



K I N N E V I K

Information about mandatory share redemption in Investment AB Kinnevik (publ)

This document does not constitute an offer to acquire or sell shares.

The sole purpose of this document is to provide information to the shareholders of Investment AB Kinnevik (publ) prior to the Annual General Meeting on 23 May 2016 regarding the proposed extraordinary cash distribution to the shareholders through a mandatory redemption of shares. The Board's complete proposal, which includes resolutions on (i) a share split, (ii) a reduction of the share capital and (iii) the restoring of the share capital through a bonus issue, is included in the notice to the Annual General Meeting which is available on www.kinnevik.com and will be sent to shareholders upon request.

Please note that the time table for the share split and mandatory redemption of shares and all dates in relation thereto stated in this information brochure are estimates and based on an expected record date for the share split on Monday, 30 May 2016, which among other things, is dependent on that the Annual General Meeting resolves in accordance with the Board's proposal and timely processing and registration of the share split at the Swedish Companies Registration Office (Sw. *Bolagsverket*).

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

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DESCRIPTION OF THE SHARE REDEMPTION PROGRAM

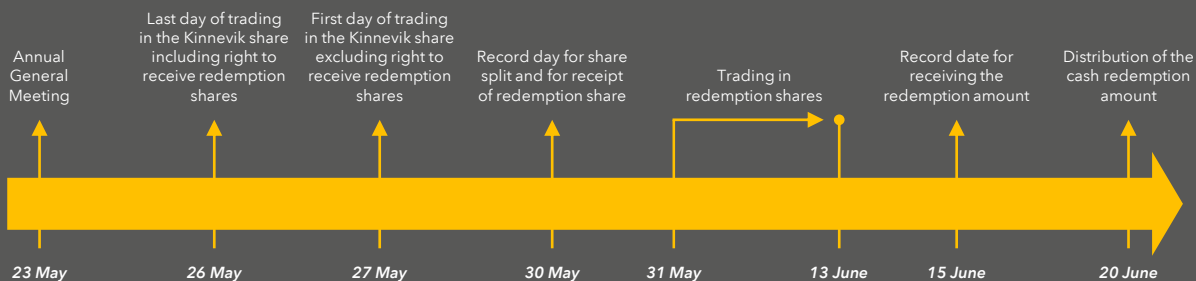
The 2016 Annual General Meeting of Investment AB Kinnevik (publ) ("**Kinnevik**") on Monday 23 May 2016 is proposed to resolve on an extraordinary cash distribution to the shareholders through a share split and a mandatory redemption of shares (the "**Share Redemption Program**").

If the Annual General Meeting resolves to approve the Share Redemption Program the share redemption is automatic, **i.e. no action is required from the shareholder.**

The proposed Share Redemption Program implies that each share in Kinnevik is split into two new shares, of which one will be a so called redemption share. The redemption shares will be

traded on Nasdaq Stockholm from and including Tuesday, 31 May 2016 up to and including Monday, 13 June 2016. Redemption shares of Class A and Class B will then automatically be redeemed by Kinnevik for SEK 18 per share, which amount will be distributed on or around Monday, 20 June 2016. Payment will be made via Euroclear Sweden ("**Euroclear**") into the yield account (*Sw. avkastningskonto*) linked to directly registered shareholders' securities accounts (*Sw. VP-konto*). Nominee registered (*Sw. förvaltarregistrerade*) shareholdings will be processed in accordance with each nominee's routines.

Time table in brief



The Share Redemption Program is conditional upon the Annual General Meeting resolving upon¹:

- a split of each Class A share and Class B share into two new shares (share split), of which one will be a redemption share;
- a reduction of the share capital through repayment to shareholders (share redemption); and
- an increase of the share capital through a bonus issue, through a transfer from the company's non-restricted equity to the share capital. The purpose of the bonus issue is to restore the share capital to the same level as prior to the Share Redemption Program (whereby a time efficient Share Redemption Program is also achieved).

¹ Any redemption shares held in treasury will also be redeemed and an amount equal to the nominal value of such shares will be transferred to Kinnevik's non-restricted equity.

BACKGROUND AND REASONS

The Kinnevik Board has evaluated the company's capital structure and concluded to recommend the Annual General Meeting to resolve upon an extraordinary cash distribution of SEK 18 per share to Kinnevik's shareholders, equivalent to

approximately SEK 5bn in aggregate, by way of the Share Redemption Program. The recommendation does not change Kinnevik's financial targets on capital structure or dividend policy.

THE SHARE REDEMPTION PROGRAM'S EFFECT ON THE SHAREHOLDERS' EQUITY AND SHARE CAPITAL

Should the Annual General Meeting resolve on the proposed Share Redemption Program, approximately SEK 5bn will be distributed to the shareholders. The Share Redemption Program will have the following financial effects on Kinnevik:

- Shareholders' equity will be reduced by approximately SEK 5bn; and
- Net cash, that is the difference between liquid assets and interest-bearing debt, will decrease by approximately SEK 5bn.

Changes in shareholders' equity and number of shares in Kinnevik, per 18 April 2016

	Before the Share Redemption Program	After the share split 2:1	Effect of share redemption	Effect of bonus issue	After the Share Redemption Program
Shareholders' equity (SEKm) ²	50,381	50,381	-4,952	-	45,429
Share capital (SEKm) ²	27.8	27.8	-13.9	13.9	27.8
Shares outstanding - total ³	277,768,190	555,536,380	-277,768,190	-	277,768,190
of which Class A ³	42,369,312	84,738,624	-42,369,312	-	42,369,312
of which Class B ³	235,398,878	470,797,756	-235,398,878	-	235,398,878
Shares outstanding - total net of shares held in treasury by Kinnevik ³	275,101,170	550,202,340	-275,101,170	-	275,101,170

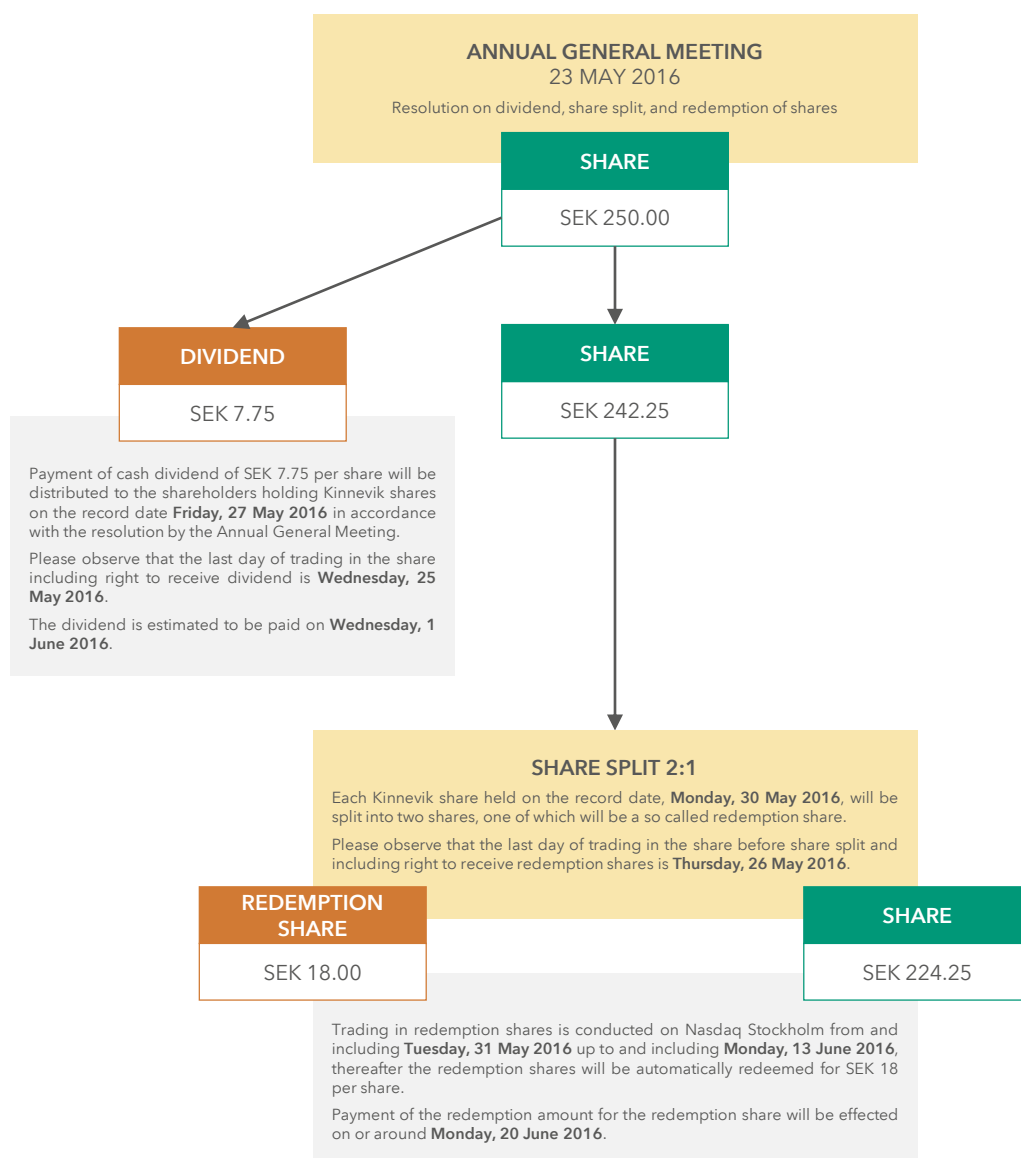
² As per 31 December 2015 (decreased by the cash dividend of SEK 7.75 per share, equivalent to approximately SEK 2,132m, proposed to the Annual General Meeting).

³ As per 18 April 2016.



THE SHARE REDEMPTION PROGRAM STEP BY STEP

This example is based on an assumed share price of SEK 250. The effects on the share price of dividend, share split and redemption are only theoretical. The stock market's actual pricing of the Kinnevik share may deviate from the example.



TIME TABLE

ACTIVITY	DATE 2016	PLEASE NOTE THAT
Annual General Meeting of Kinnevik Resolution on share split and redemption of shares	23 May	Please see the notice for information on how to give notice to attend the Annual General Meeting
Last day of trading in the Kinnevik share before share split and including right to receive redemption share	26 May	Last day with the possibility of acquiring shares in Kinnevik with the right to obtain redemption shares
First day of trading in the Kinnevik share following share split	27 May	As from and including this day the Kinnevik share will be traded with a new share price (following share split) and with new ISIN codes
Record date for share split and for receipt of redemption shares ⁴	30 May	All Kinnevik shareholders will on this day ⁴ have their shares split into two, one of which will be a redemption share
First day of trading in redemption shares	31 May	The redemption share is booked into the shareholders' securities accounts
Last day of trading in redemption shares	13 June	Last day for sale or acquisition of redemption shares on Nasdaq Stockholm
Record date for receiving the redemption amount	15 June	Shareholders holding redemption shares this day ⁵ will be entitled to receive the redemption amount
Payment of redemption amount	20 June	The redemption amount will be distributed via Euroclear into the yield account linked to the securities accounts of shareholders directly registered with Euroclear Nominee registered shareholdings will be processed in accordance with each nominee's routines

⁴ Record date for share split and right to receive redemption share occurs two trading days after the last day of trading in the Kinnevik share before share split and including right to receive redemption share.

⁵ Record date for receiving the redemption amount is based on the information in the Euroclear system as of the second trading day after the last day of trading in redemption shares.



TAX CONSIDERATIONS IN SWEDEN

Unless otherwise stated, the summary below is based on Swedish tax regulations and practice currently in force for shareholders in Kinnevik with an unlimited tax liability in Sweden and is intended as general information only.

The summary does not cover situations in which securities are held as current assets in business operations or are held by partnerships. Neither does it deal with the special tax regulations applying to certain corporate categories nor the rules on tax-exempt capital gains (including non-deductible capital losses) and dividends on shares considered to be held for business purposes. Nor does the summary cover the special rules that may apply to holdings in companies that have been acquired by means of "qualified shares" in closely held companies.

For shareholders that are not tax residents in Sweden, the tax consequences are affected by provisions of the shareholder's home state and by tax treaties between Sweden and other states. The tax implications for each shareholder depend on the shareholder's specific circumstances. Each shareholder should consult a tax advisor for information on the specific tax consequences arising in relation to the Share Redemption Program applicable for the shareholder.

Tax considerations for shareholders in Sweden

Receipt of redemption shares and allocation of the acquisition cost

The receipt of redemption shares pursuant to the share split as such does not give rise to any taxation. Instead, the acquisition cost of the original Kinnevik shares of Class A and B shares respectively shall be allocated to the redemption shares and the remaining shares based on their market values at the split and separation of redemption shares. Kinnevik intends to seek general advice from the Swedish Tax Agency⁶ regarding how this allocation should be made.

Redemption and disposal of redemption shares

Redemption of shares and disposal of redemption shares, for example by sale in the market, give rise to capital gains taxation. A capital gain or capital loss is calculated as the difference between the received payment and any sales costs and the acquisition cost. The received payment for shares redeemed is the redemption amount. The received payment for redemption shares sold in the market is the sales price.

The acquisition cost for redemption shares received at the share split is calculated by allocating the acquisition cost as described above under the heading "Receipt of redemption shares and allocation of the acquisition cost". Please refer to the illustrative example on page 8. The acquisition cost of shares acquired in the market

is the actual acquisition cost for the shares. The acquisition cost of all shares of the same class and type are added together and calculated collectively in accordance with the average method. It should be noted that the redemption shares of Class A and B respectively are not considered to be of the same class and type as the ordinary Kinnevik shares.

The acquisition cost may under the so called standard method (*Sw. schablonmetoden*) also be determined as 20 per cent of the net remuneration amount upon redemption or sale of the redemption shares.

For individuals, the capital gain is taxed in the capital income category. The tax rate is 30 per cent. A capital loss on quoted shares is fully deductible against taxable capital gains in the same year on shares and other quoted securities that are taxed as shares except for units in Swedish investment funds that only contain Swedish receivables (*Sw. räntefonder*). Any excess losses are 70 per cent deductible against other income from capital. If an overall capital deficit arises, a reduction from tax on income from employment and business operations as well as real estate tax and municipal property charges is granted. Tax reduction is allowed for 30 per cent of the deficit not exceeding SEK 100,000 and 21 per cent of the remainder. Deficits may not be carried forward to future tax years.

⁶ The general advice from the Swedish Tax Agency will be available on www.kinnevik.com and on the Swedish Tax Agency's website, www.skatteverket.se.



For limited liability companies, capital gains on shares that are not deemed to be held for business purposes are taxed as income from business operations at a tax rate of 22 per cent. Deductible capital losses on shares and other securities that are taxed as shares may normally be offset only against taxable capital gains on shares and other securities that are taxed as shares. In certain cases, capital losses may be offset against capital gains within a certain corporate group if group contributions are permitted among the companies. Capital losses that cannot be utilised during a certain year may be carried forward and be utilised against eligible capital gains in subsequent fiscal years.

Tax considerations for shareholders with limited tax liability in Sweden

For shareholders with limited tax liability in Sweden, the redemption of shares is deemed to be a dividend, which means that Swedish withholding tax is levied on the received payment. The withholding tax rate is 30 per cent but is generally reduced under tax treaties that Sweden has concluded with other countries. The withholding tax is normally deducted by Euroclear or, in the case of nominee-registered shares, by the nominee. Swedish withholding tax is levied regardless of the redemption shares being received through the share split or acquired in the market. However, a refund for the withholding tax that is attributable to the acquisition cost of the shares, or 20 per cent of

the redemption amount, may be admitted if a claim for a refund is filed with the Swedish Tax Agency. The acquisition cost is usually allocated between the redemption shares and ordinary shares as described above under the heading "Receipt of redemption shares and allocation of the acquisition cost". Please also see the illustrative example below. A claim for refund is to be filed with the Swedish Tax Agency no later than the end of the fifth calendar year after payment (*Sw. utdelningstillfället*).

Shareholders with limited tax liability in Sweden and who are not carrying on business operations from a permanent establishment in Sweden are generally exempt from capital gains taxation in Sweden on the disposal of shares. However, shareholders may be liable for tax in their country of residence. If a shareholder with limited tax liability in Sweden, being an individual, has been resident or lived permanently in Sweden at any time during the year of the sale or the ten calendar years immediately preceding the year of the sale of Swedish shares, Sweden has the right under a domestic rule to tax such holder. This right to tax may however be limited by applicable tax treaties that Sweden has concluded with other countries.

It should be noted that no Swedish withholding tax is payable if the redemption shares are sold in the market.

ILLUSTRATIVE EXAMPLE

Assume in this example, that a shareholder has 100 Class B shares in Kinnevik with an average acquisition cost of SEK 100, that the lowest trading price the last day of trading before the share split is SEK 250 and that the lowest trading price of the redemption share the first day of trading is SEK 18.

In connection with the share split, the shareholder receives 100 redemption shares.

Assume further that the Swedish Tax Agency⁷ in its forthcoming general advice determines that 7 per cent (SEK 18/250) of the acquisition cost for one original Class B share will be allocated to the Class B redemption share and 93 per cent to the ordinary Class B share.

The acquisition cost of the redemption share will consequently be SEK 7 (7 per cent of SEK 100). The remaining shares have an average acquisition cost of SEK 93 per share (93 per cent of SEK 100).

Thus, when the redemption shares are redeemed or sold this will result in a capital gain of $100 \times (18-7) = \text{SEK } 1,100$

⁷ The general advice from the Swedish Tax Agency will be available on www.kinnevik.com and on the Swedish Tax Agency's website, www.skatteverket.se.

What does the Share Redemption Program imply for me as a shareholder?

If the Annual General Meeting resolves on the Share Redemption Program in accordance with the Board's proposal, each share will be split into two new shares, of which one redemption share that automatically will be redeemed for SEK 18. On the shareholders' securities accounts the Class A redemption share will be referred to as AK IL A and the Class B redemption share will be referred to as AK IL B.

As a shareholder, do I need to do anything?

No, as a shareholder you do not need to take any action under the Share Redemption Program.

When will the payment occur under the Share Redemption Program?

Redemption shares of Class A and B will automatically be redeemed for SEK 18 per share, estimated to be distributed on 20 June 2016.

Why does the Kinnevik Board propose the Share Redemption Program?

Kinnevik has made significant and successful exits from investments over the last six months. The Kinnevik Board has therefore recommended the Annual General Meeting to resolve upon an extraordinary cash distribution of SEK 18 per share to Kinnevik's shareholders, equivalent to approximately SEK 5bn in aggregate, by way of this Share Redemption Program.

Redemption of shares is an extraordinary measure taken to adjust Kinnevik's capital structure. The recommendation does not change Kinnevik's financial targets on capital structure and dividend policy.

What day will be the record date?

The record date for the share split and right to redemption shares is on 30 May 2016.

What day is the last day to buy Kinnevik shares in order to receive redemption shares?

The last day of trading in Kinnevik shares

including the right to receive redemption shares is 26 May 2016.

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

You can choose either to:

- do nothing. You will then automatically receive payment for your redemption shares following the redemption of these shares; or
- sell all or some of your redemption shares on Nasdaq Stockholm during the period from and including 31 May 2016 up to and including 13 June 2016.

How many shares will I have?

You will have the same number of shares in Kinnevik before and after the Share Redemption Program is carried out, presuming that you do not buy or sell any Kinnevik shares. The redemption shares created through the share split will all be subject to automatic redemption.

How and when will the Kinnevik share price be affected?

Theoretically, the price of the Kinnevik share should decrease by the redemption amount of the redemption share, i.e. with SEK 18 per share. This share price change should occur one trading day prior to the record date for the share split.

What are the tax consequences for me as a shareholder?

Shareholders must report the sale and/or redemption of redemption shares in their tax returns, please see "Tax considerations in Sweden" on pages 7-8. A capital gain or capital loss is calculated, which means that shareholders may deduct part of the acquisition cost of the original share.

If you are a shareholder who is not a tax resident in Sweden you should consult a tax advisor for information on the specific tax consequences arising in relation to the Share Redemption Program applicable for the shareholder.



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