

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

The effects of climate change are clearly visible and will have an increasingly tangible impact on Kinnevik and our portfolio. Implementing the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") enables us to identify, assess and manage our most material climate-related risks and opportunities.

Kinnevik are official supporters of the TCFD and have implemented its recommendations. Our first TCFD Report was published in June 2020, and we have subsequently published updated versions yearly. The summary of our most material climate-related risks and opportunities and our scenario analysis is available on the following pages. More details on the conclusions of analysis are available on Kinnevik's website.

For ease of reference, to the right is an overview of the TCFD recommendations and page number where the information can be found in Kinnevik's Sustainability Report 2023.



GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS AND TARGETS
Disclose the organisation's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	Disclose how the organisation identifies, assesses and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

RECOMMENDED DISCLOSURES

a) Describe the Board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.				
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b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	b) Describe the organisation's processes for managing climate-related risks.	b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.				
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	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.			
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CLIMATE RISKS AND OPPORTUNITIES (1/2)

This section contains detailed information on climate risks and opportunities for each of Kinnevik's sectors and sub-sectors.

HEALTHCARE

The healthcare sector is among the most carbon-intensive service sectors in the industrialized world and account for 4.4% of global net emissions (Health Care Without Harm, 2019). At the same time, the effects of climate change represent the greatest health threat of our time. The healthcare sector therefore has a role to play in resolving the climate crisis, as well as in adapting to be able to treat new illnesses caused by climate change.

Consumers and regulators alike will have higher expectations around reduction of emissions both in companies' own facilities as well as in their supply chains. However, we see this as more of a mid- to long-term risk for the sector as consumers of healthcare services primarily prioritise aspects other than environmental when choosing a care provider.

Our **value-based care** companies, relying more heavily on physical health centres and supply chains for production of equipment and hardware compared to our virtual care companies, are exposed to acute and physical risks alike. Increased severity of extreme weather events including temperature extremes may lead to reduced revenue and higher costs as it may lead to supply shortages due to transport difficulties and supply chain interruptions. Over the longer term, extreme variability in weather patterns and rising temperatures may lead to reduced ability to collect payments due to inability of insurance companies and/or governments to adapt to new circumstances and the introduction of new illnesses. The main climate-related opportunity for our value-based care companies is to meet demand for lower-emissions preventative care, as opposed to acute care which is both more expensive and higher-emitting. They are also in a good position, compared to incumbents, to quickly adapt

to shifting consumer and government preferences by offering lower-emission services.

The main climate-related risk for our **virtual care** providers is that more extreme weather may lead to higher demand for more acute care of new medical conditions which may not have been treated through virtual care before. This could lead to increased costs related to product development and/or revenue losses as customers turn to more traditional care providers for treatment. On the climate-related risks, our virtual care providers are well placed to meet growing demand for lower emission services from customers via their flexible virtual care platforms.

PLATFORM & MARKETPLACES

Food-based agriculture accounts for 35% of all human-made greenhouse gas emissions. Of that, plant-based foods emissions contribute 29%, animal-based food emissions contribute 57%, and non-food utilization such as cotton and rubber production contribute 14% (University of Illinois, 2021). Rapid changes to the global food system over the next several decades, including adopting plant-rich diets, increasing crop yields and reducing food waste, is central in meeting the Paris Agreement.

For our **online food** companies, we believe the opportunities of a more climate conscious customer base are imminent and clear. The companies that do not manage to integrate climate opportunities into their core business models will risk being outpaced by competitors. Increasing awareness of the climate crisis is shifting customer preferences towards providers with transparency around their carbon footprint as well as clear targets to reduce their climate impact, both up- and downstream. Using advanced analytics and artificial intelligence to map purchasing

patterns means supply and demand can be more precisely aligned, helping to avoid overproduction and waste and thus reducing the climate impact. If and when the production, warehousing and distribution of food online can become more climate friendly than physical stores, digital business models stand to benefit.

On the climate-related risks, being in the groceries industry means being highly dependent on sustainable sourcing and supply chains. Acute physical risks can affect agricultural production, production of semi-finished goods, increase costs of maintenance and repair of damaged buildings, delay or hinder deliveries to end-consumers and cause inventory loss from damage and spoiled food during power outages or extreme heat. Long-term, this may affect the availability and price of certain products. Chronic physical risks such as temperature rise could affect energy costs by requiring air conditioning and refrigeration systems to work harder or longer - using more energy to maintain appropriate temperatures in facilities.

SOFTWARE

For our **SaaS** companies, the main climate-related risk is an inability to provide accurate climate data embedded in the company's core product to meet increasing demand from customers of understanding their personal carbon footprint. This also mirrors the greatest opportunity, which is to broaden the revenue stream by introducing new products providing for example carbon accounting and climate-related data.

For our **travel** companies, the main climate risk relates to the stigmatisation of air travel in favour of lower-emission travel options. An inability to offer lower-emission travel alternatives, at competitive prices and with acceptable trade-offs related to comfort and speed, may negatively affect revenues. In addition, a key risk is increased pricing of GHG emissions, increased transparency requirements and enhanced emissions-reporting

CLIMATE RISKS AND OPPORTUNITIES (2/2)

obligations, so-called policy & legal risk. Given the high carbon footprint of air travel, changes to climate related regulations could have a material negative financial impact. International operations increase the exposure to and complexity in monitoring local charges and emissions trading schemes such as carbon emissions-based passenger taxes, which may decrease demand. In addition, increased reporting obligations may incur increased overhead costs. Chronic changes to the environment will also affect travel patterns and limit the areas and periods to which travel is appropriate may result in shorter and less frequent trips. Providing detailed information on carbon footprint for various flight options is a key opportunity, as well as offering flights with sustainable aviation fuel. Another opportunity is offering easily accessible and transparent information on carbon footprint for other modes of transports such as buses, trains and ferries.

CONSUMER FINANCE

For our **consumer finance** companies operating in investments and savings, a key climate-related risk is not being able to meet a shift in consumer preferences towards products with low climate impact sold by companies that are seen as leaders in sustainability. There is also a potential stigmatisation of products with a high climate impact, such as oil and gas, which could have an impact on assets under management and revenues. "Brown" assets may become stigmatized and eventually phased out - resulting in a more limited range of financial products unless technology keeps up and new "green" industries emerge. Offering products and funds with a low climate impact to meet the increased demand is a key opportunity. Demand for potentially climate controversial products is however likely to persist to some degree, which

requires striking a balance.

Another risk is increased operating costs related to compliance and reporting. Greenwashing of ESG products may lead to higher litigation risk or sanctions by legislators.

The key opportunity for our consumer finance businesses is the growing business opportunity of meeting demand from more climate conscious customers by offering climate friendly financial products in a transparent way - resulting in increased revenues.

TMT

For our **communications** company, a key climate risk is the possibility of unsuccessful investments in new technologies to facilitate the transition into a low carbon business and thereby not meeting the emissions requirements and demand from consumers. Another risk is increased production costs due to increased energy costs. Increased awareness and pressure around climate impact will potentially result in reduced employee attraction and retention and capital availability unless companies are able to position themselves as sustainability leaders. Acute and chronic physical risks is an issue for business continuity. It may also lead to increased costs due to for example increased cooling needs at facilities and office locations.

Climate change will most likely only increase the need and importance of connectivity resulting in increased revenue if companies can also make the transition to climate focused products and services needed with in the TMT industry. Other opportunities include use of more efficient production processes and lower-emission sources of energy. This may reduce operating costs as a transition into more efficient processes enables lower product prices.

SCENARIO ANALYSIS (1/8)

This section contains detailed information on Kinnevik's scenario analysis. This is a continuation of the strategy section starting on page 8.

In accordance with the TCFD recommendations, we have used scenario analysis as a method to better understand the potential effects of climate change on our business, strategy and financial planning under different potential future climate scenarios. It allows us to test the robustness and resilience of our strategy, to properly identify climate-related risks and opportunities and provides guidance for capital allocation decisions. In addition, scenario analysis improves our external reporting and transparency and enables investors to make more informed decisions.

CLIMATE SCENARIOS

The Intergovernmental Panel on Climate Change ("IPCC") explores different pathways of GHG concentration and, effectively, the amount of warming that could occur by the end of the century. These Representative Concentration Pathways ("RCPs") are used for climate modelling and describes different climate futures depending on the volume of GHG emitted in the years to come.

The RCPs should be considered in combination with the Shared Socioeconomic Pathways ("SSPs"), modelling how socioeconomic factors may change over the next century. These include for example population, economic growth, education, urbanisation and the rate of technological development. The SSPs look at five different ways in which the world might evolve in the absence of climate policy and how different levels of climate change mitigation could be achieved when the mitigation targets of the RCPs are combined with the SSPs.

We have selected two RCPs for our scenario analysis to reflect two very different climate outcomes; the Stringent Mitigation Scenario (RCP2.6) where emissions decline and become negative by end of the century resulting in a global mean temperature

of 1.7 degrees, and the Very High Emissions Scenario (RCP8.5) where emissions continue to rise ending up at three times higher than the present resulting in a global mean temperature of 4.6 degrees by end of the century. Climate researchers have found that RCP 2.6 is possible to achieve under three of the SSPs (SSP1 Sustainability, SSP2 Middle of the Road and SSP4 Inequality), while the very high level of emissions associated with RCP8.5 can only be achieved under one SSP (SSP5 Fossil-fuelled Development).

In our description of RCP2.6 we have included the SSP1 narrative, and for RCP8.5 we have included the SSP5 narrative. Both climate scenarios and our scenario analysis stretch to the end of the century, 2100. While this is well beyond our strategic planning timeframe, it provides insights into broader trends that could have implications for our near- and mid-term decision making. Each of these plausible pathways are designed to stretch our strategic thinking about potential rates of new technology adoption, policy development and consumer behaviour.

RCP2.6 - The Stringent Mitigation Scenario

This scenario implies a global temperature rise of 1.0-2.3°C relative to pre-industrial levels and is the scenario closest aligned with the Paris Agreement. In this scenario, businesses would be more impacted by transition risks, rather than physical risks. RCP2.6 is characterised by:

- Higher use of renewable energy sources and lower energy consumption overall
- Higher use of bioenergy and Carbon Capture and Storage, resulting in negative emissions
- Constant use of grasslands and increased use of croplands, but largely as a result of bioenergy production

- Greenhouse gas emissions culminate in year 2020, reach net zero by 2050 and are negative by 2100
- Significantly increased investments and fast-paced adoption of technologies to combat climate change
- Highly stringent climate policies

Implications from this scenario includes significantly increased demand for energy-efficient and lower-carbon products and services, an ever-evolving patchwork of policy and legal requirements on international and national level, and growing expectations for responsible conduct from stakeholders including investors, lenders and consumers.

SSP1 Sustainability: The world shifts gradually, but pervasively, toward a more sustainable path, emphasizing more inclusive development that respects perceived environmental boundaries. Management of the global commons slowly improves, educational and health investments accelerate the demographic transition, and the emphasis on economic growth shifts toward a broader emphasis on human well-being. Driven by an increasing commitment to achieving development goals, inequality is reduced both across and within countries. Consumption is oriented toward low material growth and lower resource and energy intensity.

RCP8.5 - The Very High Emissions Scenario

This scenario implies a global temperature rise of 3.4-5.7°C relative to pre-industrial levels. In this scenario, human-driven climate change will be more evident, and businesses will be more impacted by physical climate risks. RCP8.5 is characterised by:

- Global population peaks and declines in the 21st century
- High dependency on fossil fuels and overall high energy consumption as a result of high population growth and lower rate of technology development
- Increased use of cropland and grasslands, mostly driven by

SCENARIO ANALYSIS (2/8)

an increasing global population

- Greenhouse gas emissions are three times today's levels
- Development of new technology will have progressed but at a slower rate
- All today's announced policy changes are realised, but with no additional policies

Implications from this scenario include more extreme weather events such as heatwaves, flooding and wildfires, changes in rainfall patterns and monsoon systems, more acid oceans, melting of arctic sea ice and sea level rises by a half to one meter. Like the Stringent Mitigation Scenario, demand for lower-carbon products and services, as well as expectations from stakeholders, are likely to increase from today's levels, but not to the same extent.

SSP5 Fossil-fuelled Development: This world places increasing faith in competitive markets, innovation and participatory societies to produce rapid technological progress and development of human capital as the path to sustainable development. Global markets are increasingly integrated. There are also strong investments in health, education, and institutions to enhance human and social capital. At the same time, the push for economic and social development is coupled with the exploitation of abundant fossil fuel resources and the adoption of resource and energy intensive lifestyles around the world. All these factors lead to rapid growth of the global economy, while global population peaks and declines in the 21st century. Local environmental problems like air pollution are successfully managed. There is faith in the ability to effectively manage social and ecological systems, including by geo-engineering if necessary.

Methodology, Materiality and Process

Our scenario analysis was conducted with the aim of testing our strategy and how it would likely perform under the two different climate scenarios. Read more about our business strategy on

page 5.

We started with a top-down analysis of our five focus sectors Value-Based Care, Virtual Care, Platform & Services, Software and Consumer Finance and our largest company, Tele2. Within Platform & Services we focused the sub-sector food and within Software we focused on the sub-sector travel. We modelled and analysed potential implications for the sectors and sub-sectors under each of the two climate scenarios. Based on a materiality analysis, we have put particular emphasis on those sectors and sub-sectors with the highest impact from climate-related risks and opportunities, as well as those that are most material to Kinnevik in terms of share of our portfolio value.

The analysis is predominantly qualitative or "directional" in nature, and is done from Kinnevik's perspective as an owner, as opposed to the portfolio companies', and focuses on the implications on our business, strategy and financial planning. As an investment company, we do not have the same level of insight into all our portfolio companies that an operating company would perhaps have into its own operations, which creates an uncertainty factor. We have focused primarily on policy & legal, market, reputation and technology risks as those are the most pressing for our portfolio of digital companies. We have also modelled the exposure of Kinnevik's portfolio to physical climate risks using S&P's tool Climonomics which incorporates the latest climate science to model how physical assets are likely to be impacted by various climate hazards, depending on the type and location of the asset, in relation to future climate scenarios. Regarding opportunities, we have focused on products and services.

Following the top-down analysis, we conducted a more in-depth analysis of each sector together with the respective responsible Investment Manager in the beginning of 2021. For this report, we have focused on the findings in three specific sectors and sub-sectors, Value-Based Care, Virtual Care and food. These face some of the most evident impacts in each of

the climate scenarios - food faces both climate-related risks and opportunities in both scenarios while Value-Based Care and Virtual Care see primarily climate-related opportunities in the Stringent Mitigation Scenario. These sectors also form a core part of our strategy and capital allocation plan.

To present and challenge the results of the scenario analysis, a workshop with the Risk Committee was held in February 2021, after which they were presented to the A&S Committee in March 2021. The updated analysis for this year's report was shared with the Management Team in June 2022. The updated analysis of chronic physical risks was presented to the Audit & Sustainability Committee in March 2024.

ROBUSTNESS AND RESILIENCE OF OUR STRATEGY IN EACH SCENARIO

The scenario analysis provides us with important input on our business, strategy and financial planning. Our strategy is to invest in digital companies operating primarily a marketplace model, and as such, with the exception of some companies in Value-Based Care and food, our portfolio generally has relatively low dependency on complex supply chains, physical assets and fossil fuels. As such, our strategy shows relative resilience in the face of a Very High Emissions Scenario. However, the overall benefits of sustainability and low-emissions services in this scenario will not be recognized by a majority of consumers which means that sustainability will not be considered a competitive advantage.

As an investor in consumer-facing sectors, Kinnevik is exposed to a broad set of transition risks associated with the Stringent Mitigation Scenario, particularly related to market and reputation, i.e. shifting consumer behaviour as a result of increased climate consciousness and overall decrease in discretionary consumption. Our portfolio overall is also exposed to transition risks related to policy & legal, i.e. increasing climate-related disclosure requirements and stakeholder demands, as regulators

SCENARIO ANALYSIS (3/8)

is increasing scrutiny around climate related topics. Meanwhile, this scenario also offers the largest climate-related opportunities with regards to Kinnevik's strategy to invest in digital companies disrupting legacy industries through innovation and new technology. In both scenarios the most prominent physical climate risk is temperature extremes. However, such physical risk do not constitute a significant financial risk for Kinnevik.

Implications on Our Food Companies

The production and transportation of food is one of the major climate challenges accounting for 25% of emissions in developed countries. It is a sector which will need to transition fast and which will play a material role in our ability to achieve the EU's target of becoming the first climate neutral continent by 2050.

The food sector stands out in the scenario analysis as, in the Very High Emissions Scenario, increased severity of extreme weather events can lead to disruptions in production, transportation and distribution. Increasing temperatures may affect cultivation possibilities and increases energy need. This could lead to a loss of sales due to lack of product availability and/or increased consumer prices, increased costs for repairing damaged facilities, inventory loss and increased insurance premiums. It could also lead to increased costs for energy (cooling and air conditioning) and product procurement. Further, in a Very High Emissions Scenario, sustainability is not fully recognized by consumers, which will impact food businesses that currently have a clear sustainability profile and strategy.

In the Stringent Mitigation Scenario, enhanced reporting obligations may lead to increased costs for reporting and transparency compliance. And perhaps most importantly, increased awareness of climate change among consumers may lead to a shift in preferences and behaviour which may lead to loss of sales if consumers chose other more climate-friendly providers. It should be noted that our online grocers, which constitute the

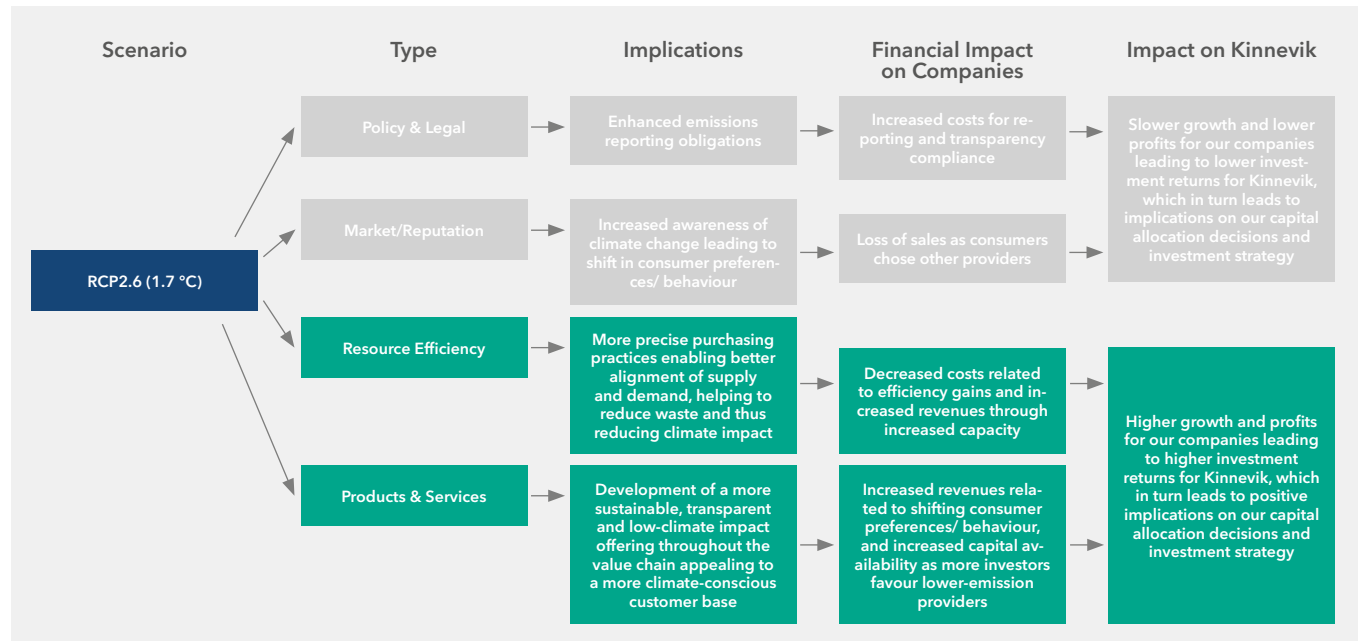
majority of our food portfolio, does not have any food production of their own but rely on distributors. They also do not own any physical stores, although they operate a smaller number of warehouses. Therefore, the impact on our online grocers may be somewhat muted compared to a company engaged in food

production and/or distribution.

Conversely, Food also has many climate-related opportunities, particularly in the Stringent Mitigation Scenario. Developing a more sustainable, transparent and low-climate impact offering throughout the value chain would allow our companies to seize

Food: Stringent Mitigation Scenario RCP2.6

Overview of key risks and opportunities

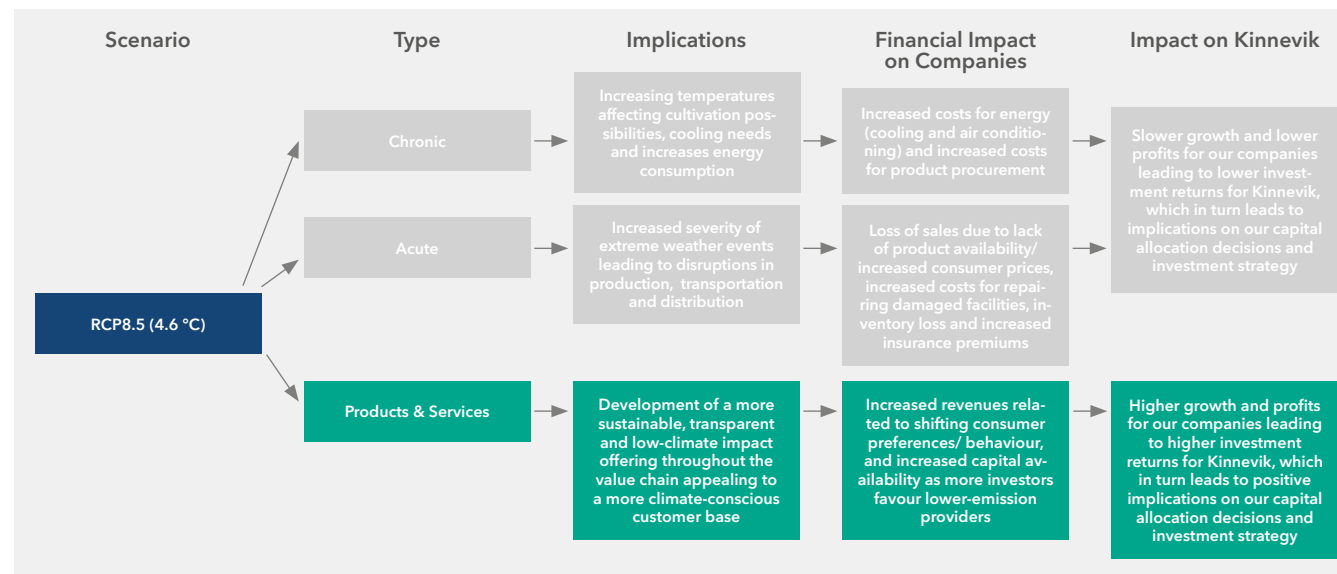


Note: Grey boxes represent climate-related risks and green boxes represent climate-related opportunities.

SCENARIO ANALYSIS (4/8)

Food: Very High Emissions Scenario RCP8.5

Overview of key risks and opportunities



Note: Grey boxes represent climate-related risks and green boxes represent climate-related opportunities.

SCENARIO ANALYSIS (5/8)

Value-Based Care

Global healthcare in general accounts for about 4.5% of worldwide emissions, equal to the fifth-largest greenhouse gas emitter on the planet if healthcare was a country. Only in the United States, the healthcare industry represent approx. 9% of the total national emissions. Climate change also has a direct impact on healthcare as it increases the risk of new diseases and conditions arising due to rising mean temperatures etc.

Value-based healthcare provides a method for understanding and mitigating climate-related health issues and provides solutions to improve health outcomes and costs, making healthcare

more efficient and in turn also decreasing emissions from the healthcare sector.

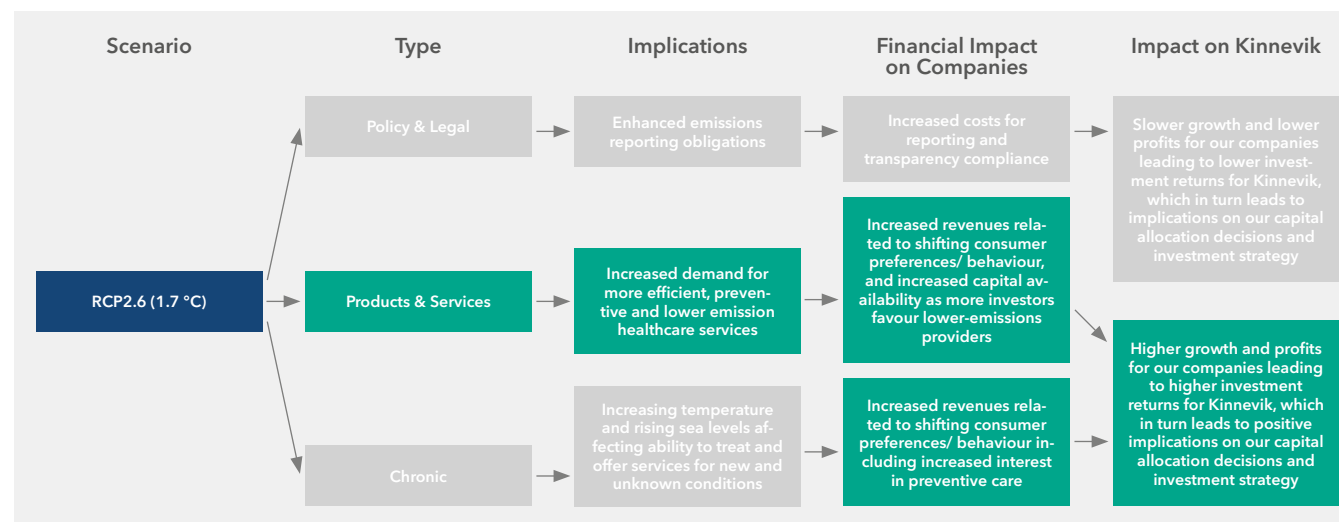
In the Very High Emissions Scenario, increased severity of extreme weather events may lead to disruptions in supply chain for medical equipment and medicine, which could result in loss of sales from decreased capacity for our value-based care providers. Increasing temperature and rising sea levels may affect the ability to treat and offer services for new and unknown conditions. This may particularly impact our value-based care providers as they enter into risk-sharing contracts with providers, meaning they take full risk on a patient's health. This may

cause increased operating costs and have a negative effect on profits. This risk will to a large extent depend on how quickly governments and insurance providers are able adapt to new and unknown climate-related conditions and a potential shift in the overall health spend.

However, in the Stringent Mitigation Scenario, there are some clear climate-related opportunities. Our value-based care providers aim to make healthcare more efficient and preventative, as opposed to relying too heavily on acute care which is more costly and has a higher climate impact.

Value-Based Care: Stringent Mitigation Scenario RCP2.6

Overview of key risks and opportunities

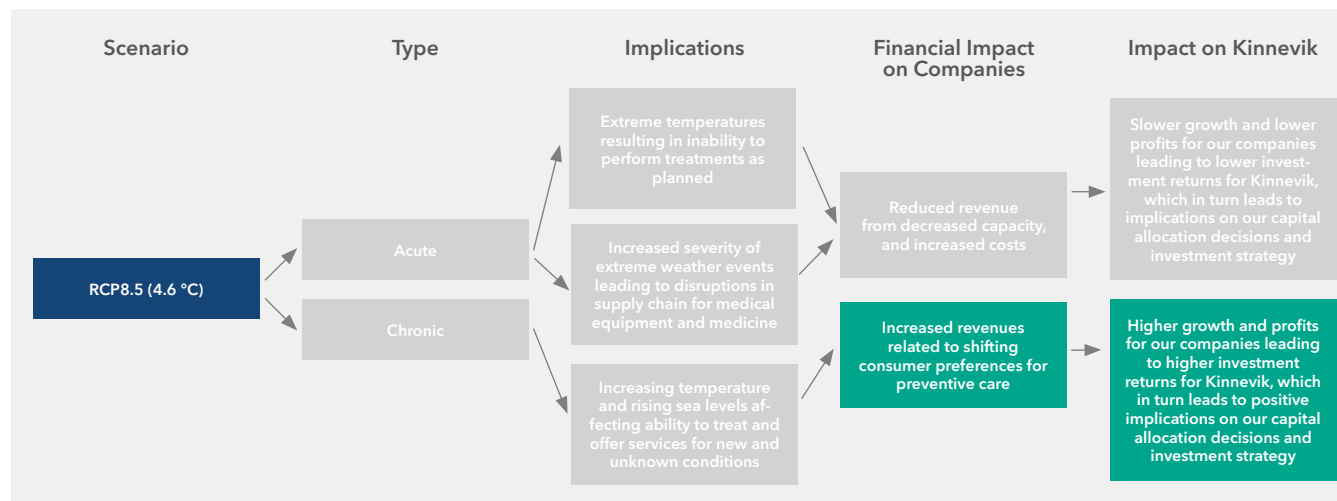


Note: Grey boxes represent climate-related risks and green boxes represent climate-related opportunities.

SCENARIO ANALYSIS (6/8)

Value-Based Care: Very High Emissions Scenario RCP8.5

Overview of key risks and opportunities



Note: Grey boxes represent climate-related risks and green boxes represent climate-related opportunities.

SCENARIO ANALYSIS (7/8)

Virtual Care

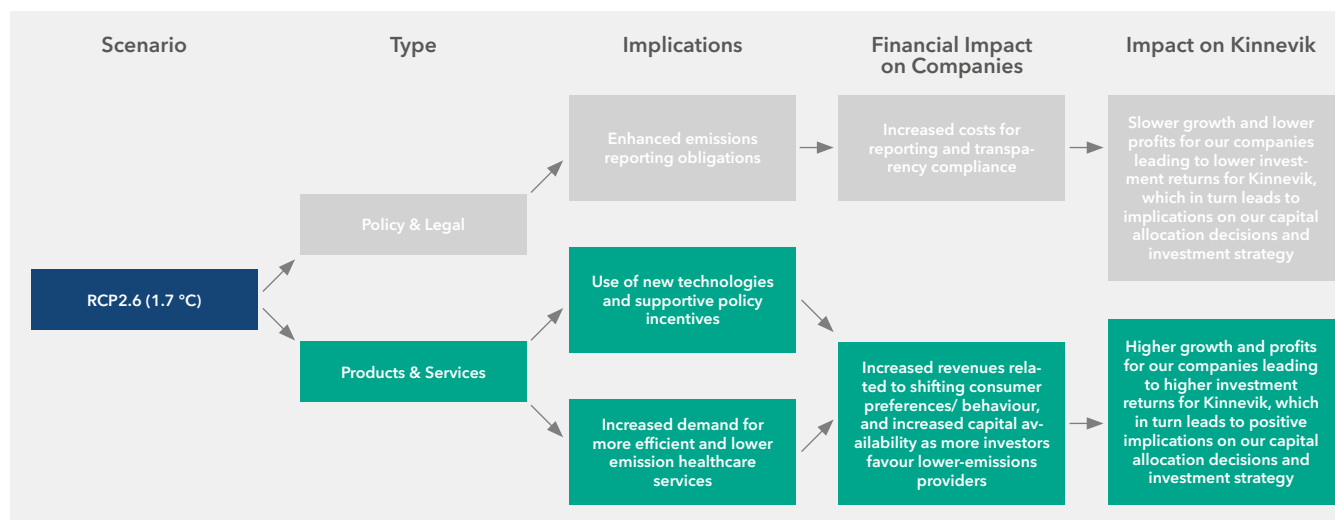
A virtual care model which is not dependent on physical clinics will in most cases have an inherently lower dependency on fossil fuels compared to traditional players. In the Stringent Mitigation Scenario, where consumer demand for lower emission health-care services increases, as well as use of new technologies and supportive policy incentives, virtual healthcare will therefore see opportunities that may lead to increased revenues.

However, and as with value-based care, in the Very High Emissions Scenario, increased severity of extreme weather events

may lead to disruptions in supply chain for digital solutions, which could result in loss of sales from decreased capacity for our otherwise asset light virtual care providers. Increasing temperatures and rising sea levels may similarly affect the ability to treat and offer services for new and unknown conditions. This may particularly impact our virtual care providers as their care programs are based on long-term research of more commonly known conditions, meaning they may not be able to build out their offerings as quickly as demand arises. This may cause decreased demand and have a negative effect on profits.

Virtual Care: Stringent Mitigation Scenario RCP2.6

Overview of key risks and opportunities



Note: Grey boxes represent climate-related risks and green boxes represent climate-related opportunities.

SCENARIO ANALYSIS (8/8)

CONCLUSION

Based on our scenario analysis, the scenario with the largest potential negative impact on Kinnevik's business, strategy and financial planning is the Very High Emissions Scenario. The most favourable scenario is conversely the Stringent Mitigation Scenario, as the climate-related opportunities facing our portfolio in this potential future would likely outweigh the climate-related risks.

Potential Impact and Effects on Our Strategy

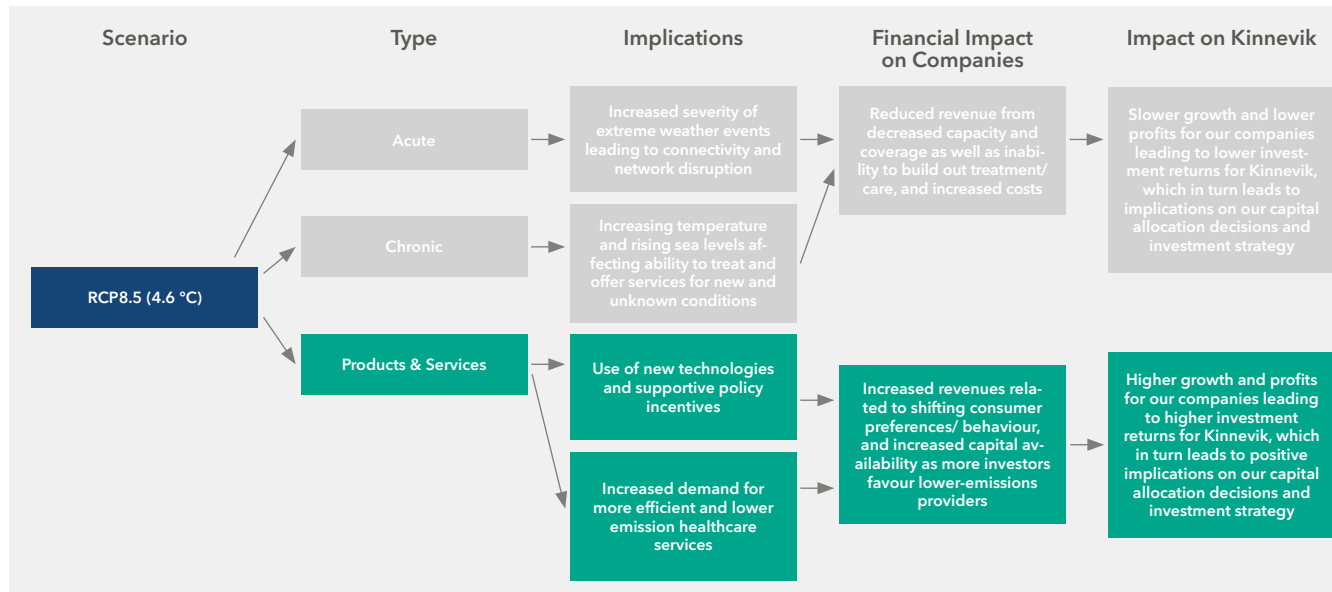
The climate-related risks identified in both scenarios for the food sector, and primarily in the Very High Emissions Scenario for the two healthcare sectors, may lead to slower growth and lower profits for our companies leading to lower investment returns for Kinnevik, which in turn may lead to implications on our investment strategy and capital allocation decisions.

The key climate-related risks and opportunities for Kinnevik under the Stringent Mitigation Scenario is related to more climate-

conscious consumers and more stringent climate policies. In this scenario, our strategy may be affected as we may put increasing emphasis on climate aspects in capital allocation decisions, and increasingly look to invest in companies that will thrive in a low-carbon economy. The key climate-related risks in the Very High Emissions Scenario relate to physical risks i.e. adverse effects on businesses with complex supply chains, such as in some of our companies in the Value-Based Care and food sectors. In this scenario, our strategy may be affected as we may decrease our exposure to these types of assets.

Virtual Care: Very High Emissions Scenario RCP8.5

Overview of key risks and opportunities



Note: Grey boxes represent climate-related risks and green boxes represent climate-related opportunities.