibaba. This has then been adjusted by a 30% discount to adjust for factors such as path to profitability and emerging market exposure. The valuation considers preferential rights in case of a liquidation or sale of the company.	12 months historical sales (ending 30 Sep 2016) Multiple: 1.7x
Konga	The valuation is based on the average sales multiple of a group of comparable companies. Konga generates revenue from two business models, inventory and marketplace. Accordingly, two different peer groups are used in the valuation and the multiple weighted based on sales. The peer group for the inventory model includes Amazon, Qliro Group, JD.com and AO World. The peer group for the marketplace model includes MercadoLibre, eBay and Alibaba. The valuation considers preferential rights in case of a liquidation or sale of the company.	12 months historical sales (ending 30 Sep 2016) Multiple: 2.4x
Quikr	The valuation is based on discounted cash flows valuing Quikr at USD 940m.	
Bayport	The valuation is based on the latest transaction at arm's length; secondary share transactions in February 2016. The transaction valued all shares in Bayport at USD 547m.	
Milvik/BIMA	The valuation is based on discounted cash flows valuing BIMA at USD 131m.	
Betterment	The valuation is based on the latest funding round where Kinnevik invested USD 65m. The transaction valued all shares in Betterment at USD 700m on a fully diluted basis.	

For the companies in the table above that are valued based on multiples (i.e. Global Fashion Group, Home24, Westwing, Linio and Konga), an increase in the multiple by 10% would have increased estimated fair value by SEK 326m. Similarly, a decrease in the multiple by 10% would have decreased estimated fair value by SEK 517m.

When establishing the fair value of other financial instruments, methods that in every individual case are assumed to provide the best estimation of fair value have been used. For assets and liabilities maturing within one year, a nominal value adjusted for interest payments and premiums is assumed to provide a good approximation to fair value.

Information is provided in this note per class of financial instruments that are valued at fair value in the balance sheet, distributed in the levels stated below:

Level 1: Fair value established based on listed prices in an active market for the same instrument.

Level 2: Fair value established based on valuation techniques with observable market data, either directly (as a price) or indirectly (derived from a price) and not included in Level 1.

Level 3: Fair value established using valuation techniques, with significant input from data that is not observable in the market.

Change in fair value of financial assets	2016 1 Oct- 31 Dec	Restated 2015 1 Oct- 31 Dec	2016 Full year	Restated 2015 Full year
Black Earth Farming	95	57	100	57
Millicom	-2 066	-1 309	-3 689	-3 560
MTG	691	34	711	-420
Qliro Group	-141	68	-147	-224
Rocket Internet	-29	-218	-1 637	-4 993
Seamless	-8	1	-7	-13
Tele2	262	488	-1 255	-1 342
Transcom	-	-	-	89
Zalando	-746	4 215	1 302	6 914
Total Listed assets	-1 942	3 336	-4 623	-3 492
Avito	-	70	-	4 859
Babylon	1	-	-10	-
Bayport	69	-178	-77	246
Betterment	33	-	52	-
Global Fashion Group	-27	-1 233	71	-2 696
Home24	-30	-18	-734	-44
Konga	-10	-306	7	-189
Lazada	40	-12	601	-36
Linio ¹	-67	-8	-90	-89
Milvik/BIMA	38	2	113	16
Quikr	-9	8	16	577
Westwing	-	-87	-16	-178
Other ¹	-51	-125	-279	-511
Total Unlisted assets	-13	-1 887	-346	1 955
Total	-1 955	1 449	-4 969	-1 537

¹ Comparable periods have been adjusted for the swap between Linio and Africa E-Commerce Holding.

31 December 2016
 (listed companies)

Book value of Financial assets	Class A shares	Class B shares	Capital/Votes (%)	2016 31 Dec	Restated 2015 31 Dec
Black Earth Farming	51 811 828	-	24.6/24.6	308	209
Millicom	37 835 438	-	37.7/37.7	14 790	18 479
MTG	4 461 691	9 042 165	20.3/48.0	3 650	2 938
Qliro Group	42 613 642	-	28.5/28.5	367	513
Rocket Internet	21 716 964	-	13.2/13.2	3 990	5 627
Seamless	3 526 334	-	6.0/6.0	20	35
Tele2	20 733 965	131 699 187	30.3/47.9	11 166	11 524
Zalando	78 427 800	-	31.7/31.7	27 245	25 943
Total Listed assets				61 536	65 268
Babylon			12.8/12.8	154	-
Bayport			24.2/24.2	1 201	1 278
Betterment			9.3/9.3	590	-
Global Fashion Group			35.4/35.4	5 641	4 067
Home24			17.0/17.0	94	801
Konga			34.0/34.0	133	103
Lazada			3.6/3.6	706	520
Linio ¹			27.0/27.0	292	135
Milvik/BIMA			38.9/38.9	464	351
Quikr			18.0/18.0	1 535	1 519
Saltside			60.8/60.8	200	195
Westwing			16.5/16.5	429	387
Other ¹			-/-	852	1 336
Total Unlisted assets				12 291	10 692
Total				73 827	75 960

¹ Comparable periods have been adjusted for the swap between Linio and Africa E-Commerce Holding.

Investments in financial assets	2016 1 Oct- 31 Dec	Restated 2015 1 Oct- 31 Dec	2016 Full year	Restated 2015 Full year
Tele2	898	-	898	-
Total listed assets	898	-	898	-
Babylon	46	-	164	-
Betterment	-	-	538	-
Global Fashion Group	-	-	1 503	555
Home24	-	-	27	12
Iroko	-	-	17	15
Konga	10	-	23	-
Linio ¹	-	17	115	41
Metro	-	-	-	35
Milvik/BIMA	-	-	-	129
Quikr	-	-	-	517
Saltside	-	-	-	41
Westwing	-	-	58	186
Other	17	16	56	31
Total unlisted assets	73	33	2 501	1 562
Total	971	33	3 399	1 562

¹ Comparable periods have been adjusted for the swap between Linio and Africa E-Commerce Holding ("Jumia").

Changes in unlisted assets (level 3)	2016 1 Oct- 31 Dec	Restated 2015 1 Oct- 31 Dec	2016 Full year	Restated 2015 Full year
Opening balance	12 330	20 139	10 692	14 853
Investments	73	33	2 501	1 562
Disposals / Exit proceeds	-99	-7 593	-556	-7 678
Change in fair value	-13	-1 887	-346	1 955
Closing balance	12 291	10 692	12 291	10 692

NOTE 5 DIVIDENDS RECEIVED

	2016 1 Oct- 31 Dec	Restated 2015 1 Oct- 31 Dec	2016 Full year	Restated 2015 Full year
Millicom	-	-	823	823
Tele2	-	-	725	2 012
MTG	-	-	155	149
Other	17	-	30	-
Total dividends received	17	-	1 733	2 984
<i>Of which cash dividends</i>	17	-	1 733	2 984
<i>Of which ordinary cash dividends</i>	-	-	1 703	1 629

NOTE 6 INTEREST BEARING ASSETS AND LIABILITIES

Kinnevik's total interest bearing assets amounted to SEK 413m as at 31 December 2016. The total amount of interest bearing liabilities was SEK 1,673m and the net debt for unpaid investments/divestments was SEK 49m. Kinnevik was in a net debt position of SEK 1,367m as at 31 December 2016 (net cash SEK 7,558m as at 31 December 2015). Including net outstanding loans to investee companies, the corresponding figure was SEK 1,309m (SEK 7,568m as at 31 December 2015).

Kinnevik's total credit facilities (including issued bonds) amounted to SEK 7,330m as at 31 December 2016 whereof SEK 6,000m related to revolving credit facilities and SEK 1,200m related to bonds. The total amount of outstanding loans was SEK 1,600m, of which SEK 400m in issued commercial papers.

The Group's available liquidity, including short term investments and available unutilized credit facilities, totaled SEK 6,053m as at 31 December 2016 (SEK 14,810m as at 31 December 2015).

SEKm	2016 31 Dec	Restated 2015 31 Dec
Interest bearing assets		
Loans to investee companies	91	10
Short term investments	-	8 321
Cash and cash equivalents	323	559
Total interest bearing assets	413	8 890
Interest bearing long term liabilities		
Debt to investee companies	32	-
Liabilities to credit institutions	21	34
Capital markets issues	0	1 200
Accrued borrowing cost	-12	-8
Other interest bearing liabilities	31	33
	73	1 259
Interest bearing short term liabilities		
Liabilities to credit institutions	0	1
Capital markets issues	1 200	-
Commercial papers	400	-
	1 600	1
Total interest bearing liabilities	1 673	1 260
Net interest bearing liabilities (-) / assets (+)	-1 260	7 630
Debt, unpaid investments/divestments	-49	-62
Net cash/(Net debt) for the Group, including net loans to investee companies	-1 309	7 568

The outstanding loans carry an interest rate of Stibor or similar base rate with an average margin of 1.3%. All bank loans have variable interest rates (up to 3 months) while financing from the capital markets vary between 1 to 12 months for the loans under the commercial paper program and 5 years fixed for the outstanding bond (as per date of issue).

As at 31 December 2016, the average remaining tenor was 2.7 years for all credit facilities including the bond. As at 31 December 2016, Kinnevik had not provided any security for any of its outstanding loans.

Condensed Parent Company Income Statement

SEK m	2016 1 Oct- 31 Dec	Restated 2015 1 Oct- 31 Dec	2016 Full year	Restated 2015 Full year
Administration costs	-110	-95	-245	-229
Other operating income and costs	2	2	7	7
Operating loss	-108	-93	-238	-222
Dividends received, external	0	0	786	1 973
Result from subsidiaries	-2 592	-4 487	-3 431	8 605
Financial net	-16	-6	-45	-41
Profit/loss after financial items	-2 716	-4 586	-2 928	10 315
Group contribution	100	31	100	31
Profit/loss before taxes	-2 616	-4 555	-2 828	10 346
Taxes	0	0	0	0
Net profit/loss for the period	-2 616	-4 555	-2 828	10 346
Total comprehensive income for the period	-2 616	-4 555	-2 828	10 346

Condensed Parent Company Balance Sheet

SEK m	2016 31 Dec	2015 31 Dec
ASSETS		
Tangible fixed assets	4	4
Financial fixed assets	51 960	54 278
Short term receivables	121	83
Short term investments	0	8 337
Cash and cash equivalents	317	345
TOTAL ASSETS	52 402	63 047
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity	42 108	52 513
Provisions	27	28
Long term interest bearing liabilities	6 605	10 370
Short term liabilities	3 662	136
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	52 402	63 047

The Parent Company's liquidity, including short-term investments and unutilized credit facilities, totalled SEK 6,447m (14,612) at 31 December 2016. The Parent Company's interest bearing external liabilities amounted to SEK 1,627m (1,225) on the same dates. Investments in tangible fixed assets amounted to SEK 0m (1) during the period.

Distribution by class of shares on 31 December 2016 was as follow:

	Number of shares	Number of votes	Par value (SEK 000s)
Outstanding Class A shares, 10 votes each	41 157 144	411 571 440	4 116
Outstanding Class B shares, 1 vote each	233 958 591	233 958 591	23 396
Class B shares in own custody	350 903	350 903	35
Registered number of shares	275 466 638	645 880 934	27 547

The total number of votes for outstanding shares in the Company amounted at 31 December 2016 to 645,880,934 excluding 350,903 class B treasury shares. During the second quarter 14,565 Class B shares were delivered to participants in the long term incentive program 2013. A share repurchase program was executed between 15 February and 23 March 2016. The number of shares bought back amounted to 2,301,552 Class B shares.

The AGM on 23 May 2016 resolved (i) on a reduction of the share capital by way of cancellation of the 2,301,552 class B shares repurchased under Kinnevik's share repurchase program, (ii) to authorize the Board to resolve on a new issue of class C shares to ensure delivery of shares to participants in Kinnevik's long-term incentive plan 2016, and (iii) to offer holders of class A shares to reclassify their Class A shares into Class B shares. This offer was effected during 22 June to 4 July and shareholders of 1,212,168 Class A shares choose to reclassify their Class A shares to Class B shares.

The reclassification of shares from Class A to Class B and the cancellation of the repurchased shares was executed and registered in July 2016.

The Board has authorization to repurchase up to a maximum of 10% of all shares in the Company over 12 months, ending at the AGM of 2017.

There are no convertibles or warrants in issue.

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

Kinnevik presents some performance measures in the interim report that are not defined by IFRS. Kinnevik believes that these performance measures adds valuable information to the company's investors and the company's management since they enable assessment of the Kinnevik's and its portfolio companies performance and position. Since all companies do not calculate their performance measures in the same manner, these are not always comparable with similar measures used by other companies. Such performance measures shall therefore not be used in replacement of measures defined by IFRS.

Alternative performance measures in Kinnevik's interim report include:

Active customers	Number of customers having made at least one order within the last 12 months
Debt/equity ratio	Interest-bearing liabilities including interest-bearing provisions divided by shareholders' equity
Equity ratio	Shareholders' equity including non-controlling interest as percentage of total assets
Gross merchandise value, GMV	Total value of all sale transactions during the period, including taxes but excluding shipping costs
Internal rate of return, IRR	The annual rate of return calculated in quarterly intervals on a SEK basis that renders a zero net present value of (i) fair values at the beginning and end of the respective measurement period, (ii) investments and divestments, and (iii) cash dividends and dividends in kind
Investments	All investments in listed and unlisted financial assets, including loans to portfolio companies
Leverage	Net debt as a percentage of portfolio value
Net asset value, NAV	Net value of all assets on the balance sheet, equal to the shareholders' equity
Net cash/(net debt)	Interest bearing receivables (excluding net outstanding receivables relating to portfolio companies), short-term investments and cash and cash equivalents less interest-bearing liabilities including interest-bearing provisions and unpaid investments/divestments
Net investments	The net of all investments and divestments in listed and unlisted financial assets
Net merchandise value, NMV	Gross merchandise value after actual and provisioned returns and rejections
Portfolio value	Value of all assets on the balance sheet, less cash and cash equivalents
Total shareholder return, TSR	Annualized total return of the Kinnevik B share on the basis of shareholders reinvesting all cash dividends, dividends in kind, and mandatory share redemption proceeds into the Kinnevik B share, before tax, on each respective ex-dividend date. The value of Kinnevik B shares held at the end of the measurement period is divided by the price of the Kinnevik B share at the beginning of the period, and the resulting total return is then recalculated as an annual rate

KINNEVIK'S 2017 ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 8 May 2017 in Stockholm. Shareholders wishing to have matters considered at the Annual General Meeting should submit their proposals in writing to agm@kinnevik.com or to The Company Secretary, Kinnevik AB, Box 2094, SE-103 13 Stockholm, Sweden, at least seven weeks before the Annual General Meeting, in order that the proposal may be included in the notice to the meeting. Further details on how and when to register will be published in advance of the Meeting.

NOMINATION COMMITTEE AHEAD OF THE 2017 ANNUAL GENERAL MEETING

In accordance with the resolution of the 2016 Annual General Meeting in Kinnevik, Cristina Stenbeck has convened a Nomination Committee comprising representatives of Kinnevik's largest shareholders in terms of voting interest. The Nomination Committee comprises Cristina Stenbeck representing Verdere S.à r.l., Wilhelm Klingspor representing the Klingspor family, Edvard von Horn representing the von Horn family, James Anderson representing Baillie Gifford, and Ramsay Brufer representing Alecta.

Information about the work of the Nomination Committee can be found on Kinnevik's corporate website at www.kinnevik.com.

FINANCIAL REPORTS

Kinnevik's Annual Report 2016 will be published on Kinnevik's website on 31 March 2017. Dates for 2017 reporting:

27 April	Interim Report January-March 2017
21 July	Interim Report January-June 2017
26 October	Interim Report January-September 2017

Stockholm 10 February 2017

The Board of Directors

This information is information that Kinnevik AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 08.00 CET on 10 February 2017.

For further information, visit www.kinnevik.com or contact:

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Kinnevik is an industry focused investment company with an entrepreneurial spirit at its heart. Our purpose is to build the digital consumer businesses that provide more and better choice. We do this by working in partnership with talented founders and management teams to create, invest in and lead fast growing businesses in developed and emerging markets. We believe in delivering both shareholder and social value by building well governed companies that contribute positively to society. Kinnevik was founded in 1936 by the Stenbeck, Klingspor and von Horn families. Kinnevik's shares are listed on Nasdaq Stockholm's list for large cap companies under the ticker codes KINV A and KINV B.

REVIEW REPORT

Introduction

We have reviewed the interim report for Kinnevik AB for the period 1 January - 31 December, 2016. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm 10 February 2017

Deloitte AB

Jan Berntsson
 Authorized Public Accountant