



# *Presentation of the Fourth Quarter and Full-Year 2020*

*4 February 2021*



# PRESENTATION OF THE FOURTH QUARTER AND FULL-YEAR 2020

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## *Today's Agenda*

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- 1** 2020 in Review
- 2** Key Strategic Highlights in the Quarter
- 3** Portfolio Companies' Performance
- 4** Kinnevik's Financial Position

## *Today's Participants*

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**Georgi Ganev**  
*Chief Executive Officer*

**Erika Söderberg Johnson**  
*Chief Financial Officer*

**Torun Litzén**  
*Director Corporate Communications*

**Samuel Sjöström**  
*Head of Strategy*

**Natalie Tydeman**  
*Senior Investment Director*

# KEY STRATEGIC HIGHLIGHTS IN THE FOURTH QUARTER OF 2020

NAV 31 DECEMBER 2020

SEK **111.7**BN

CHANGE IN NAV Q/Q

**4%**

1-YEAR TSR

**85%**

5-YEAR TSR

**22%**

## Key Strategic Highlights

- **Zalando** and **Global Fashion Group** reported exceptionally strong and profitable growth in Q3, and Zalando acquired more than 1 million new customers during Cyber Week. Global Fashion Group successfully raised EUR 120m via a share placement
- We continued to back the winners in our portfolio and participated in a USD 160m funding round in **Cityblock** valuing the company at more than USD 1bn, and a SEK 526m funding round in **Budbee** led by AMF
- The partnership between **VillageMD** and Walgreens Boots Alliance was accelerated, with Walgreens supporting the rollout of up to 700 primary care clinics, up from the previously agreed 500 clinics
- Kinnevik invested in two new food companies, **HungryPanda**, a global leader in online Asian food delivery, and **Simple Feast**, a leading plant-based meal kit provider
- As a testament to our sustainability efforts, Kinnevik was ranked the most sustainable investment company in Sweden by Dagens Industri and Aktuell Hållbarhet, and was one of the top three finalists for AllBright's equality prize
- Our emerging markets and travel businesses continued to be negatively impacted by Covid-19

## Organisation

- **Natalie Tydeman joined Kinnevik** as Senior Investment Director in January 2021

## Investment Management Activities

- **We invested SEK 794m in the quarter**, including:
  - SEK 311m into HungryPanda
  - SEK 145m into Cityblock
  - SEK 105m into Budbee
  - SEK 96m into Simple Feast
- Further, we acquired SEK 121m worth of shares in Alliance Data as part of the sale of Bread
- **We received SEK 1.7bn in proceeds in the quarter**, including:
  - SEK 1.2bn in proceeds from the merger between **Livongo** and **Teladoc Health**
  - SEK 495m in proceeds from the sale of **Bread** to Alliance Data

## Financial Position

- NAV of SEK 111.7bn (SEK 402 per share), **up SEK 3.8bn or 4%** in the quarter
- **Net cash position of SEK 4.8bn**, corresponding to 4.5% of portfolio value by quarter-end

## Events After the Quarter

- In February, Kinnevik invested USD 70m into **Vivino**, the leading online wine marketplace and wine app

# DURING A YEAR HEAVILY AFFECTED BY COVID-19, WE CONTINUED TO EXECUTE OUR STRATEGY SUPPORTED BY AN ACCELERATED SHIFT TO DIGITAL

## Executing on Our Priorities for 2020

### Key Developments

#### What We Said

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

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

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

#### What We Did



**Exceptionally strong TSR of 85%** during 2020



**Doubled Down on Our Healthcare Strategy** through new investments in Cityblock, Joint Academy and Town Hall Ventures II, and by investing further in VillageMD and Cedar



**Complemented our Food Portfolio** with new investments in Vivino, HungryPanda and Simple Feast, and invested further into MatHem



**Broadened our Consumer Services Portfolio** by investing in Common, and invested further into Budbee



**Supported the Merger Between Livongo and Teladoc Health**, creating the leading chronic care provider globally



**Established Climate Targets** in line with the Paris Agreement to significantly reduce greenhouse gas emissions



**Sold a 4.4% Stake in Zalando**, generating net proceeds of SEK 6.7bn, and distributed SEK 1.9bn to our shareholders

# WE CONTINUED TO BACK THE WINNERS IN OUR PRIVATE PORTFOLIO, PARTICIPATING IN FUNDING ROUNDS IN CITYBLOCK AND BUDBEE

## Backing the Winners in Our Private Portfolio

### Follow-On Investments



Iyah Romm Founder & CEO  
Dr. Toyin Ajayi Founder & Chief Medical Officer

**Value-based healthcare provider in the US focused on underserved urban populations with complex care needs**

**SEK 145m invested in Cityblock's funding round of USD 160m**

- The round, closed in December 2020, values Cityblock at USD 1bn and was led by new investor General Catalyst with participation from Kinnevik, at above our pro-rata, as well as existing investors Maverick Ventures, Thrive Capital, Redpoint Ventures and others
- Based on the round and the company's performance, the value of Kinnevik's investment in Cityblock, excluding the new investment, has been written up by SEK 383m, or 122%, from last quarter



Fredrik Hamilton  
Founder & CEO

**Swedish logtech platform offering sustainable, last mile delivery services for e-commerce**

**SEK 105m invested in Budbee's funding round of SEK 526m**

- The round closed in January 2021 and was led by Swedish pension fund AMF. With an investment of SEK 240m, AMF becomes one of Budbee's largest shareholders. Current investors Stena Sessan and H&M also participated in the round
- The funds will be used to accelerate growth further in 2021, mainly focusing on international expansion and product innovation
- Based on the round and the company's performance, the value of Kinnevik's investment in Budbee, excluding the new investment, has been written up by SEK 264m, or 66%, from last quarter

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

# WE BROADENED OUR FOOD PORTFOLIO THROUGH NEW INVESTMENTS IN HUNGRYPANDA AND SIMPLE FEAST

## Broadening Our Food Portfolio

### Investment Overview



Eric Liu  
Founder & CEO

**SEK 311m into HungryPanda**

**A Global Leader in Online Asian Food Delivery**



Jakob Jønck  
Co-founder & CEO

**SEK 96m into Simple Feast**

**Leading Plant-Based Meal Kit Provider**

#### Description

- HungryPanda is a **global leader in online Asian food delivery**, serving Chinese customers living abroad
- The company has a **deep understanding of its target audience** and offers customers a **tailored user experience**, including native language and payment options, the widest choice of authentic Chinese restaurants, and a familiar user interface

#### Case Validity

- HungryPanda enjoys **attractive unit economics** thanks to several structural advantages, including higher average order value, delivery density and order frequency
- The business has demonstrated **capital efficiency alongside hyper growth** and has grown 30x in three years. The company is already profitable in the UK and in major cities such as New York

#### Strategic Fit

- **Our first investment in the food out-of-home space**, which is particularly popular with younger users, who value convenience. It complements our existing food-at-home investments
- HungryPanda's community-oriented model creates high engagement and allows it to bypass the incumbents' networks

- Simple Feast produces and sells **plant-based meal kits and everyday essentials**, in Denmark, Sweden and the US
- The company's products are rooted in the company's commitment of **making life easier and better for consumers, their families, and the planet we all share**

- **Demand for plant-based is clearly on the rise** with ca. 80% of Generation Z<sup>1</sup> wanting to go meat-less one to two times per week now or in the future
- A plant-based diet has been demonstrated to be **better for both the climate and personal health**

- Simple Feast is **supported by strong secular tail winds** e.g. need for convenience and increasing focus on sustainability and health
- The company has a **culture underpinned by innovation** and is well placed to continuously develop new and exciting plant-based products

<sup>1</sup> Aramark's February 2018 plant-forward study



# WE HAVE INVESTED USD 70 MILLION INTO VIVINO, THE WORLD'S LEADING WINE APPLICATION



Heini Zachariassen  
Founder & CEO

Theis Søndergaard  
Co-founder & Chief Product Officer

## Description

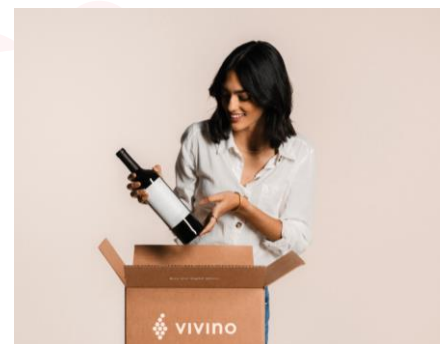
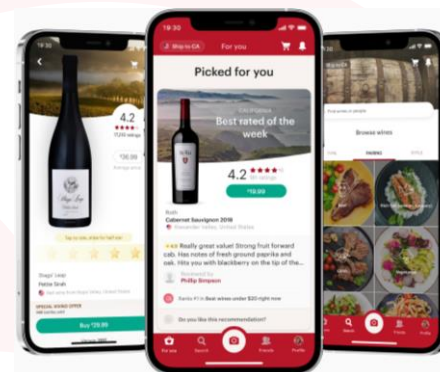
- Vivino is the **world's leading wine application** with close to 50 million downloads to date and an unparalleled 4.9 star rating. Users log in over 5x times every month to discover wines, scan bottles and access reviews and ratings of over 12 million wines in the database
- In recent years, the company has **introduced a two-sided marketplace within the app** to allow users to order their favourite wines from a large set of retailers and wineries across regions

## Case Validity

- Similar to groceries, **the market for wine is massive** (USD 400bn p.a. globally) and the **transition to online is lagging other categories** at ca. 3% pre-Covid and 5-10% during the pandemic
- Vivino has claimed the position as the **go-to wine utility** for consumers all over the world, creating a **strong community** with network effects and rich data insights
- The company has reached significant scale (over USD 250m in GMV) and profitability (over 10% contribution margins) despite only converting circa 1.5% of app users to buyers - offering **significant latent potential**

## Strategic Fit

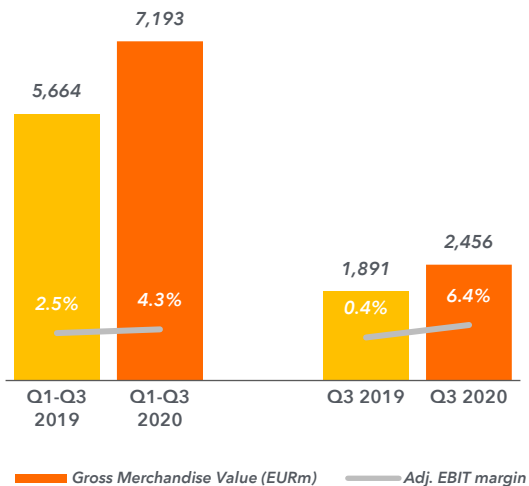
- **Highly differentiated consumer offering** including network effects and richness of data create a unique product that cannot be replicated by catalogue-led retailers
- As the company builds out its **marketplace capabilities and offering**, we will be able to leverage our prior experience
- **Capital-efficient growth reliant on organic traffic** and conversion of existing app users
- **Global leader with a Nordic base**



# ZALANDO AND TELADOC HEALTH IS SEEING STRONG MOMENTUM FUELED BY DIGITAL TRENDS, WHILE TELE2 IS SHOWING RELATIVE RESILIENCE

## Zalando

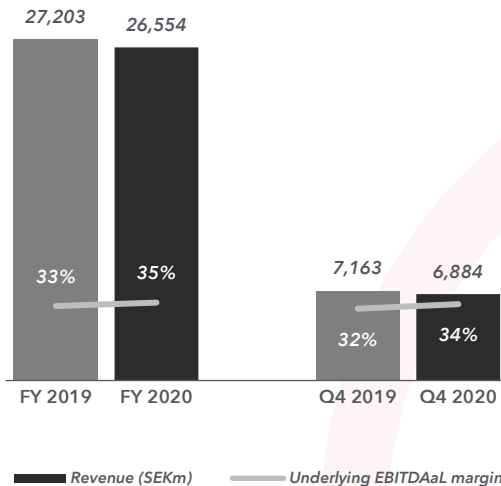
### Exceptionally Strong and Profitable Growth



- Q3 2020 GMV growth of 30%, with an **adjusted EBIT margin of 6.4%**, driven by the continued strong performance of the Partner Program and Zalando Lounge
- Active customers increased by 21%** to 35.6 million, with many first-time fashion online shoppers, which also drove a 27% increase in number of orders
- Upgraded full-year 2020 guidance** on the back of exceptionally strong and profitable growth in Q3

## Tele2

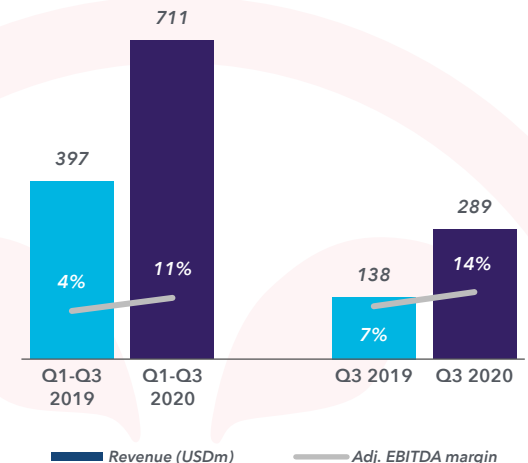
### Relative Resilience in a Difficult Market



- Q4 2020 revenue and end user service revenue **down 3% and 2% respectively**, compared to Q4 2019 on an organic basis, mainly due to negative impact from the pandemic
- Underlying EBITDAaL increased by 3%** organically compared to Q4 2019 despite the pandemic impact, driven by strong performance in the Baltics and cost savings

## Teladoc Health

### Broad-based Strength Across The Business



- Q3 2020 revenue growth of **109%** and total visits increased by 206% to 2.8 million, driven by broad-based strength across the business and building on the momentum from the first half of the year
- Consistent growth in member visits** throughout all commercial channels, with **US paid membership growth of 47%** to 51.5 million
- With the addition of Livongo in Q4 2020, the company has created a new category of whole person virtual care

**Note:** The definitions of each company's figures are available on their respective websites.

**Source:** Company filings



# OUR YOUNGER GROWTH COMPANIES ARE SEEING A STEP-CHANGE IN DEMAND WITH CONTINUED INFLOW OF NEW CUSTOMERS

## Continued Momentum in Our Younger Growth Portfolio

### Step-Change in Online Penetration

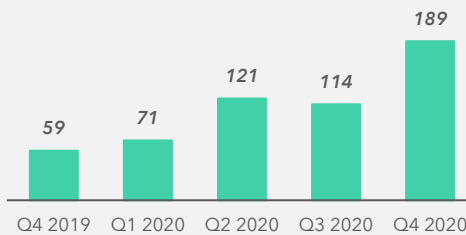
**MatItem.se**

Revenues LTM (SEKm)



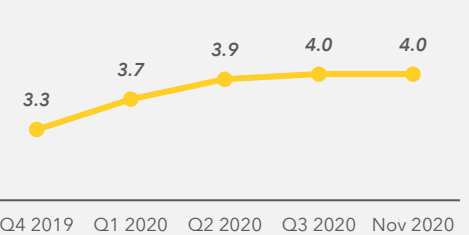
**budbee**

Number of New Merchants



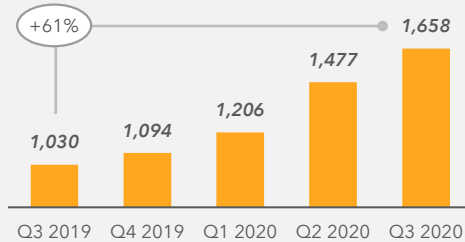
**VillageMD**

Managed Medical Spend (USDbn)



**Kolonial.no**

Revenues LTM (NOKm)



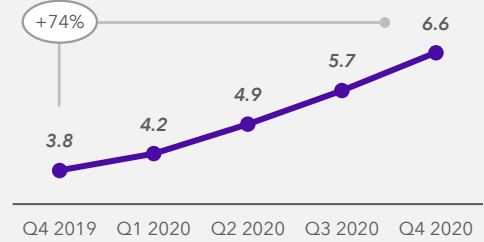
**DFG GLOBAL FASHION GROUP**

Active Customers (m)



**babylon**

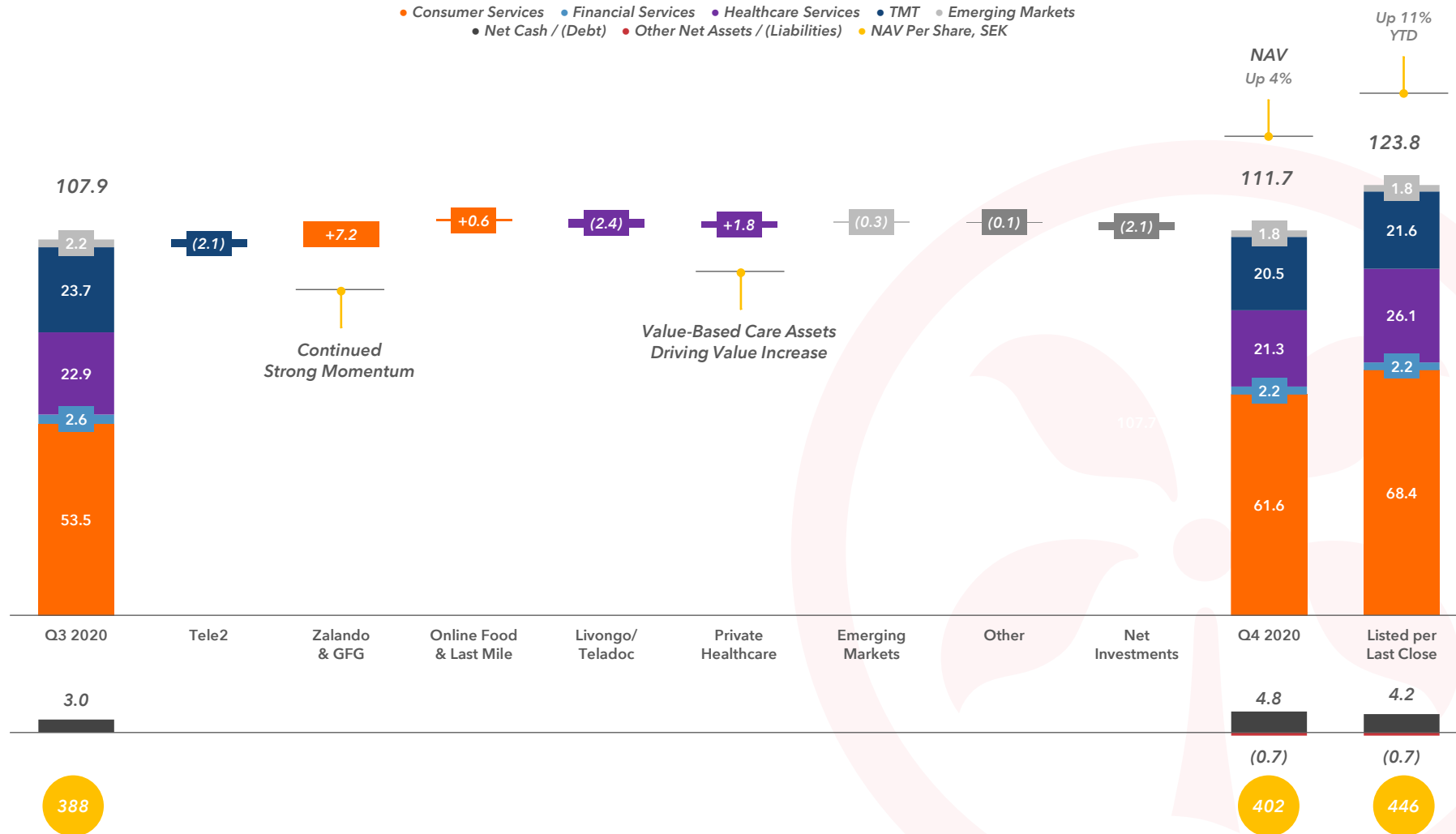
Global Registrations (m)



# OUR NET ASSET VALUE IS UP SEK 3.8 BN, OR 4%, IN THE QUARTER, DRIVEN BY STRONG PERFORMANCE IN OUR ONLINE FASHION ASSETS AND OUR PRIVATE PORTFOLIO

## Net Asset Value Development

- Consumer Services
- Financial Services
- Healthcare Services
- TMT
- Emerging Markets
- Net Cash / (Debt)
- Other Net Assets / (Liabilities)
- NAV Per Share, SEK



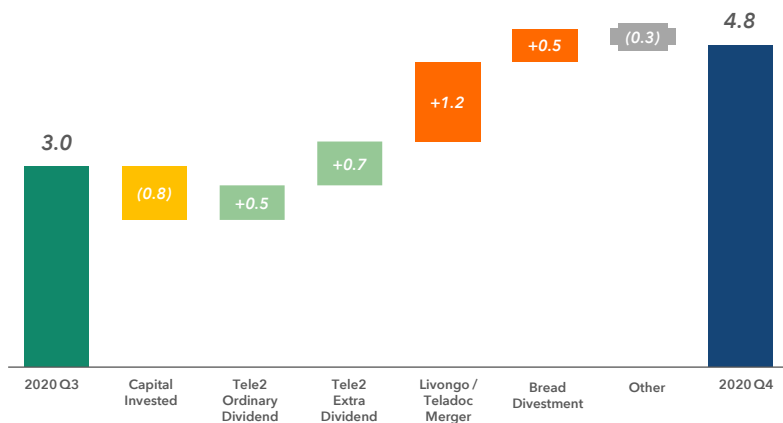
# OUR CASH POSITION GREW FROM SEK 3.0BN TO 4.8BN IN THE QUARTER AFTER RECEIVING SEK 2.9BN IN PROCEEDS FROM OUR PORTFOLIO

## Our Financial Position

### Capital Structure and Financial Capabilities

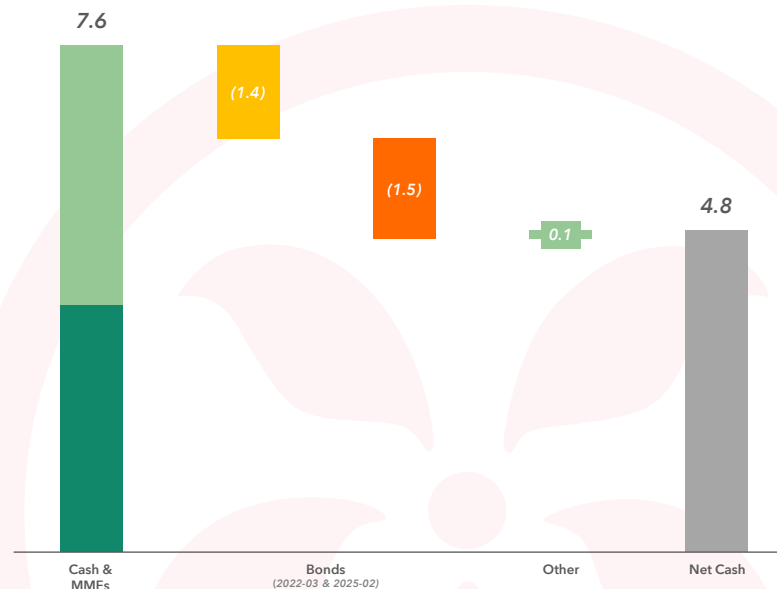
#### Net Cash Development

Q4, SEKbn



#### Composition of Net Cash / (Debt)

By Source, SEKbn



*Our financial position provides us with the strength needed to execute on our five-year 2019-23 capital allocation plan, driving the transformation of our portfolio towards a higher share of high-growth, primarily private businesses*

A dramatic photograph of a SpaceX Falcon Heavy rocket launching from the Kennedy Space Center. The rocket is ascending vertically, leaving a massive, billowing plume of white and orange smoke and fire. The launch pad's service structure is visible on the right side of the frame. The sky is a deep blue with scattered white clouds. The overall scene is one of powerful industrial achievement.

*Welcome to Kinnevik's  
Capital Markets Day  
24 February 2021*

*Read more and register your attendance on [kinnevik.com](https://kinnevik.com)*