



# Investment AB Kinnevik

YEAR-END RELEASE 2014

## HIGHLIGHTS

### FOURTH QUARTER 2014

- Strong growth in Net Asset Value (NAV)
  - NAV up 10% (SEK 7.7bln) to SEK 84.4bln
  - Zalando and Rocket Internet share prices up 19% and 21% respectively compared to IPO price
  - Limited change in fair value of unlisted assets, up SEK 101m
- Continued strong sales growth in Global Fashion Group, investments in growth impacted margins in the third quarter
- Disciplined investment activity in Kinnevik
  - Focus on existing portfolio companies
  - SEK 241m invested in CDON/Qliro Group and ownership stake increased to 28.5%
  - Temasek invested in Lazada at a post-money valuation of EUR 1bln. Kinnevik invested SEK 74m

### FULL YEAR 2014

- NAV up 29% (SEK 18.8bln)
- Investments of SEK 1.5bln in line with guidance
- Increased focus in the portfolio
  - Merged five emerging markets fashion companies into one market leader – Global Fashion Group
- Exciting new investment in Quikr, a leading classifieds platform in India
- The Board of Directors proposes that the Annual General Meeting decides on a dividend of SEK 7.25 per share, corresponding to an increase of 3.6%

## KINNEVIK IN SUMMARY

	31 Dec 2014	30 Sep 2014	31 Dec 2013
Net asset value, SEKm	84 370	76 654	65 527
Net asset value per share, SEK	304.21	276.39	236.29
Share price, SEK	255.20	260.50	297.50
Net cash in parent company, SEKm	130	654	2 437

SEKm	1 Oct-31 Dec 2014	1 Oct-31 Dec 2013	Full year 2014	Full year 2013
Net profit	7 868	4 258	20 863	8 429
Net profit per share, SEK	28.33	15.36	75.27	30.51
Change in fair value of financial assets	8 124	4 454	19 494	3 052
Dividends received	-	-	2 350	5 828
New investments	369	388	1 463	2 422

Investment AB Kinnevik (publ)  
 Skeppsbron 18  
 P.O. Box 2094  
 SE-103 13 Stockholm, Sweden

Reg no 556047-9742  
 Phone +46 8 562 000 00  
 Fax +46 8 20 37 74  
 www.kinnevik.se

The figures in this report refer to the fourth quarter 2014 unless otherwise stated. Figures shown within brackets refer to comparable period in 2013.



## Chief executive's review

Dear Shareholders,

2014 was a successful year for Kinnevik during which we continued to deliver shareholder value by creating, developing and building leading digital consumer services' companies in select countries around the world. I am particularly pleased to report that during the year we grew our Net Asset Value 29% from SEK 65.5bln to SEK 84.4bln (SEK 304 per share) and paid a dividend of SEK 7.00 in May 2014, up 8% from 2013.

Our mobile companies Millicom and Tele2 continued to execute their respective strategies in the face of rapidly changing consumer behavior and the accelerating demand for digital services. MTG also continued to successfully expand its digital pay-TV platform Viaplay, although as a group it was impacted by geopolitical developments and adverse market conditions in Russia.

The successful IPOs of Zalando and Rocket Internet validated our long-term vision and operating model of investing early and with strong conviction to support companies in their business-building phase, enabling them to become self-standing public companies at the appropriate time. As of December 2014, the combined value of our interest in the two companies was over 6x the money we invested between 2009 and 2013.

Within our private investee companies, we created the world's leading emerging markets fashion e-commerce company by combining Dafiti, Jabong, Lamoda, Namshi and Zalora into Global Fashion Group, and invested in Quikr, a leading classifieds platform in India.

During 2014, we reduced the number of investee companies from 47 to 41, and invested close to SEK 1.5bln mainly in existing businesses, in line with the revised guidance provided in June 2014 of total investments between SEK 1.0-1.5bln.

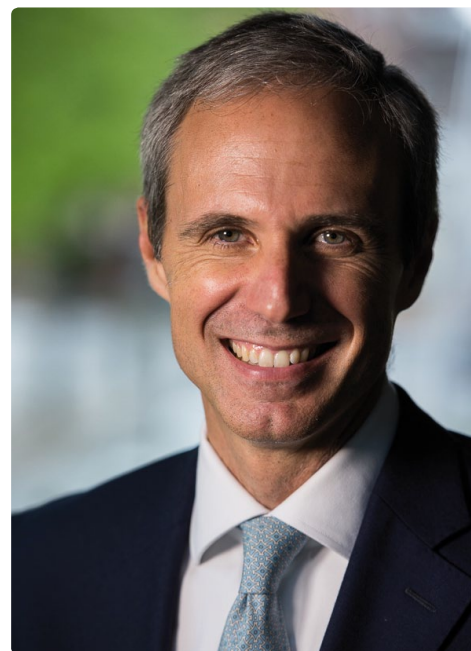
During the year, we strengthened our organization to equip Kinnevik to continue building our value creation platform by creating new businesses and investing in promising new growth companies.

With over 80% of our investments now liquid, a net cash position as of December 31, 2014 of SEK 0.1bln in the parent company and ample access to credit facilities, we are well positioned to continue to deliver very attractive long-term returns whilst maintaining a prudent capital structure.

### Fourth Quarter Results and Investment Management Activities

In the fourth quarter of 2014, Kinnevik's Net Asset Value ("NAV") grew SEK 7.7bln or 10% to SEK 84.4bln or SEK 304 per share. Growth in our total NAV was driven by a 18% increase in the value of our E-commerce and Marketplaces investments (which now account for 51% of our NAV), a 4% increase in the value of our Communications assets and a 3% increase in the value of our Entertainment investments.

Millicom delivered organic revenue growth of 9.4% for the year, at the top end of its guidance for 2014. Tele2 showed



the 14th consecutive quarter of mobile growth, with end-user service revenue growing 7% as a result of a continued ability to monetize customers' increasing need for mobile data.

Zalando, which reported results for the first nine months on November 26, 2014, saw sales increase by 27.7% and reported an EBIT-margin of 1% for the period. The attractiveness of Zalando's platform enabled the company to attract additional leading global brands such as Topshop and Gap to their platform. Significant progress was also made in improving the consumer interface with a material upgrade in the digital platform and express delivery rolled out across all key markets.

Rocket Internet, which reported results for the first six months on November 17, 2014 is fully focused on delivering on its strategy and noted strong growth and margin improvements across its larger companies. In addition, it participated in funding rounds for Lazada and Home24, continued to launch and build new businesses and developed its strategic partnerships.

MTG delivered on its strategic plans and is moving towards the objective of being the leading digital entertainment company in each of its major markets.

CDON Group, which changed its name to Qliro Group in the quarter, is entering into an exciting phase. The launch of the payment solution Qliro is a good example of a key initiative and it was introduced to the market in December.

During the fourth quarter, Kinnevik invested a total of SEK 342m all within our existing companies.

We invested SEK 241m in Qliro, mainly via the SEK 647m rights issue to support the launch of the Qliro payment service solution as well as to accelerate the growth plans of its key businesses. We further invested SEK 74m in Lazada as part of a Temasek-led EUR 200m round which valued the company at EUR 1bln.



## Shareholder Remuneration and New Investments Guidance

For 2014, the Kinnevik Board of Directors proposes a dividend of SEK 7.25 per share, or a 3% dividend yield based on Kinnevik's December 31 2014 closing price of SEK 255.20.

In the future, we will support our efforts to deliver long-term shareholder value and total return, through annual dividends and the purchase of our own shares.

For 2015, and beyond, Kinnevik will aim to pay an annual dividend growing in line with dividends received from its investee companies and the cash flow generated from its investment activities. Kinnevik will propose share buybacks when our shares trade at a significant discount to their intrinsic value as perceived by Kinnevik and the company has net cash. We shall track NAV per share as a key metric for measuring performance.

The Board believes that this revised shareholder remuneration guideline better reflects our cash-flow profile and investment priorities going forward, and is consistent with Kinnevik's business objective to create long-term value for shareholders, and to have that value reflected in the total return on our share. Given the nature of our new investments, our goal remains to have little or no leverage in the parent company.

In 2015, we expect to make net investments (gross investments net of sale of assets) of up to SEK 1.0bln.

## Priorities for 2015

With its strong team, mobile communication and e-commerce/marketplaces assets, and digital lifestyle-focused investment strategy, Kinnevik is well positioned to continue delivering long-term shareholder value creation.

During 2015, our team will work hard to uncover new emerging business models and talented entrepreneurs to ensure we remain ahead of the accelerating digital transformation that is occurring all around us. At the same time, we will continue to reduce the number of investee companies that we own and seek to grow our share in the most promising ones.

We expect our larger, publicly-traded companies to continue executing on their clear strategies, driving operational efficiencies, optimizing their regional footprint, and strengthening their capital structure.

Our "Rising Ten" private companies will focus on accelerating growth, establishing themselves as even stronger leaders in their respective markets, and expanding even further across new territories.

I would like to thank the Kinnevik team for a successful year, and express my gratitude to all shareholders for your support during 2014. For 2015 and beyond, we remain committed to growing the value of our investments and to deliver returns.

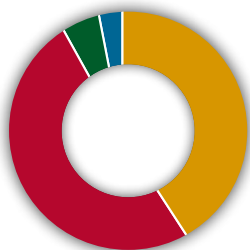
Lorenzo Grabau  
Chief Executive Officer

# Operational review

Kinnevik is an entrepreneurial investment group focused on building digital consumer brands in four sectors: Communication, E-commerce & Marketplaces, Entertainment, and Financial Services. Approximately 46% of our investments by value are in the Communication and Entertainment sectors, where we own leading stakes in large, established, cash

flow generating businesses. The balance of our investments is predominantly invested in the E-commerce & Marketplaces and Financial Services sectors, where we work in partnership with founders and managers to create new, fast-growing businesses, that invest significant amounts of capital to build market-leading positions in a short timeframe.

## SELECTED BRANDS



### Communication

41%\* (56%)

Page 4



TELE2

### E-commerce & Marketplaces

51%\* (31%)

Page 5

zalando

Avito

ROCKETINTERNET

Global Fashion Group

Qliro Group

### Entertainment

5%\* (9%)

Page 10

MTG

metro

### Financial Services & Other

3%\* (4%)

Page 11

BAYPORT  
FINANCIAL SERVICES

BIMA

\* Share of Kinnevik's asset value as of 31 December 2014 (figures within brackets refer to 31 December 2013)



## Communication

Communication makes up 41% of Kinnevik's investments. Kinnevik's mobile companies Millicom and Tele2 have in total 68 million subscribers in 21 countries in Europe, CIS, Latin America, and Africa. Both Millicom and Tele2 are focusing on providing superior services as customers increasingly use their phones to access various data services.

[For more information >](#)

### MILlicom

- Organic revenue growth in local currency amounted to 10.8% year-on-year, excluding UNE.
- Strong revenue growth in fourth quarter amounting to 27%, driven by merger with UNE.
- 2.3 million mobile net adds in the fourth quarter, excluding 244,000 mobile users at UNE.

Key data (USD m)*	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Revenue	1 860	1 464	6 386	5 553
EBITDA	588	500	2 093	1 999
Operating profit, EBIT	225	222	924	930
Net profit	48	55	2 643	229
Number of mobile subscribers (million)			56.3	50.1

\* Figures include UNE subscribers from August 2014.

Millicom continued to deliver organic growth across regions and business units during the fourth quarter. The EBITDA margin for the fourth quarter was 32.8%, as Millicom continued to invest in future growth.

The Board of Millicom has decided to recommend an ordinary dividend of USD 2.64 (2.64) per share in respect of the financial year 2014.

Millicom is a leading international telecommunications and media company dedicated to providing digital lifestyle services to the emerging markets in Latin America and Africa. Millicom also offers mobile financial services, various information services, entertainment, e-commerce, lead generation, and payments.

[For more information >](#)

### TELE2

- Strong mobile end-user service revenue growth for the group.
- Maintained positive customer intake within mobile for Tele2 Netherlands, and improved customer intake for Tele2 Kazakhstan.
- On 5 February 2015 the Norwegian competition authorities announced that it had cleared Tele2's sale of its Norwegian operations to TeliaSonera. See further under events after the reporting period, page 13.

Key data (SEK m)*	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Revenue	6 876	6 585	25 955	25 757
EBITDA	1 412	1 490	5 926	5 891
Operating profit, EBIT	735	736	3 490	2 548
Net profit	494	277	2 626	968
Number of mobile subscribers (million)			12.1	11.5

\* Figures refer to continuing operations (i.e. excluding Tele2 Norway).

Tele2's mobile end-user service revenue grew by 7% amounting to SEK 3,205m (3,006) driven by improved monetization of mobile data usage. The EBITDA margin for the fourth quarter was 21%.

The Board of Tele2 has decided to recommend an ordinary dividend of SEK 4.85 (4.40) per share in respect of the financial year 2014 and an extraordinary dividend of around SEK 10 per share representing a total amount of SEK 4.5bln following the sale of the Norwegian operations.

Tele2 is one of Europe's leading telecommunications operator offering mobile services, fixed broadband and telephony, data network services, cable TV and content services. Tele2 is focusing its strategy to become a value champion, i.e. to offer its customers the combination of low price, superior customer experience, and a challenger culture.

[For more information >](#)



## E-commerce & Marketplaces

E-Commerce & Marketplaces makes up 51% of Kinnevik's investments. E-commerce is one of the strongest global growth trends in the world economy, and it is based on a permanent shift in consumer behaviour.

[For more information >](#)

### ZALANDO

- After Zalando's IPO on 1 October, Kinnevik's ownership stake is 32.0%. Compared to the IPO price, the Zalando share was up 19% at 31 December 2014.
- Zalando introduced express-delivery for all brands in the fourth quarter.
- The American retailer Gap will open its own dedicated online shop within Zalando. It will offer a broad assortment of clothing and accessories bringing the brand to a broader European customer base beginning Summer 2015.
- Zalando will publish its full-year results for the FY2014 on 5 March.

Key data (EUR m)	Jul-Sep		Jan-Sep	
	2014	2013	2014	2013
Revenue	501	404	1 548	1 212
% Growth	24%	-	28%	-
Gross profit	202	151	645	475
EBIT*	-4	-50	16	-122
% Margin*	0.8%	-12.4%	1.0%	-10.1%

\* EBIT excludes equity-settled share-based compensation expenses.

Zalando operates online fashion shops in 15 European markets. The company is today the largest standalone pure online fashion player by net sales in Europe. Key drivers for Zalando's success include its expertise in fashion, retail and technology.

[For more information >](#)

### ROCKET INTERNET

- After Rocket Internet's IPO on 2 October, Kinnevik's ownership stake is 14.2%. Compared to the IPO price, the Rocket Internet share was up 21% at 31 December 2014.
- Rocket Internet further strengthened its existing partnership with Philippine Long Distance Telephone Company (PLDT) by jointly creating a fifth regional internet group, Philippines Internet Group.
- Rocket Internet launched three new models, Shop-Wings, Nestpick and ZipJet.
- Rocket Internet's global online food delivery marketplace, Foodpanda, announced a series of separate transactions with Delivery Hero to strengthen its position in India and Latin America.

Rocket Internet is a company that incubates and develops e-commerce and other consumer-oriented online companies.

[For more information >](#)



## GLOBAL FASHION GROUP

- The combination of Dafiti, Jabong, Lamoda, Namshi and Zalora as Global Fashion Group (GFG) progressed with the receipt of all required rulings by fiscal authorities and antitrust approvals during the quarter.
- The first roll-up into GFG was completed in December and completion of the remaining roll-up transactions is expected in the first quarter of 2015.
- Efforts to integrate the five regional businesses, launch joint initiatives and deliver on synergies are underway and a primary focus for 2015.
- Relationships with leading international brands have been expanded with several new brand launches and deeper assortments across GFG.
- Kinnevik and Rocket Internet will disclose Q4 and FY 2014 numbers for GFG in May 2015.

## DAFITI

Key data (BRLm)*	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Revenue	144	108	405	297
% Growth	33%	-	36%	-
Gross profit/loss	49	32	151	101
% Margin	34%	30%	37%	34%
Operating results	-60	-44	-162	-151

\* BRL 1 = SEK 2.89 as per 31 December 2014

- Significant efficiency gains from the SAP roll-out are expected across the entire organization and have been already partially realized over the last few months.
- Added more than 30 national and international new brands to its already vast fashion portfolio including European high-street brands Dorothy Perkins and Benetton as well as extended its special Nike and Adidas partnership to the entire Dafiti Group across Latin America.
- Introduced fitting technology, iBeacon for its iOS app as well as a new recommendation engine based on visual similarity to its desktop and mobile platform.
- Dafiti's mobile app was on the official list of top iOS apps in Brazil for 2014 following more than 10 new app releases and more than 2 million downloads.

## JABONG

Key data (INRm)*	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Revenue	2 160	878	5 407	2 011
% Growth	146%	-	169%	-
Gross profit/loss	-569	-40	-1 137	-195
% Margin	-26%	-5%	-21%	-10%
Operating results	-1 592	-499	-3 223	-1 833

\* INR 100 = SEK 12.30 as per 31 December 2014

- Jabong continued strong topline growth but experienced lower margins due to the overall Indian market environment.
- Launched several new brands including Burtons, G-Star RAW, Dorothy Perkins, River Island and Miss Selfridges as well as Indian celebrity lines by leading Bollywood actors.
- Introduced "shop the look" and enhanced mobile web and app user experiencing as mobile revenue share is increasing rapidly.
- Expanded its delivery offering by introducing next door delivery service enabling customers to pick up packages at nearby shops.





## LAMODA

Key data (RURm)*	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Revenue	2 056	1 220	5 858	3 015
% Growth	68%	-	94%	-
Gross profit/loss	739	370	2 298	1 143
% Margin	36%	30%	39%	38%
Operating results	-737	-584	-2 067	-1 547

\* RUR 100 = SEK 13.75 as per 31 December 2014

- Lamoda delivered strong growth and improving margins in the third quarter despite a more challenging macroeconomic environment in Russia.
- Added several brands including Adidas, Dorothy Perkins and Lacoste to its portfolio and successfully launched Lost Ink, its first London based private label brand, offering fast fashion to female consumers in Russia.
- Third party services e-commerce solution was launched in Moscow with first external vendor to fulfil its products using the Lamoda platform and delivery fleet.
- Strong growth in Kazakhstan and Ukraine with Belarus added as a new market in December 2014.

Global Fashion Group is a fashion e-commerce group operating under six brands in five regions: Latin America (Dafiti), India (Jabong), Russia & CIS (Lamoda), Middle East (Namshi), South East Asia (Zalora) and Australia (Iconic). The fashion segment in e-commerce is attractive for several reasons: it is a significant part of the household budget, maintains attractive gross margins and the products offered are easy to package and ship - enabling efficient logistics.

**For more information >**

## NAMSHI

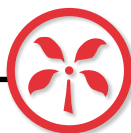
Key data (AEDm)*	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Revenue	52	15	111	34
% Growth	242%	-	224%	-
Gross profit/loss	29	7	60	17
% Margin	56%	48%	54%	50%
Operating results	7	-13	-10	-36

\* AED 1 = SEK 2.11 as per 31 December 2014

- Namshi had a very strong third quarter delivering exceptional growth, high gross margins and achieving profitability at the EBITDA level.
- Mobile apps for iOS and Android relaunched to improve user experience as mobile web and apps continue to take share and now account for the majority of sales.

## ZALORA

- Zalora accelerated its growth and strengthened its leadership position across South East Asia and Australia.
- In August, the company launched its Zalora label, exclusively available on Zalora in South East Asia and The Iconic in Australia and New Zealand. The brand quickly became a best seller across countries.
- In Malaysia and Indonesia, Zalora confirmed its positioning as the go-to place for festive muslimwear during the Ramadan season through collaboration with the most important local designers and the successful launch of modest-wear private label Zalia. In the two countries, Zalora and Zalia were also among the most acclaimed brands during the local fashion week exhibitions.
- Scaled up its marketplace model in seven of its markets, targeting local brands and designers and offering a broader, unique set of products.



## HOME24

Key data (EURm)	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Revenue	46	22	105	66
% Growth	110%	-	60%	-
Gross profit/loss	15	9	39	25
% Margin	32%	40%	37%	38%
Operating results	-17	-8	-34	-33

- Home24 grew strongly in the quarter and continued to invest heavily in growth resulting in only limited improvement in EBITDA margin.
- Expanded geographical footprint by launching in Italy and is now present in seven European markets.
- Went live with new warehouses in Germany and Poland, increasing the inventory capacity significantly which will potentially further shorten the delivery times to end customers.
- In December, existing and new shareholders of Home24 agreed to invest a total amount of EUR 16m in Home24, increasing Home24's post-money valuation to EUR 815m.
- Kinnevik and Rocket Internet will disclose fourth quarter and FY 2014 numbers for Home24 in May 2015.

## WESTWING

Key data (EURm)	Jul-Sep 2014	Jan-Sep 2014
Revenue	47	124
Gross profit/loss	20	53
% Margin	43%	43%
Operating results	-16	-44

- Westwing delivered strong top-line growth, improved profitability, and continued to invest significantly into its growth initiatives.
- Expanded into Czech Republic, Slovakia and Hungary, and is now operating in 15 countries.
- In December, existing shareholders of Westwing agreed to invest a total amount of EUR 25m in Westwing at a post-money valuation of EUR 449m.
- Kinnevik and Rocket Internet will disclose fourth quarter and FY 2014 numbers for Westwing in May 2015.

Home24 and Westwing are e-commerce companies in the home and living segment, active in Europe, Russia and Brazil. The growth of online purchasing in this segment is a global trend. Home and living differs from other e-commerce segments by having a relatively lower purchase frequency, but also a higher average order value. Due to the characteristics of the products, attractive delivery solutions for customers are essential for simplifying purchases, and improving customer satisfaction. Home24 and Westwing are complementing business models, Home24 offers a wide assortment of furniture and home décor, while Westwing's inventory is carefully curated, focusing on design-conscious and predominantly female customers.

**For more information >**

## GENERAL MERCHANDISE

- All of the general merchandise companies continued to develop and shift their business towards marketplace models.
- Lazada had its biggest sale ever on the grand finale of its annual Online Revolution campaign on 12 December with more than 10 million visitors and 500,000 items sold in 24 hours.
- Existing and new shareholders agreed to invest a total amount of EUR 200 million in Lazada with Temasek Holdings, an investment company based in Singapore, leading the financing round.
- Linio expanded into Argentina and is now present in seven countries in Latin America. The third party fulfilment program "Fulfilment by Linio" was launched during the fourth quarter and the first merchants have signed up for the service.
- Jumia raised EUR 120m in November from existing shareholders, valuing Jumia at EUR 445m post-money.
- Konga had a strong finish of the year with Yakata (Black Friday) and Christmas GMV up by more than 4x versus the prior year.

Kinnevik's holdings in general merchandise - Lazada, Linio, Jumia, and Konga - all have leading positions in several emerging markets in South East Asia, Latin America, and Africa.

**For more information >**





## QLIRO GROUP

- CDON Group changed its name to Qliro Group in January 2015.
- Net sales, excluding divested operations, up 15% compared to the fourth quarter of 2013.
- The payment solution Qliro was launched in the fourth quarter, providing invoice payments and payment by instalments to the group's online stores Nelly, NLYman, Lekmer and CDON.com in Sweden.
- During the quarter, the rights issue of approximately SEK 647m and the early redemption of the convertible bond of SEK 250m were carried out.

Key data (SEK m)	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Revenue*	1 650	1 439	4 967	4 327
Operating profit, EBIT*	8.0	25.0	8.6	-0.3
Net profit/loss	-7.0	15.8	5.4	-67.3

\* Excluding divested operations and non-recurring items.

Qliro Group continued to deliver in line with the company's strategy in the fourth quarter, with healthy growth, underlying improvements in earning, and an operating cash flow amounting to SEK 86.6m.

Qliro Group is a leading e-commerce company with some of the most well-known and appreciated brands in the Nordic area.

[For more information >](#)

## AVITO

- Avito launched a re-branding campaign which places greater emphasis on the diverse range of products available on a single platform and on vertical categories. The company also continued to deliver on its strategic priority of focusing on mobile transactions, with the launch of an Android app and monetisation on the iOS app.
- The number of page views amounted to 18 billion for the third quarter of 2014, compared to 11 billion for the same period in 2013.
- Avito and Kinnevik will disclose FY2014 numbers for Avito in March 2015.

Key data (RUR m)	Jul-Sep		Jan-Sep	
	2014	2013	2014	2013
Revenue	1 122	633	3 043	1 609
% Growth	77%	-	89%	-
EBITDA	727	304	1 688	477
% Margin	65%	48%	55%	30%

\* RUR 100 = SEK 13.75 as per 31 December 2014

Avito is the largest online classified platform in Russia in terms of visitors and number of ads, distancing itself from its competitors.

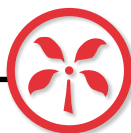
[For more information >](#)

## OTHER MARKETPLACES

- In addition to maintaining its focus on user engagement and brand-building, Quikr undertook a number of new product initiatives including the launch of Quikr Nxt, an instant messaging service embedded within the platform. Initial results show significantly improved user engagement and a reduction in transaction times as a result.

Quikr, Saltside, Wimdu, Foodpanda, Pricepanda, and Yell are all companies operating online marketplaces in emerging markets in Asia, Africa, CIS, and Latin America. The business model is attractive due to the high profitability that can be achieved once a market leading position has been established. A leading position creates high barriers of entry for competitors, while also improving customer experience. Economies of scale are substantial, as the model does not require the companies to hold inventory and tie up capital when growing.

[For more information >](#)



## Entertainment

Entertainment makes up 5% of Kinnevik's investments. Kinnevik's entertainment companies have operations in a total of 40 markets and has the largest broadcasting footprint in Europe in MTG, and 18.3 million daily readers in Metro. Both MTG and Metro are leading international media companies founded by Kinnevik.

[For more information >](#)

### MODERN TIMES GROUP MTG

- Net sales grew 6% at constant exchange rates compared to the fourth quarter 2013.
- Operating income excluding associated company income grew 2% compared to the fourth quarter 2013.
- Depreciation of Russian ruble and appreciation of US dollar will impact 2015 reported earnings.

Key data (SEK m)	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Revenue	4 371	4 068	15 746	14 073
Operating profit, EBIT	611	417	1 675	1 738
Net profit	471	261	1 172	1 168

MTG reported sales of SEK 4,371m (4,068) in the fourth quarter of 2014, and displayed a 47% increase in total operating income compared to the fourth quarter 2013. The increasing organic sales performance primarily reflected the growth in the Nordic pay-TV and Nice Entertainment content businesses.

The Board of MTG has decided to recommend an ordinary dividend of SEK 11.00 (10.50) per share in respect of the financial year 2014.

Modern Times Group MTG is a leading international entertainment broadcasting group with the largest geographical footprint of TV- and radio operations in Europe.

[For more information >](#)

### METRO

Key data (SEK m)	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Revenue	321	361	1 003	1 299
Operating result, EBIT	-161	17	-541	10

Revenue in the fourth quarter was SEK 321m, a decline of SEK 40m year-on-year. The revenue decline is due to the sale of the newspaper in Hong Kong, ongoing print advertising market decline in Sweden and a small slowdown in the advertising spend in Latin America. The operating loss for the fourth quarter includes impairment of goodwill and trademarks, losses on sale of newspaper operations and other provisions totaling SEK 185m.

The operating result for the year includes impairment of goodwill and trademarks of SEK 330m, restructuring costs at headquarters and other provisions of SEK 40m and losses on the sale of newspaper operations of SEK 136m. Excluding these effects, EBIT for the full year would have been negative SEK 35m.

Metro is published in over 150 major cities in 23 countries across Europe, Asia, North and South America. Metro's global readership is approximately 18.3 million daily readers.

[For more information >](#)



## Financial Services & Other

Financial services & Other makes up 3% of Kinnevik's investments. The Financial Services companies are focused on consumer-directed financial services on emerging markets in Africa, Asia, and Latin America.

[For more information >](#)

### BAYPORT

- MyMoney, a multi-product, multi-distribution initiative offering a combination of credit, savings, transacting and insurance products was soft-launched in November to Bayport CFC's employees in Ghana. External launch to civil servants is planned for the first quarter 2015, and to the private sector in the third quarter 2015.
- Bayport successfully issued a SEK 650m subordinated bond, the company's fourth bond to be listed on NASDAQ Stockholm.
- Bayport expanded geographically into Mexico through the acquisition of a majority stake in Financiera Fortaleza.
- Bayport Tanzania launched a new product in bundling a motorcycle loan with vehicle insurance for which Bayport will facilitate the claims process in case of theft or accident.

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

[For more information >](#)

### TRANSCOM

Transcom is active within outsourcing of Customer Relationship Management with 29,000 customer experience specialists at 54 contact centers across 23 countries.

[For more information >](#)

### MILVIK/BIMA

- Bima expanded its footprint to two new markets in the fourth quarter, Haiti and Uganda. In Haiti, a life insurance product was launched with Digicel whilst Uganda was launched independently of mobile operator partners through Bima's direct sales model
- Bima continued new business model development in existing markets during the fourth quarter. A new Personal Accident product was launched with Millicom in Tanzania enabling customers to pay the premium through either cash or mobile money. In Bangladesh, a life insurance product was launched in partnership with one of the leading micro finance institutions
- Another 2.2 million insurance subscribers were added during the fourth quarter, resulting in a total subscriber base of 13 million as at 31 December 2014.

Milvik offers, under the brand name Bima, affordable and uniquely designed life and health insurance products via mobile phones.

[For more information >](#)

### BLACK EARTH FARMING

Black Earth Farming is a leading agricultural company with operations in Russia.

[For more information >](#)



# Financial review

## BOOK AND FAIR VALUE OF ASSETS

SEK m	Book value 2014 31 Dec	Fair value 2014 31 Dec	Fair value 2014 30 Sep	Fair value 2013 31 Dec	Change Q4 2014 <sup>2)</sup>	Total return 2014
Millicom	22 039	22 039	21 888	24 215	151	-6%
Tele2	12 865	12 865	11 808	9 864	1 057	36%
<b>Total Communication</b>	<b>34 904</b>	<b>34 904</b>	<b>33 696</b>	<b>34 079</b>	<b>1 208</b>	<b>6%</b>
Zalando	19 030	19 030	15 482	12 136	3 548	57%
Rocket Internet	10 620	10 620	7 776	1 219	2 844	849%
Global Fashion Group <sup>1)</sup>	6 092	6 092	5 993	1 889	99	
Home and Living (incl. Home24, Westwing)	1 305	1 305 <sup>3)</sup>	1 084	896	221	
Qliro Group	737	737	547	786	190	-37%
Other E-commerce <sup>1)</sup>	1 697	1 697 <sup>3)</sup>	1 511	1 235	186	
Avito	2 298	2 298	2 473	2 196	-175	
Other Marketplaces	929	1 075 <sup>3)</sup>	1 040	541	35	
<b>Total E-commerce &amp; Marketplaces</b>	<b>42 708</b>	<b>42 854</b>	<b>35 906</b>	<b>20 898</b>	<b>6 948</b>	<b>98%</b>
MTG	3 358	3 358	3 086	4 498	272	-22%
Metro	321	321	504	879	-183	
Net cash, Metro	140	140	120	221	19	
Other	106	106	106	88	1	
<b>Total Entertainment</b>	<b>3 925</b>	<b>3 925</b>	<b>3 816</b>	<b>5 686</b>	<b>109</b>	<b>-25%</b>
Bayport	1 032	1 032	957	836	75	
Transcom	494	494	429	505	65	0%
Black Earth Farming	151	151	225	337	-74	-55%
Other	832	880	1 054	1 052	-174	
<b>Total Financial Services &amp; Other</b>	<b>2 509</b>	<b>2 557</b>	<b>2 665</b>	<b>2 730</b>	<b>-108</b>	<b>-6%</b>
Net cash in the Parent Company	130	130	654	2 437	-524	
Debt, unpaid investments/divestments	0	0	-83	-303	83	
<b>Total Equity/Net asset value</b>	<b>84 176</b>	<b>84 370</b>	<b>76 654</b>	<b>65 527</b>	<b>7 716</b>	
<b>Net asset value per share</b>		<b>304.21</b>	<b>276.39</b>	<b>236.29</b>	<b>27.82</b>	
<b>Closing price, class B share, SEK</b>		<b>255.20</b>	<b>260.50</b>	<b>297.50</b>	<b>-5.30</b>	<b>-12%</b>

<sup>1)</sup> Comparable periods adjusted for transactions related to the merger of Global Fashion Group.

<sup>2)</sup> Including investments/divestments.

<sup>3)</sup> For split see page 14.



## DIVIDEND AND CAPITAL STRUCTURE

The Board of Directors proposes that the annual general meeting approves a dividend of SEK 7.25 per share, corresponding to an increase of 3.6%.

The boards of Directors of Millicom, Tele2 and MTG have proposed to the Annual General Meetings in May that dividends be approved according to the following:

Kinnevik's part of dividend proposed to be paid from listed holdings		Amount (SEKm)
Millicom	USD 2.64 per share	828 <sup>1)</sup>
Tele2	SEK 4.85 per share	657
MTG	SEK 11.00 per share	149
<b>Total expected ordinary dividends to be received from listed holdings</b>		<b>1 634</b>
Tele2, extraordinary dividend		1 400 <sup>2)</sup>
<b>Total expected dividends</b>		<b>3 034</b>
Proposed dividend to Kinnevik's shareholders		
SEK 7.25 per share		2 011

<sup>1)</sup> Based on a currency rate SEK/USD of 8.29.

<sup>2)</sup> Approximate amount of Kinnevik's share of the extraordinary dividend of SEK 4.5 bln proposed by the Board of Tele2.

During 2014 Kinnevik has received cash dividends from a number of its investee companies of SEK 1.4bln, and paid a dividend to Kinnevik's shareholders of SEK 1.9bln. As of 31 December 2014 Kinnevik had a net cash position in the parent company of SEK 0.1bln. Kinnevik aims to pay an annual dividend growing in line with dividends received from investee companies and the cashflow generated from 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 net cash.

## INVESTMENTS

Investment (SEK m)	Oct-Dec 2014	Full year 2014
Global Fashion Group	-	277
Lazada	74	74
Qliro Group	241	241
Avito	-	102
Quikr	-	362
Saltside Technologies	-	65
Yell	-	20
Other	54	322
<b>Total</b>	<b>369</b>	<b>1 463</b>

During the year, Kinnevik made SEK 1.5bln of investments compared with the SEK 2.4bln invested in 2013.

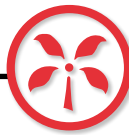
In the fourth quarter, Kinnevik participated in Qliro Group's (former CDON Group) rights issue and bought shares in the market in a total amount of SEK 241m, and invested EUR 8m as part of a EUR 200m financing round in Lazada.

## KINNEVIK'S ORGANISATION

Joakim Andersson has been appointed Chief Financial Officer as of 6 February 2015. Joakim joined Kinnevik in 2001 and over the last 14 years has held a number of positions in the finance organization. In 2007, Joakim was appointed Group Treasurer. Mikael Larsson, who informed the company in December of his intention to leave Kinnevik, will remain with the company until the Annual General Meeting in May to assist with the transition.

## EVENTS AFTER THE REPORTING PERIOD

- In December, the Swedish Administrative Court rejected the Swedish Tax Agency's claim that withholding tax of SEK 702m should have been lodged on an intra-Group distribution which Kinnevik received in connection with the acquisition of Emesco AB in 2009. The Administrative Court thereby fully approved Kinnevik's appeal of the tax authorities' decision. As earlier disclosed in Kinnevik's Financial Reports, the Company had not provided for any potential additional tax as a result of the dispute. The Administrative Court's decision did thus not have any effect on Kinnevik's financial statements or cash flow for 2014. The Tax Agency has appealed the Administrative Court's decision to the Administrative Court of Appeal.
- In January 2015, Saltside completed a funding round led by Hillhouse Capital and Brummer & Partners' fund Frontier PE, two long-term shareholders who will support the company initiatives in investing to consolidating its position as the market leader in each of Sri Lanka, Bangladesh and Ghana.
- On 5 February 2015 the Norwegian competition authorities announced that it had cleared Tele2's sale of its Norwegian operations to TeliaSonera. The final purchase price amounts to SEK 4.5bln. As a consequence of the transaction, the Board of Tele2 has decided to recommend an extraordinary dividend of SEK 4.5bln to the Annual General Meeting in May 2015, in addition to the already announced dividend payment of SEK 4.85 per share.



## VALUATION OF UNLISTED ASSETS

Investment (SEK m)	Kinnevik ownership	Accumulated net invested amount	Fair value 31 Dec 2014	Change in fair value and dividends received <sup>4</sup>		Valuation method
				Oct-Dec 2014	Jan-Dec 2014	
Global Fashion Group <sup>1,2</sup>	26%	3 620	6 092	99	3 066	Latest transaction
Home & Living						
Home24 <sup>3</sup>	20%	794	833	26	150	Sales multiple
Westwing <sup>3</sup>	13%	175	379	98	162	Sales multiple
Other	Mixed	0	93	3	3	Mixed
Other E-commerce						
BigCommerce <sup>1,3</sup>	14%	664	739	138	133	Sales multiple
Lazada <sup>3</sup>	10%					
Linio <sup>3</sup>	9%					
Konga	41%	209	292	24	41	Latest transaction
Other <sup>1,2</sup>	Mixed	794	666	15	169	Mixed
Marketplaces						
Avito	31%	438	2 298	-175	0	EBITDA multiple
Quikr	16%	362	425	31	64	Latest transactions
Saltside	88%	154	154	0	0	Invested amount
Wimdu <sup>3</sup>	29%	367	381	13	20	Sales multiple
Other	Mixed	229	115	-10	-1	Mixed
<b>Total E-commerce &amp; Marketplaces</b>		<b>7 806</b>	<b>12 467</b>	<b>262</b>	<b>3 807</b>	
Metro	100%	992	461	-163	-515	DCF
Other	Mixed	96	106	1	29	Mixed
<b>Total Entertainment</b>		<b>1 088</b>	<b>567</b>	<b>-162</b>	<b>-486</b>	
Financial Services & Other						
Bayport	31%	467	1 032	76	174	Latest transaction
Milvik/Bima	39%	84	206	15	96	Latest transaction
Rolnyvik	100%	174	250	0	0	DCF
Other	Mixed	594	328	-90	-211	Mixed
<b>Total Financial Services &amp; Other</b>		<b>1 319</b>	<b>1 816</b>	<b>1</b>	<b>59</b>	
<b>Total Unlisted Assets</b>		<b>10 213</b>	<b>14 850</b>	<b>101</b>	<b>3 380</b>	

<sup>1)</sup> Invested amount and comparable periods have been adjusted pro forma for transactions related to the merger of Global Fashion Group.

<sup>2)</sup> Accumulated net invested amount includes value of share distributions received from Rocket Internet.

<sup>3)</sup> Ownership not adjusted for employee stock option plans and employee equity at subsidiary level.

<sup>4)</sup> Including assessed value of subsidiaries, which are consolidated into the group's financial statements. Excluding change in fair value of Rocket Internet and Zalando since they were listed in beginning of October, see Note 5 for recorded change in fair value.





## VALUATION OF UNLISTED ASSETS

At the end of the year, Kinnevik's unlisted assets (from this report excluding Zalando and Rocket Internet which were listed in the beginning of October) were valued at a total of SEK 14,850m, to be compared with an accumulated invested amount (net after dividends received) of SEK 10,213m. The unrealised change in fair value amounted to a profit of SEK 101m in the fourth quarter (including change of assessed value of subsidiaries when calculating net asset value), as specified in the table on the previous page.

At the end of December, the global e-commerce group Global Fashion Group ("GFG") was established through a combination of subsidiary shares in Bigfoot I and Bigfoot II (including Dafiti, Jabong, Lamoda, Namshi and Zalora) by existing shareholders. The valuation of GFG has, as in previous quarter, been based on the implied valuations in the transaction in May where Rocket Internet made a distribution to its shareholders including both shares in Bigfoot I and Bigfoot II as well as cash. The valuation of EUR 2.4bln implies an average sales multiple of 3.5 for GFG based on the pro forma last 12 months historical sales. For the purposes of the establishment of GFG, the five companies were valued according to their last funding rounds, resulting in a valuation of EUR 2.7bln for the combined entity, or 12% above the valuation in Kinnevik's accounts as per 31 December. Since the transaction was all in stock it has not been used as basis for determining fair value in Kinnevik's accounts.

As in previous quarters, sales multiple valuations have been prepared for the companies listed in the table below. The sales multiples for the companies' listed peers have been relatively constant in comparison with the previous quarter.

Company	31 Dec 2014*	30 Sep 2014*	Adjusted multiple**
Home24	1.7	1.5	No
Westwing	1.6	1.5	Yes
Lazada	1.9	1.2	No
Linio	1.6	1.1	No
Wimdu	2.6	2.7	Yes

\* Sales multiple, last 12 months historical sales.

\*\* Sales multiple has been adjusted as per 31 December to reflect factors such as lower profitability than peer group. See Note 5 for further details.

As a consequence of the positive development in Home24 and Westwing, the discount to the peer group average sales multiple applied in Kinnevik's valuation 31 December 2014 has only been marginally adjusted for Westwing and left unadjusted for Home24.

Lazada and Linio, which are partly owned by the holding company BigCommerce, have initiated a conversion from a inventory based business model into a marketplace model where third party products are sold on the companies' platforms. The sales numbers for this model only include

net sales, i.e. the provision that Lazada and Linio receives. Consequently, to reflect the change in business model in the valuation, sales multiples for two different peer groups have been applied in relation to the sales contribution from each of the models. The weighted average multiple applied for Lazada was 1.9 and for Linio 1.6.

The valuation of Avito has this quarter been based on EBITDA multiples for a group of comparable companies by applying a multiple of 24 on the last publicly available 12 months EBITDA figure for the company (ending on 30 September 2014). The change from previous sales multiple valuation has been possible due to the stable profitability the company has shown the last year. The valuation results in a total equity value of SEK 7.3 billion compared with SEK 7.9 billion as at 30 September 2014. The decline in value is explained by the major depreciation of the Russian Ruble (which declined by 25% against the Swedish Krona during the quarter) which however was partially offset by a continued strong performance by the company. When determining the assessed fair value of Avito, Kinnevik has considered the transaction made in Avito warrants in February 2014, but considered that the size of the trade (1.7% of the total capital in the company) has been too small to be applied to Kinnevik's shareholding in Avito. If the transaction price had been applied as fair value in Kinnevik's financial statements, the book value of Kinnevik's shareholding would have been SEK 1.4bln higher at 31 December 2014.

For Bayport and Milvik/Bima, the valuation at 31 December 2014 has been based on transactions during 2014 where the companies have raised equity from new as well as existing owners have been used as basis.



## FAIR VALUE AND IMPLIED VALUE IN LATEST TRANSACTIONS PER 31 DECEMBER 2014

Investment (SEK m)	Valuation in latest transaction	Implied value Kinnevik's stake	Fair value Kinnevik's stake	Difference	Nature of latest transaction
Global Fashion Group	25 772	6 675	6 092	582	Merger / New share issues in operating companies
Home24	7 753	1 577	833	744	New share issue
Westwing	4 274	564	379	185	New share issue
BigCommerce	11 633	1 111	739	372	New share issues in operating companies
Lazada	9 115	874	-	-	New share issue
Linio	2 518	237	-	-	New share issue
Avito	11 709	3 681	2 298	1 383	Secondary share transaction with management
Other	17 883	2 964	2 126	838	New share issues
<b>Total</b>	-	<b>16 573</b>	<b>12 467</b>	<b>4 105</b>	

A number of Kinnevik's E-commerce & Marketplaces portfolio companies have issued new shares to external investors at price levels that exceed Kinnevik's recognized assessed fair values. Since the newly issued shares have higher preference over the portfolio companies' assets in the event of liquidation or sale than Kinnevik's shares have, i.e. in case of a lower valuation of the companies in a sale or liquidation Kinnevik would not receive proceeds pro-rata to its shareholding, Kinnevik does not consider these price levels as a relevant base for assessing the fair values in the accounts.

As specified in the above table, the total difference bet-

ween fair values in Kinnevik's books and implied valuations as per the latest new share issues with higher preference than Kinnevik's shares, and other transactions, amounted to SEK 4.1bln applied to Kinnevik's shareholdings as at 31 December 2014, of which SEK 1.4bln related to Avito.

For further information about valuation principles and assumptions, please see Note 5.

## TOTAL RETURN AND IRR

### The Kinnevik share's average annual total return

Past 30 years	16%
Past 10 years	18%
Past 5 years	23%
Past 12 months	-12%

Total return is calculated on the assumption that shareholders have reinvested all cash dividends and dividends in kind into the Kinnevik share.

Average annual return (IRR)	1 year	5 years
Communication	6%	10%
E-commerce & Marketplaces	98%	56%
Entertainment	-25%	-5%
Financial services & Other	-6%	11%
Total portfolio	34%	17%

IRR is based on fair values at the beginning and end of the respective period, includes cash and non-cash dividends and is calculated on a SEK basis.



## CONDENSED CONSOLIDATED INCOME STATEMENT (SEK M)

	Note	2014 1 Oct- 31 Dec	2013 1 Oct- 31 Dec	2014 1 Jul- 31 Dec	2013 1 Jul- 31 Dec	2014 Full year	2013 Full year
Change in fair value of financial assets	5	8 124	4 454	16 422	10 034	19 494	3 052
Dividends received	6	-	-	-	168	2 350	5 828
Revenue		379	421	602	761	1 245	1 541
Cost of goods sold and services		-113	-193	-246	-303	-571	-753
Selling and administration costs		-359	-335	-547	-666	-1 057	-1 106
Share of profit/loss of associates accounted for using the equity method		-	5	-	8	-	15
Other operating income		36	13	41	24	57	96
Other operating expenses		-192	-83	-214	-89	-637	-105
<b>Operating profit/loss</b>	<b>4</b>	<b>7 875</b>	<b>4 282</b>	<b>16 058</b>	<b>9 937</b>	<b>20 881</b>	<b>8 568</b>
Financial net		-18	-25	-25	-52	-27	-114
<b>Profit/loss after financial net</b>		<b>7 857</b>	<b>4 257</b>	<b>16 033</b>	<b>9 885</b>	<b>20 854</b>	<b>8 454</b>
Tax		11	1	8	-5	9	-25
<b>Net profit/loss for the period</b>		<b>7 868</b>	<b>4 258</b>	<b>16 041</b>	<b>9 880</b>	<b>20 863</b>	<b>8 429</b>
<b>Of which attributable to:</b>							
Equity holders of the Parent company		7 864	4 265	16 029	9 911	20 891	8 468
Non-controlling interest		4	-7	12	-28	-28	-39
Net profit/loss per share before dilution		28.36	15.38	57.79	35.75	75.33	30.54
Net profit/loss per share after dilution		28.33	15.36	57.76	35.72	75.27	30.51
Average number of shares before dilution		277 359 896	277 318 298	277 359 896	277 318 298	277 343 257	277 264 289
Average number of shares after dilution		277 494 640	277 611 584	277 495 268	277 617 071	277 529 845	277 578 260

### Consolidated earnings for the fourth quarter

The change in fair value of financial assets amounted to SEK 8,124m (SEK 4,454m) for the fourth quarter of which SEK 7,770m (2,258) was related to listed holdings and a profit of SEK 354m (2,196) was related to unlisted holdings, see note 5 for further details.

Other operating expenses includes impairment of intangible fixed assets, losses on sale of newspaper operations and other provisions within Metro totalling SEK 187m.

### Consolidated earnings for the year

The change in fair value of financial assets, including dividends received, amounted to SEK 21,844m (8,880) for the year of which SEK 6,854m (4,874) was related to listed holdings and SEK 14,990m (profit of 4,006) was related to unlisted holdings, see note 5 and 6 for further details. Zalando and Rocket Internet were listed at the beginning of October and are included in change of fair value of unlisted holdings in the first nine months of the year and thereafter in change of fair value of listed holdings.

Other operating expenses includes an impairment of intangible fixed assets in Metro and G3 Good Governance Group of SEK 449m due to weaker future market expectations, a negative result of SEK 136m from divestments of newspaper operations and SEK 32m in other provisions within Metro.



## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK M)

	2014 1 Oct- 31 Dec	2013 1 Oct- 31 Dec	2014 1 Jul- 31 Dec	2013 1 Jul- 31 Dec	2014 Full year	2013 Full year
Net profit/loss for the period	7 868	4 258	16 041	9 880	20 863	8 429
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items that may be reclassified to profit and loss</b>						
Translation differences	-21	42	-5	37	11	15
Cash flow hedging						
-gains/losses during the year	-9	-10	-18	-11	-47	11
-reclassification of amounts accounted for through profit and loss	-	-	-	-	-	-
<b>Total items that will be reclassified to profit and loss</b>	<b>-30</b>	<b>32</b>	<b>-23</b>	<b>26</b>	<b>-36</b>	<b>26</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-30</b>	<b>32</b>	<b>-23</b>	<b>26</b>	<b>-36</b>	<b>26</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>7 838</b>	<b>4 290</b>	<b>16 018</b>	<b>9 906</b>	<b>20 827</b>	<b>8 455</b>
Total comprehensive income for the period attributable to:						
Equityholders of the Parent Company	7 831	4 298	16 009	9 936	20 853	8 495
Non-controlling interest	7	-8	9	-30	-26	-40

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT (SEK M)**

	Note	2014 1 Oct- 31 Dec	2013 1 Oct- 31 Dec	2014 Full year	2013 Full year
<b>Cash flow from operations</b>		<b>-49</b>	<b>-63</b>	<b>-266</b>	<b>-121</b>
Investments in shares and other securities		-443	-128	-1 581	-2 088
Sale of shares and other securities		29	3 795	61	3 894
Dividends received	6	-	-	1 400	5 828
Other		-12	-37	-27	-107
<b>Cash flow from investing activities</b>		<b>-426</b>	<b>3 630</b>	<b>-147</b>	<b>7 527</b>
Change in interest bearing liabilities		-1	-149	40	-2 011
Dividend paid to equityholders of the Parent Company		-	-	-1 941	-1 803
Other		-13	-9	-59	-79
<b>Cash flow from financing activities</b>		<b>-14</b>	<b>-158</b>	<b>-1 960</b>	<b>-3 893</b>
<b>CASH FLOW FOR THE PERIOD</b>		<b>-489</b>	<b>3 409</b>	<b>-2 373</b>	<b>3 513</b>
<b>Cash and short term investments, opening balance</b>		<b>2 486</b>	<b>558</b>	<b>3 967</b>	<b>454</b>
<b>Cash and short term investments, closing balance</b>		<b>1 594</b>	<b>3 967</b>	<b>1 594</b>	<b>3 967</b>

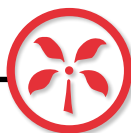
**SUPPLEMENTARY CASH FLOW INFORMATION**

Investments in shares and other securities		-360	-340	-1 342	-2 288
Investments in shares in subsidiaries		-	-	-7	-
Non-cash investments		-	-	71	-
Current period investments, paid after period end		-	212	0	200
Prior period investments, paid in current period		-83	-	-303	-
<b>Investments in shares and other securities</b>		<b>-443</b>	<b>-128</b>	<b>-1 581</b>	<b>-2 088</b>

**CONDENSED CONSOLIDATED BALANCE SHEET (SEK M)**

	Note	2014 31 Dec	2013 31 Dec
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets		293	805
Tangible fixed assets		335	343
Financial assets accounted at fair value through profit and loss	5	83 259	61 575
Other fixed assets		26	113
<b>Total fixed assets</b>		<b>83 913</b>	<b>62 836</b>
Other current assets		558	599
Short-term investments	7	1 311	3 502
Cash and cash equivalents	7	283	465
<b>TOTAL ASSETS</b>		<b>86 065</b>	<b>67 402</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity attributable to equityholders of the Parent Company		84 176	65 276
Shareholders' equity attributable to non controlling interest		30	43
Interest-bearing liabilities, long-term	7	1 289	1 231
Interest-bearing liabilities, short-term	7	9	20
Non interest-bearing liabilities		561	832
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>86 065</b>	<b>67 402</b>





## CONDENSED REPORT OF CHANGES IN EQUITY FOR THE GROUP (SEK M)

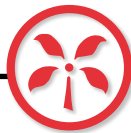
	2014 1 Jul- 31 Dec	2013 1 Jul- 31 Dec	2014 Full year	2013 Full year
<b>Equity, opening balance</b>	<b>68 182</b>	<b>55 405</b>	<b>65 319</b>	<b>58 640</b>
Total comprehensive income for the period	16 018	9 906	20 827	8 455
Acquisitions from non-controlling interest	0	7	0	15
Contribution from non-controlling interest	10	0	10	0
Dividend paid to owners of non-controlling interest	-5	-4	-5	-27
Sale of shares, non-controlling interest	0	0	0	28
Dividend paid to shareholders of the Parent company	0	0	-1 941	-1 803
Effect of employee share saving programme	1	5	-4	11
<b>Equity, closing amount</b>	<b>84 206</b>	<b>65 319</b>	<b>84 206</b>	<b>65 319</b>
Equity attributable to the shareholders of the Parent Company	84 176	65 276	84 176	65 276
Equity attributable to non-controlling interest	30	43	30	43

## KEY RATIOS

	2014 31 Dec	2013 31 Dec
Debt/equity ratio	0.02	0.03
Equity ratio	98%	97%
Net cash/(Net debt) including debt unpaid investments	402	2 435

## DEFINITIONS OF KEY RATIOS

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.
Net cash/(net debt)	Interest bearing receivables, short-term investments and cash and cash equivalents less interest-bearing liabilities including interest-bearing provisions and net debt unpaid investments/divestments.
Total return	Change in market price and dividends paid assuming that shareholders have reinvested all cash dividends and dividends in kind into the company's share.
Internal rate of return, IRR	Return based on fair value at the beginning and end of the respective period, includes cash dividends and dividends in kind and is calculated on a SEK basis.



# Notes for the Group (SEK m)

## 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.

From 2014 Kinnevik applies the three new standards; IFRS 10 Consolidated Financial Standards, IFRS 11 Joint Arrangements and IFRS 12 Disclosures of Interests in Other Entities, as well as amended IAS 27 and IAS 28. Kinnevik has made the assessment that it does not have de facto control over any of its companies where it owns less than 50% of the shares or controls less than 50% of the votes. Therefore the new standards have no effect on Kinnevik's income statement or financial position except for additional supplementary disclosures which will be included in the Annual report for 2014.

From 2014 Kinnevik has changed the format for the income statement. The changed format is assessed to give a more relevant view on Kinnevik's financial development. Comparative figures have been recalculated. Associates accounted for using the equity method have from 1 January 2014 been reclassified to Financial assets accounted at fair value through profit and loss.

The Kinnevik Group's accounting is from 2014 distributed on two accounting segments. The accounting segments are consistent with management's internal structure for controlling and monitoring the Group's operations:

- Operating subsidiaries – all the Group's operating subsidiaries.
- Investment operation – shares and securities in all other companies, that are not subsidiaries, and other financial assets.

This segment includes change in fair value of financial assets, dividends received and the administration costs of the Parent company.

Other accounting principles and calculation methods applied in this report are the same as those described in the 2013 Annual Report.

## NOTE 2 RISK MANAGEMENT

The Group's financing and management of financial risks is centralized within Kinnevik's finance function and is conducted on the basis of a Finance 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 quarterly 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.

The Group is also exposed to political risks since the companies Kinnevik has invested in 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 26 of the 2013 Annual Report.

## NOTE 3 RELATED PARTY TRANSACTIONS

Related party transactions for the period are of the same character as the transactions described in the 2013 Annual Report.



## NOTE 4 CONDENSED SEGMENT REPORTING (SEK M)

	2014 Full year			2013 Full year		
	Operating subsidi- aries	Invest- ment operation	Total	Operating subsidi- aries	Invest- ment operation	Total
Change in fair value of financial assets	-	19 494	<b>19 494</b>	-	3 052	<b>3 052</b>
Dividends received	-	2 350	<b>2 350</b>	-	5 828	<b>5 828</b>
Revenue	1 225	20	<b>1 245</b>	1 533	8	<b>1 541</b>
Cost of goods and services sold	-571	-	<b>-571</b>	-753	-	<b>-753</b>
Selling- and administration costs	-839	-218	<b>-1 057</b>	-909	-197	<b>-1 106</b>
Share of profit/loss of associates accounted for using the equity method	-	-	-	15	-	<b>15</b>
Other operating income and expenses	-607	27	<b>-580</b>	-14	5	<b>-9</b>
<b>Operating profit/loss</b>	<b>-792</b>	<b>21 673</b>	<b>20 881</b>	<b>-128</b>	<b>8 696</b>	<b>8 568</b>
Financial net	-10	-17	-27	-12	-102	-114
<b>Profit/loss before taxes</b>	<b>-802</b>	<b>21 656</b>	<b>20 854</b>	<b>-140</b>	<b>8 594</b>	<b>8 454</b>

Operating subsidiaries includes Metro, Vireo Energy, Rolnyvik, Saltside Technologies, AVI and G3 Good Governance Group.

The lower operating result within operating subsidiaries compared to previous year is mainly explained by an impairment of intangible fixed assets in Metro and G3 Good Governance Group of SEK 449m, a negative result of SEK 136m from divestments of operations within Metro, other provisions of SEK 32m, a positive one-off effect of SEK 44m in other operating income in 2013, as well as increased costs for expansion within newly established businesses.

## NOTE 5 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 better preference to the company's assets than earlier issued shares if the company is being liquidated or sold. For companies where no or few recent arm's length transactions have been performed, a valuation is conducted by applying relevant multiples to the company's historical and forecast key figures, such as sales, profit, equity, or a valuation based on future 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.

Work to measure Kinnevik's unlisted holdings at fair value is performed 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 and the Chairman of the Audit Committee, following which a draft is sent to all members of 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 2014:

Company	Valuation method	Valuation assumptions
Global Fashion Group ("GFG")	Latest transaction when Rocket Internet distributed cash and shares in Bigfoot I and Bigfoot II to its shareholders in May 2014.	EUR 2,4bln for the entire company, including 100% of the subsidiaries.
Home24	Valuation based on sales multiples for a group of comparable companies. The peer group includes, among others, Amazon, Zalando and AO World.  The valuation also considers the preferential rights the owned shares have in case of liquidation or sale of the entire company.	Last 12 months historical sales Multiple: 1.7x



Company	Valuation method	Valuation assumptions
Westwing	<p>Valuation based on sales multiples for a group of comparable companies. The peer group includes, among others, Amazon, Zalando and AO World.</p> <p>The average sales multiple for the peer group has been reduced for factors like lower profitability and company size.</p> <p>The valuation also considers the preferential rights the owned shares have in case of liquidation or sale of the entire company.</p>	Last 12 months historical sales Multiple: 1.6x
Lazada and Linio (partly owned by BigCommerce)	<p>Valuation based on sales multiples, weighted for the contribution from the company's different business models - marketplace and inventory based sales - where two groups of comparable companies have been used. The peer group for the inventory based model includes, among others, Amazon, CDON, JD.com and AO World. The peer group for the marketplace model includes, among others, MercadoLibre and 58.com.</p> <p>The underlying businesses of BigCommerce, have been valued on a stand alone basis.</p> <p>The valuation also considers the preferential rights the owned shares have in case of liquidation or sale of the entire company.</p>	Last 12 months historical sales Multiple: 1.9x for Lazada and 1.6x for Linio.
Konga	Latest transaction where shares were directed to a new investor.	USD 92m for the entire company.
Avito	Valuation based on EBITDA multiples for a group of comparable companies. The peer group includes, among others, Autohome, Infoedge India and Yandex.	12 months historical EBITDA as per 30 September 2014 (latest published numbers) Multiple: 24x
Quikr	Latest transactions.	Kinnevik has invested a total of USD 54m for 16% of Quikr.
Wimdu	<p>Valuation based on sales multiples for a group of comparable companies. The peer group includes, among others HomeAway, Priceline, Expedia and Tripadvisor.</p> <p>The average sales multiple in the peer group has been reduced for factors like lower profitability and company size.</p> <p>The valuation also considers the preferential rights the owned shares have in case of liquidation or sale of the entire company.</p>	Last 12 months historical sales Multiple: 2.6x
Bayport	Latest transaction.	USD 431m for the entire company.
Milvik/Bima	Latest transaction.	USD 65m post-money for the entire company.

For the companies in the table above that are valued based on multiples (i.e. Home24, Westwing, BigCommerce, Avito and Wimdu), an increase in the multiple by 10% would have increased estimated fair value by SEK 164m. Similarly, a decrease in the multiple by 10% would have decreased estimated fair value by SEK 176m.

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

	2014 1 Oct- 31 Dec	2013 1 Oct- 31 Dec	2014 Full year	2013 Full year
Millicom	151	2 743	-2 176	2 932
Tele2	1 057	-1 274	3 001	-6 003
<b>Communication</b>	<b>1 208</b>	<b>1 469</b>	<b>825</b>	<b>-3 071</b>
Zalando	3 548	886	6 894	2 626
Rocket Internet	2 843	139	9 399	327
Global Fashion Group *	99	47	3 066	-396
Home24	26	83	150	-75
Westwing	98	44	162	44
Qliro Group	-50	197	-289	-7
BigCommerce (Lazada and Linio) *	138	33	133	-60
Konga	24	-	41	22
Avito	-175	742	-	1 273
Quikr	31	-	64	-
Wimdu	13	8	20	10
Other *	7	13	215	-168
<b>E-commerce &amp; Marketplaces</b>	<b>6 602</b>	<b>2 192</b>	<b>19 855</b>	<b>3 596</b>
MTG	273	-27	-1 140	1 456
Other	19	-	42	-16
<b>Entertainment</b>	<b>292</b>	<b>- 27</b>	<b>-1 098</b>	<b>1 440</b>
Bayport	76	204	174	251
Milvik/Bima	15	-3	96	- 3
Seamless	-55	99	-147	127
Transcom	77	181	1	276
BillerudKorsnäs	-	360	-	552
Black Earth Farming	-74	-21	-185	-119
Other	-17	-	-27	3
<b>Financial Services &amp; Other</b>	<b>22</b>	<b>820</b>	<b>-88</b>	<b>1 087</b>
<b>Total</b>	<b>8 124</b>	<b>4 454</b>	<b>19 494</b>	<b>3 052</b>
- of which traded in an active market, level 1	7 770	2 258	5 454	-786
- of which fair value established using valuation techniques, level 3	354	2 196	14 040	3 838

\* Comparable periods adjusted for transactions related to the merger of Global Fashion Group.



## BOOK VALUE OF FINANCIAL ASSETS

	31 Dec 2014 (listed companies)			2014 31 Dec	2013 31 Dec
	Class A shares	Class B shares	Capital/Votes		
Millicom	37 835 438	-	37.8/37.8	22 039	24 215
Tele2	18 430 192	117 065 945	30.4/48.0	12 865	9 864
<b>Communication</b>				<b>34 904</b>	<b>34 079</b>
Zalando	78 427 800	-	32.0/32.0	19 030	12 136
Rocket Internet	21 716 964	-	14.2/14.2	10 620	1 219
Global Fashion Group *			26/26	6 092	1 880
Home24			20/20	833	679
Westwing			13/13	379	217
Qliro Group	42 613 642	-	28.5/28.5	737	786
BigCommerce (Lazada and Linio) *			14/14	739	544
Konga			41/41	292	156
Avito			31/31	2 298	2 196
Quikr			16/16	425	-
Wimdu			29/29	381	358
Other *			Mixed	873	600
<b>E-commerce &amp; Marketplaces</b>				<b>42 699</b>	<b>20 771</b>
MTG	4 461 691	9 042 165	20.3/48.0	3 358	4 498
Other			Mixed	208	164
<b>Entertainment</b>				<b>3 566</b>	<b>4 662</b>
Bayport			31/31	1 032	836
Milvik/Bima			39/39	206	46
Seamless	4 232 585	-	10.1/10.1	48	192
Transcom	8 306 523	-	31.9/31.9	494	505
BillerudKorsnäs	-	-	-	-	-
Black Earth Farming	51 811 828	-	24.9/24.9	151	337
Other				159	147
<b>Financial Services &amp; Other</b>				<b>2 090</b>	<b>2 063</b>
<b>Total</b>				<b>83 259</b>	<b>61 575</b>
- of which traded in an active market, level 1				69 342	40 397
- of which fair value established using valuation techniques, level 3				13 917	21 178

\* Comparable periods adjusted for transactions related to the merger of Global Fashion Group.





## INVESTMENTS IN FINANCIAL ASSETS

	2014 1 Oct- 31 Dec	2013 1 Oct- 31 Dec	2014 Full year	2013 Full year
Zalando	-	-	-	855
Rocket Internet	-	-	-	576
Global Fashion Group *	-	-	276	169
Home24	3	-	3	-
Westwing	-	-	-	38
Qliro Group	241	-	241	129
BigCommerce (Lazada and Linio) *	74	179	72	317
Konga	-	94	95	114
Avito	-	-	102	-
Quikr	-	-	362	-
Wimdu	-	-	2	-
Other *	39	17	92	20
<b>E-commerce &amp; Marketplaces</b>	<b>357</b>	<b>290</b>	<b>1 245</b>	<b>2 218</b>
Other	-	-	-	10
<b>Entertainment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>
Bayport	-	35	23	35
Milvik/Bima	-	-	64	3
Seamless	3	-	3	-
Other	-	15	7	22
<b>Financial Services &amp; Other</b>	<b>3</b>	<b>50</b>	<b>97</b>	<b>60</b>
<b>Total investments</b>	<b>360</b>	<b>340</b>	<b>1 342</b>	<b>2 288</b>
- of which traded in an active market, level 1	244	-	244	129
- of which fair value established using valuation techniques, level 3	116	340	1 098	2 159

\* Comparable periods adjusted for transactions related to the merger of Global Fashion Group.

## CHANGES OF FINANCIAL ASSETS IN LEVEL 3

	2014 Full year	2013 Full year
Opening balance	21 178	15 185
Investments	1 098	2 159
Distribution of shares in Bigfoot I and Bigfoot II	950	-
Reclassifications	-23 149	49
Change in fair value	14 040	3 838
Disposals	-195	- 68
Exchange gain/loss and other	-5	15
<b>Closing balance</b>	<b>13 917</b>	<b>21 178</b>

**NOTE 6 DIVIDENDS RECEIVED**

	2014 1 Oct- 31 Dec	2013 1 Oct- 31 Dec	2014 Full year	2013 Full year
Millicom	-	-	662	665
Tele2	-	-	596	4 756
MTG	-	-	142	135
Rocket Internet	-	-	-	168
Rocket Internet, shares in Bigfoot I and Bigfoot II	-	-	950	-
BillerudKorsnäs	-	-	-	104
<b>Total dividends received</b>	-	-	<b>2 350</b>	<b>5 828</b>
Of which cash dividends	-	-	1 400	5 660
Of which ordinary cash dividends	-	-	1 400	1 866

**NOTE 7 INTEREST-BEARING ASSETS AND LIABILITIES**

Kinnevik's total interest bearing assets amounted to SEK 1,700m as at 31 December 2014. The short term deposits of SEK 1,311m were split between Swedish money market funds with high credit quality with no restrictions on accessibility. The total amount of interest-bearing liabilities was SEK 1,298m and consequently Kinnevik was in a net cash position of SEK 402m as at 31 December 2014 (SEK 2,727m as at 31 December 2013).

Kinnevik's total credit facilities (including issued bonds) amounted to SEK 7,173m as at 31 December 2014 whereof SEK 5,800m related to a revolving credit facility and SEK 1,200m related to a bond. The utilization of the credit facilities was SEK 1,243m. The Group's available liquidity, including short-term deposits and available unutilized credit facilities, totaled SEK 7,524m at 31 December 2014 (SEK 9,897m).

	2014 31 Dec	2013 31 Dec
<b>Interest-bearing long-term assets</b>		
Other interest-bearing assets	106	11
	<b>106</b>	<b>11</b>
<b>Interest-bearing short-term assets</b>		
Short-term investments	1 311	3 502
Cash and cash equivalents	283	465
	<b>1 594</b>	<b>3 967</b>
<b>Total interest-bearing assets</b>	<b>1 700</b>	<b>3 978</b>
<b>Interest-bearing long-term liabilities</b>		
Liabilities to credit institutions	70	20
Capital markets issues	1 200	1 200
Accrued borrowing cost	-16	-25
Other interest-bearing liabilities	35	36
	<b>1 289</b>	<b>1 231</b>
<b>Interest-bearing short-term liabilities</b>		
Liabilities to credit institutions	9	20
Capital markets issues	0	0
	<b>9</b>	<b>20</b>
<b>Total interest-bearing liabilities</b>	<b>1 298</b>	<b>1 251</b>
<b>Net interest bearing assets/liabilities</b>	<b>402</b>	<b>2 727</b>

The outstanding loans carry an interest rate of Stibor or similar base rate with an average margin of 1.8%. 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 2014, the average remaining tenor was 2.9 years for all credit facilities including the bond (excluding one unutilized extension option for one year related to the Group's SEK 5.800m credit facility). As at 31 December 2014, Kinnevik had not provided any security for any of its outstanding loans.



### CONDENSED PARENT COMPANY INCOME STATEMENT (SEK M)

	2014 1 Jul- 31 Dec	2013 1 Jul- 31 Dec	2014 Full year	2013 Full year
Revenue	13	6	22	10
Administration costs	-121	-103	-221	-187
Other operating income	26	0	27	6
<b>Operating loss</b>	<b>-82</b>	<b>-97</b>	<b>-172</b>	<b>-171</b>
Dividends received	1 414	282	2 070	10 908
Result from financial assets	-582	774	-694	-4 714
Net interest income/expense	195	205	416	400
<b>Profit/loss after financial items</b>	<b>945</b>	<b>1 164</b>	<b>1 620</b>	<b>6 423</b>
Group contribution	-649	-472	-649	-472
<b>Profit/loss before taxes</b>	<b>296</b>	<b>692</b>	<b>971</b>	<b>5 951</b>
Taxes	0	0	14	0
<b>Net profit/loss for the period</b>	<b>296</b>	<b>692</b>	<b>985</b>	<b>5 951</b>
<b>Total comprehensive income for the period</b>	<b>296</b>	<b>692</b>	<b>985</b>	<b>5 951</b>

### CONDENSED PARENT COMPANY BALANCE SHEET (SEK M)

	2014 31 Dec	2013 31 Dec
<b>ASSETS</b>		
Tangible fixed assets	3	4
Financial fixed assets	64 516	46 474
Short-term receivables	328	279
Short-term investments	1 284	3 498
Cash and cash equivalents	77	42
<b>TOTAL ASSETS</b>	<b>66 208</b>	<b>50 297</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Equity	44 185	45 145
Provisions	29	30
Long-term liabilities	12 555	4 306
Short-term liabilities	9 439	816
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>66 208</b>	<b>50 297</b>

The Parent Company's liquidity, including short-term investments and unutilized credit facilities, totalled SEK 7,300m at 31 December 2014 and SEK 9,470m at 31 December 2013. The Parent Company's interest bearing external liabilities amounted to SEK 1,209m (1,200) on the same dates. Investments in tangible fixed assets amounted to SEK 0m (3) during the period.

Distribution by class of shares on 31 December 2014 was as follows:

	Number of shares	Number of votes	Par value (SEK 000s)
Outstanding Class A shares, 10 votes each	42 369 312	423 693 120	4 237
Outstanding Class B shares, 1 vote each	234 990 584	234 990 584	23 499
Class B shares in own custody	408 294	408 294	41
<b>Registered number of shares</b>	<b>277 768 190</b>	<b>659 091 998</b>	<b>27 777</b>

The total number of votes for outstanding shares in the Company amounted at 31 December 2014 to 658,683,704 excluding 408,294 class B treasury shares. During the year 41,598 Class B-shares have been delivered to participants in the long term incentive plan from 2011. The Board has authorization to repurchase a maximum of 10% of all shares in the Company. The Board has not used the authorization during 2014. There are no convertibles or warrants in issue.



## REVIEW REPORT

### Introduction

We have reviewed the interim report for Investment AB Kinnevik for the period 1 January - 31 December, 2014. The Board of Directors and the President 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 6 February 2015

Deloitte AB

Jan Berntsson  
Authorized Public Accountant

## KINNEVIK ANNUAL GENERAL MEETING 2015

The Annual General Meeting will be held on 18 May 2015 in Stockholm. Shareholders wishing to have matters considered at the Annual General Meeting should submit their proposals in writing to [agm@kinnevik.se](mailto:agm@kinnevik.se) or to The Company Secretary, Investment AB Kinnevik, 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 FOR THE 2015 ANNUAL GENERAL MEETING

In accordance with the resolution of the 2014 Annual General Meeting, Cristina Stenbeck has convened a Nomination Committee consisting of members appointed by the largest shareholders in Kinnevik that have chosen to appoint a member to the Nomination Committee. The Nomination Committee is comprised of Cristina Stenbeck, Max Stenbeck appointed by Verdere Säril, Wilhelm Klingspor appointed by the Klingspor family, Ramsay Brufer appointed by Alecta, James Anderson appointed by Baillie Gifford, and Edvard von Horn appointed by the von Horn family.

Information about the work of the Nomination Committee can be found on Kinnevik's corporate website at [www.kinnevik.se](http://www.kinnevik.se).

## FINANCIAL REPORTS

The Annual Report 2014 will be released on the company's website on 30 March 2015.

Reporting dates for 2015:

23 April	Interim Report January-March
22 July	Interim Report January-June
23 October	Interim Report January-September

Stockholm 6 February 2015

Board of Directors

Kinnevik discloses the information provided herein pursuant to the Securities Market Act (Sw. lagen om värdepappersmarknaden (2007:528)). The information was submitted for publication at 8.00 CET on 6 February 2015.

*Kinnevik is an entrepreneurial investment group focused on building digital consumer brands in four sectors: Communication, E-commerce & Marketplaces, Entertainment, and Financial Services. We work in partnership with talented founders and managers to create, invest in and lead fast growing digital businesses both in developed and developing countries.*

*Kinnevik was founded in 1936 by the Stenbeck, Klingspor and von Horn families.*

*Kinnevik's shares are listed on Nasdaq OMX Stockholm's list for large cap companies under the ticker codes KINV A and KINV B.*