



K I N N E V I K

INTERIM REPORT 1 JANUARY - 30 SEPTEMBER 2017

NAV
SEK 85.7BN

CHANGE IN NAV Q/Q
5%

INVESTMENTS
SEK 569M

NET INVESTMENTS
SEK 465M

1 YEAR TSR
25%

5 YEAR TSR
20%

OPERATING COMPANIES' PERFORMANCE

- **Zalando showed continued healthy growth and announced the launch of a beauty category in the spring of 2018**
Preliminary revenue growth of 27.5-29.5% and an EBIT margin of between -0.5 and 0.5%
- **GFG reported solid sales growth and halved losses, progressing on its path to profitability**
Revenue growth of 16% and an adjusted EBITDA margin of -4%
- **Millicom returned to positive revenue growth driven by accelerated deployment of high-speed data networks**
Organic service revenue growth of 1.7% and an EBITDA margin of 37%
- **Tele2 showed good momentum driven by strong uptake of their new mobile offerings**
Revenue growth of 1% on a like for like basis and an EBITDA margin of 25%
- **Com Hem intends to propose a 50% increase of the cash dividend on the back of a solid growth trajectory**
Organic revenue growth of 4% and an organic underlying EBITDA margin of 50%
- **MTG reported strong growth driven by all four business segments, and continued its digital investments**
Organic revenue growth of 7% and an EBIT margin of 6%

INVESTMENT MANAGEMENT ACTIVITIES

- **Total investments of SEK 569m** whereof SEK 527m (USD 65m) into Betterment, increasing Kinnevik's shareholding to 16%
- **Total divestments of SEK 104m** attributable in full to Glossybox
- **Dividend of SEK 350m** received from Black Earth Farming following completion of asset sale

FINANCIAL POSITION

- **Net Asset Value of SEK 85.7bn** (SEK 311 per share), up SEK 3.8bn or 5% during the quarter, led by a SEK 1.8bn increase in Zalando and a SEK 1.5bn increase in Millicom
- **Net debt position of SEK 0.9bn** at the end of the quarter

SEKm	30 Sep 2017	30 Jun 2017	31 Dec 2016	30 Sep 2016
Net Asset Value	85 661	81 887	72 434	74 507
Net Asset Value per share, SEK	311.36	297.65	263.29	270.82
Share price, SEK	265.00	258.00	218.90	218.20
Net cash/net debt	-878	-775	-1 367	-419

SEKm	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016	FY 2016
Net profit/loss	3 767	9 954	15 399	-1 377	-3 459
Net profit/loss per share, SEK	13.67	36.06	55.90	-4.99	-12.55
Change in fair value of financial assets	3 406	9 968	13 340	-3 015	-4 969
Dividends received	418	13	2 260	1 716	1 733
Dividend paid	-	-	-2 201	-7 084	-7 084
Investments	569	742	4 658	2 428	3 399
Divestments	104	7	5 277	464	563

Chief executive's review

Kinnevik had another quarter of solid performance. We are pleased with the continued operational improvements in our large companies, driven by higher efficiency and enhanced customer offerings through innovation and product development. These efforts are paying off and increasing Kinnevik's net asset value.

KINNEVIK'S THIRD QUARTER RESULTS

Kinnevik's NAV increased by 5% to SEK 85.7bn, or SEK 311 per share, in the third quarter, driven mainly by value increases in Zalando and Millicom. The value of our private assets decreased slightly in the quarter, but adding the investment in Betterment, the total value of the private portfolio was stable at SEK 11.3bn. On 25 October, Kinnevik's NAV had increased by SEK 1.3bn to SEK 87.0bn, or SEK 316 per share.

Q3 2017: SOLID OPERATIONAL PERFORMANCE

Zalando's preliminary numbers for the third quarter 2017 showed 27.5-29.5% revenue growth and an EBIT margin of between -0.5 and 0.5%. Pushing forward with its growth strategy, Zalando will enter the beauty market in the spring of 2018 to supplement its current fashion assortment. Zalando will begin selling products along the full product range - such as cosmetics, skin care and fragrances - and across various price points. The new category will initially be launched in Germany.

Global Fashion Group reported net revenue growth of 16% in the second quarter, on a constant currency pro forma basis. The adjusted EBITDA improved by 6 percentage points to -4% driven by an improved gross profit, and continued focus on technological and operational efficiency gains. GFG's partnerships in the Middle East and in the Philippines were completed during the quarter and these are expected to generate strategic and operational benefits to the businesses in their respective regions.

Millicom reported organic service revenue growth of 1.7% and the EBITDA margin amounted to 37% supported by continued focus on operational efficiency. Latin America led the positive development as Millicom's efforts over the last two years to accelerate the deployment of its high-speed data networks, both mobile and fixed, are starting to show results. With 888,000 4G net adds and 257,000 new HFC homes passed during the quarter, the company is on pace to reach its full-year targets of three million 4G net adds and one million new HFC homes passed.

Tele2 had mobile end-user service revenue growth of 7% on a like-for-like basis and an EBITDA margin of 25%. Despite the negative impact of Roam Like at Home, Tele2 maintained a solid momentum through strong uptake of its new mobile commercial propositions across the markets, combined with its challenger cost structure focus. Five months after launching the new product portfolio in the Netherlands, Tele2 is gaining strong traction with Dutch consumers and businesses, evidenced by mobile end-user service revenue growth of 26% in local currency in the country during the quarter.

MTG reported organic sales growth of 7% driven by higher sales in all four of its business segments, and an EBIT margin of 6% supported by higher profits and margins in Nordic Entertainment, International Entertainment and MTG Studios. The acquisition of Kongregate, MTG's second online games company, was completed during the quarter, and the sale of its Baltic operations were completed after the end of

the quarter. This active portfolio management and focused capital allocation is key to the company's transformation and capitalisation on the shift in consumer video consumption to on demand and mobile entertainment products like Viaplay, Viasat, Viasat, ESL and InnoGames.

Com Hem's organic revenue increased by 4% while organic underlying EBITDA rose by 5% corresponding to a margin of 50% (excluding Boxer). Com Hem's continued focus on customer satisfaction is proving successful as the number of new customers choosing Com Hem as their provider of broadband and TV was the highest in several years. Due to increased confidence in the company's ability to generate strong cash flow, the Com Hem board intends to propose an increase of the total shareholder remuneration and a change to the mix by increasing the cash dividend by 50%.

INVESTMENT MANAGEMENT ACTIVITIES AND FINANCIAL POSITION

In July, Kinnevik announced an investment of USD 65m in Betterment, increasing our shareholding to 16% and confirming our support for the company. During the quarter, we also continued our efforts to divest smaller non-core assets to reduce the number of companies in our portfolio, with the completion of Black Earth Farming's asset sale and our divestment of Glossybox. Kinnevik's balance sheet continues to be strong with a net debt position of SEK 0.9bn corresponding to 1% of our portfolio value.

PROMOTING GOOD GOVERNANCE AND SUSTAINABILITY

As an active and responsible owner, our work within Governance, Risk Management and Compliance ("GRC") is a focus area to which we are dedicating significant time and resources. Governed by the GRC Committee, comprising three board members and managed by our GRC Director and investment team, we have developed a comprehensive framework of standards, which are used to assess all of our largest portfolio companies, both public and private, individually and annually. GRC is high on the agenda of the Boards of our companies, with progress being reported and monitored on a regular basis. During the first nine months of 2017 we assessed 11 of our portfolio companies, representing over 90% of our portfolio value, on their performance according to our GRC standards. We expect to cover the remaining larger companies by the end of the year and will provide an in-depth review of our GRC work in the Annual Report for 2017.

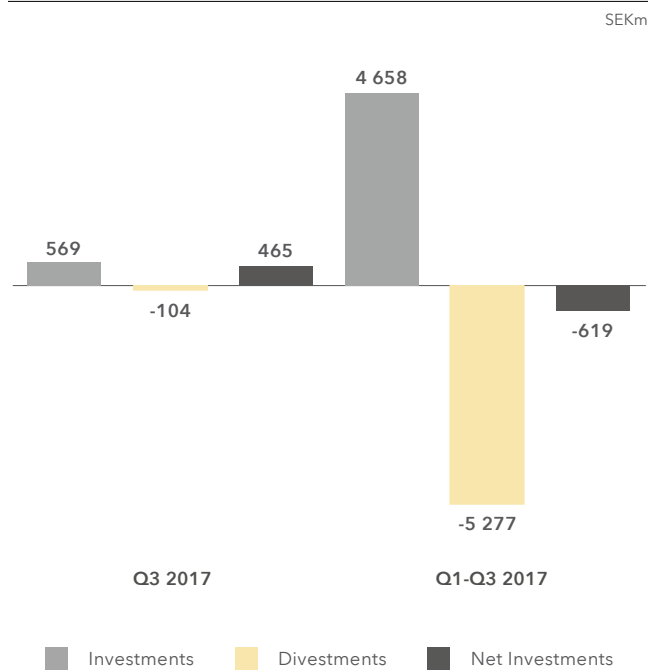
Our new CEO Georgi Ganeyv assumes his position on 1 January 2018. I look forward to welcoming Georgi and to continue working with the Kinnevik team in my role as Chief Financial Officer.

Joakim Andersson
Acting Chief Executive Officer, Chief Financial Officer

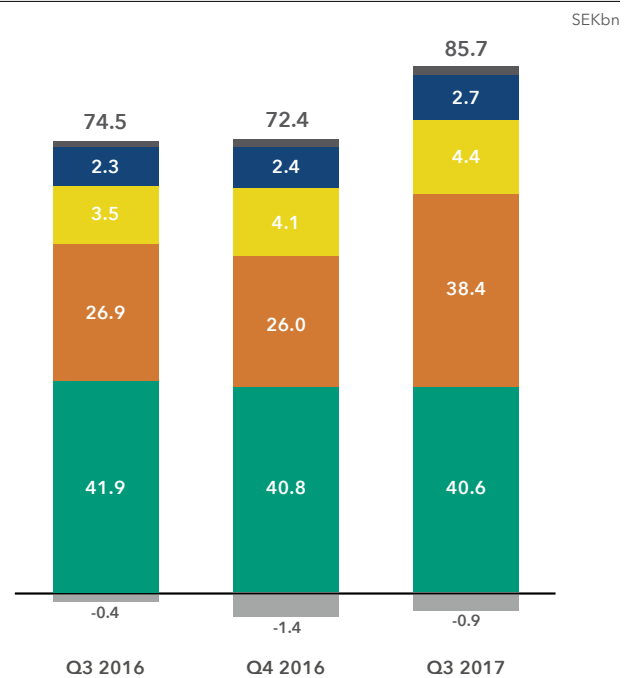
Kinnevik in summary

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

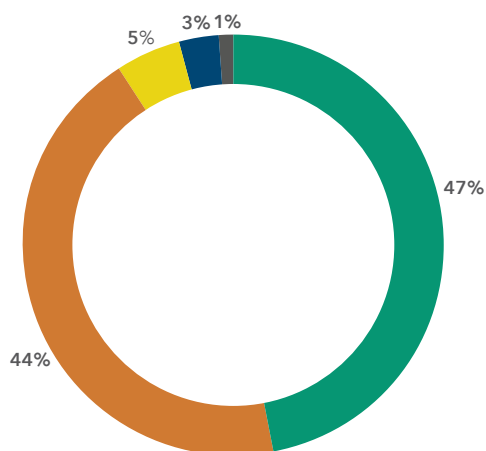
INVESTMENT ACTIVITY



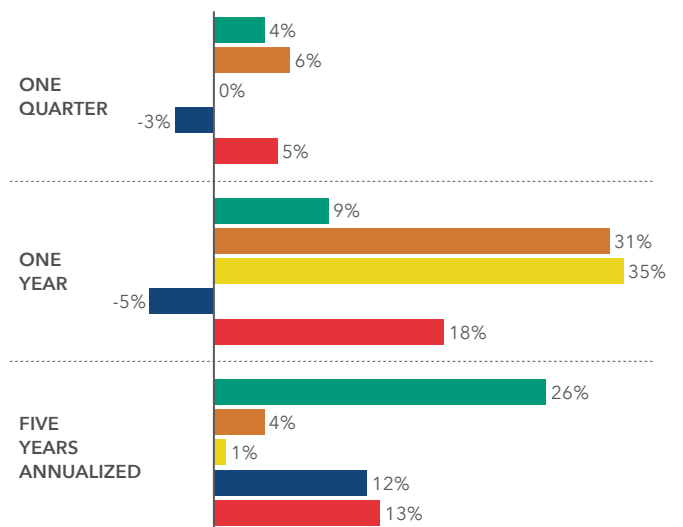
PORTFOLIO DEVELOPMENT



PORTFOLIO COMPOSITION



PORTFOLIO RETURN RATES



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

- E-Commerce & Marketplaces
- Communication
- Entertainment
- Financial Services
- Healthcare & Other
- Net cash/net debt
- Total Portfolio

Net Asset Value

SEKm	Fair value 2017 30 Sep	Fair value 2017 30 Jun	Fair value 2016 31 Dec	Fair value 2016 30 Sep	Total return 2017 ¹
Zalando	31 990	30 224	27 245	27 992	17%
Global Fashion Group	4 983	5 188	5 641	5 668	-12%
Rocket Internet	-	-	3 990	4 019	2%
Qliro Group	822	665	367	507	124%
Home & Living E-Commerce ²	562	648	551	582	-5%
Other E-Commerce ²	533	652	1 280	1 338	14%
Quikr	1 498	1 480	1 535	1 544	-2%
Other Marketplaces ²	195	197	220	232	-11%
Total E-Commerce & Marketplaces	40 583	39 054	40 829	41 882	12%
Millicom	20 261	18 759	14 790	16 856	43%
Tele2	14 207	13 475	11 166	10 006	34%
Com Hem	3 930	3 957	-	-	7%
Total Communication	38 398	36 191	25 956	26 862	37%
MTG	3 978	3 927	3 650	2 959	13%
Other	391	422	439	505	-5%
Total Entertainment	4 369	4 349	4 089	3 464	11%
Bayport	1 079	1 115	1 201	1 132	-10%
Betterment	1 061	548	590	557	-5%
Other ²	531	536	649	626	-9%
Total Financial Services	2 671	2 199	2 440	2 315	-8%
Healthcare & Other ²	518	869	487	403	28%
Total Portfolio Value	86 539	82 662	73 801	74 926	21%
Net cash/debt	-878	-775	-1 367	-419	
whereof unpaid investments/divestments	-24	-47	-49	-131	
Total Net Asset Value	85 661	81 887	72 434	74 507	22%
Net Asset Value per share, SEK	311.36	297.65	263.29	270.82	22%
Closing price, class B share, SEK	265.00	258.00	218.90	218.20	25%

¹ Includes investments and divestments.

² For split see page 13.

E-Commerce & Marketplaces



Zalando is an online fashion platform for women, men and children, offering a broad assortment of shoes, apparel and accessories from around 2,000 global and local brands as well as private labels. With its localised offering, Zalando addresses country specific customer preferences in each of its 15 European markets.

- On 18 October, Zalando announced preliminary results for the third quarter 2017, growing revenues by 27.5-29.5% to EUR 1,064-1,081m
- The company expects to achieve an adjusted EBIT of EUR -5 to 5m in the quarter, corresponding to a margin of -0.5 to 0.5%
- Zalando announced it will enter the beauty market in the spring of 2018 to tap into the opportunity for beauty online shopping in Europe and supplement its current fashion assortment. The offering will include products along the full product range - such as cosmetics, skin care and fragrances - and across various price points. The new category will initially be launched in Germany
- Detailed financial results for the third quarter 2017 will be published on 7 November 2017

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32%
KINNEVIK STAKE

SEK 32.0BN
FAIR VALUE

21.2M
ACTIVE CUSTOMERS

Key data (EURm)	Jul-Sep		Jan-Sep	
	2017	2016	2017	2016
Revenue	1 064	835	3 145	2 547
% Growth	28%	17%	24%	22%
EBIT	-5	20	97	121
% Margin	-0.5%	2.3%	3.1%	4.7%

EBIT adjusted for share-based compensation. Third quarter 2017 numbers are preliminary, figures included in table represent bottom of preliminary range.



Global Fashion Group (GFG) is an online fashion destination for emerging markets. GFG operates through five branded platforms, Lamoda, Dafiti, Namshi, Zalora and The Iconic, offering over 10,000 international and local brands across 24 countries with a 1.9 billion population, addressing a fashion market estimated to be worth EUR 300bn.

- GFG maintained solid sales growth and halved losses in the second quarter of 2017. The number of active customers grew by 10%, totalling 9.2 million, NMV growth amounted to 19% and revenue growth amounted to 16%
- The adjusted EBITDA margin improved by 6 percentage points to -4%. The adjusted EBITDA loss nearly halved year-on-year, driven by an improved gross profit, and continued focus on technological and operational efficiency gains
- Emaar Malls' acquisition of 51% of Namshi and Ayala's acquisition of 49% of Zalora Philippines were both completed in August. The partnerships are expected to generate strategic and operational benefits to the businesses in their respective regions

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35%
KINNEVIK STAKE

SEK 5.0BN
FAIR VALUE

9.2M
ACTIVE CUSTOMERS

Key data (EURm)	Apr-Jun		Jan-Jun	
	2017	2016	2017	2016
Revenue	282	225	511	389
% Growth	16%	36%	17%	33%
Gross profit	121	95	207	157
% Margin	43%	42%	41%	40%
EBITDA	-12	-23	-44	-69
% Margin	-4%	-10%	-9%	-18%

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

Qliro Group



Qliro Group offers digital commerce and related financial services in the Nordic market. Qliro Group operates CDON Marketplace, Nelly, NLY MAN, Qliro Financial Services (QFS) and the Health and Sports Nutrition Group.

- Sales increased by 6% in the third quarter driven by an 8% increase in GMV for CDON Marketplace and a 10% sales increase for Nelly. The growth for CDON Marketplace and Nelly drove volumes for QFS, which increased operating income by 28%
- The gross margin was strengthened by 5.6 percentage points to 24% in the third quarter. Nelly contributed significantly to profitability, increasing its EBITDA by SEK 17m to SEK 24m, driven by a high share of own brands in relation to total sales as well as by customer loyalty
- In September, QFS launched private loans as another step in broadening its offering of financial services to consumers. The launch follows previous introduction of services that help consumers in their daily lives, such as the Qliro app, Qliro Click and savings accounts

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Quikr is an online classifieds platform operating in India. Headquartered in Bangalore, Quikr serves approximately 20 million unique monthly visitors and focuses its operations on five verticals; Goods, Cars, Jobs, Homes and Services.

- Quikr's platform generated 12.4 million responses in September 2017. Responses per listing increased by 75% compared to the same period last year
- The roll-out of a low-cost data network in the country has resulted in an uptick in traffic

18%
KINNEVIK STAKE

SEK 1.5BN
FAIR VALUE

12.4M
SEPTEMBER RESPONSES

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29%
KINNEVIK STAKE

SEK 822M
FAIR VALUE

3.5M
ACTIVE CUSTOMERS

Key data (SEKm)	Jul-Sep		Jan-Sep	
	2017	2016	2017	2016
Net sales	868	823	2 766	2 662
% Growth	6%	-	4%	-
Gross profit	205	148	628	469
% Margin	24%	18%	23%	18%
EBITDA	22	-1	69	-5
% Margin	2.5%	-0.2%	2.5%	-0.2%

Excluding discontinued operations.



Saltside was founded in 2011 and operates classifieds websites in Sri Lanka, Bangladesh and Ghana.

- Saltside's regional platforms generated 3.9 million responses in September 2017, an increase of 29% compared to the same month last year
- The group continued to execute on its priorities of accelerating monetisation in Bangladesh following market share consolidation, and introduction of new services in Sri Lanka

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61%
KINNEVIK STAKE

SEK 195M
FAIR VALUE

3.9M
SEPTEMBER RESPONSES

WESTWING

Westwing is an international e-commerce company for home & living, offering a curated selection of home décor and furniture products. Westwing has more than 3,500 brand partners and operates in 14 markets across Europe, Brazil and Russia.

- Number of active customers remained stable year-on-year and totalled 1.0 million at the end of the second quarter 2017
- Revenues grew by 2% compared to the second quarter 2016, GMV increased by 5% and the adjusted EBITDA margin improved by 2.5 percentage points to -3.5% following better product mix, private labels offering and logistics improvements
- The DACH business reached profitability with double-digit growth, and a second warehouse was opened in Poznan, Poland, to service the region

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17%
KINNEVIK STAKE

SEK 445M
FAIR VALUE

1.0M
ACTIVE CUSTOMERS

home24

Home24 is an online shop for furniture and home accessories in seven core markets in Europe and Brazil. The broad range of products includes furniture, lamps, home accessories and garden equipment.

- Number of active customers totalled 1.0 million at the end of the second quarter 2017
- Revenues grew by 8% compared to the second quarter 2016, GMV increased by 13% and the adjusted EBITDA margin improved by 14 percentage points to -8%
- Home24 launched a new TV campaign and print magazine to further strengthen brand affinity with customers
- The integration of processes and systems in a pan-European fulfilment platform is ongoing and will establish a foundation for increased scalability

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17%
KINNEVIK STAKE

SEK 91M
FAIR VALUE

1.0M
ACTIVE CUSTOMERS

Key data (EURm)	Apr-Jun		Jan-Jun	
	2017	2016	2017	2016
Revenue	63	61	123	118
% Growth	2%	8%	4%	8%
Gross profit	27	25	54	50
% Margin	44%	41%	44%	43%
EBITDA	-2	-4	-6	-10
% Margin	-4%	-6%	-5%	-8%

EBITDA adjusted for share-based compensation.

Key data (EURm)	Apr-Jun		Jan-Jun	
	2017	2016	2017	2016
Revenue	65	60	132	124
% Growth	8%	3%	7%	5%
Gross profit	28	22	58	49
% Margin	43%	36%	44%	40%
EBITDA	-5	-13	-12	-25
% Margin	-8%	-21%	-9%	-21%

EBITDA adjusted for share-based compensation.

Communication



Millicom is a provider of cable and mobile services dedicated to emerging markets in Latin America and Africa. Millicom offers innovative and customer-centric digital lifestyle services through its principal brand Tigo.

- Organic service revenue growth of 1.7% in the third quarter, up 3 percentage points from Q2 2017. Latin America grew 2.3%, led by Paraguay and Bolivia, as Millicom's efforts over the last two years to accelerate the deployment of its high-speed data networks are starting to show results
- The EBITDA margin improved by 80 basis points to 37%, supported by continued focus on operational efficiency, and the EBITDA grew organically by 3.4%
- With 888,000 4G net adds in the quarter, and 2.2 million year to date, the company is on track to reach its full-year target of 3 million 4G net adds
- The rapid build-out of the HFC network in Latin America continued, with close to 1 million new HFC homes passed year to date, an increase in net adds of 102% compared to the first nine months of 2016

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38%
KINNEVIK STAKE

SEK 20.3BN
FAIR VALUE

49M
MOBILE CUSTOMERS

Key data (USDm)	Jul-Sep		Jan-Sep	
	2017	2016	2017	2016
Revenue	1 509	1 486	4 467	4 454
% Growth	2%	-	0%	-
EBITDA	556	535	1 629	1 594
% Margin	37%	36%	37%	36%
EBIT	249	204	663	616
% Margin	17%	14%	15%	14%
Net profit/loss	20	20	16	97

Figures are based on full consolidation of Guatemala (55% ownership) and Honduras (66.7% ownership) and excludes discontinued operations.

TELE2

Tele2 is a telecom operator offering mobile services, fixed broadband and telephony, data network services, content services and global IoT solutions to 17 million customers in 9 countries across Europe.

- Mobile end-user service revenue grew by 7% on a like for like basis in the third quarter driven by strong uptake of new mobile commercial propositions, and despite the negative impact of Roam Like at Home
- EBITDA grew 12% on a like for like basis, and full-year EBITDA guidance was raised to SEK 6.4-6.6bn (SEK 6.2-6.5bn)
- Free cash flow amounted to SEK 2.3bn for the first nine months of 2017, providing Tele2 with the possibility of reaching full dividend cover for the financial year 2017
- In July, Tele2 announced the sale of its Austrian operation to Hutchison Drei Austria. The transaction enables Tele2 to continue focusing on growth opportunities in markets where the company can leverage its own infrastructure and build profitable and scalable market positions

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30%
KINNEVIK STAKE

SEK 14.2BN
FAIR VALUE

16.1M
MOBILE CUSTOMERS

Key data (SEKm)	Jul-Sep		Jan-Sep	
	2017	2016	2017	2016
Revenue	7 542	6 674	22 838	19 221
% Growth	13%	-	19%	-
EBITDA	1 848	1 523	5 101	3 752
% Margin	25%	23%	22%	20%
EBIT	978	730	2 453	1 513
% Margin	13%	11%	11%	8%
Net profit/loss	512	-2 273	1 151	-2 010

Figures refer to continuing operations and excludes items affecting comparability. TDC Sweden is included from 31 October 2016.

COM HEM



Com Hem offers broadband, TV, play and telephony services to Swedish households and companies. Its broadband network covers half of Sweden's households, offering a range of digital TV channels and play services via set-up boxes as well as on-the-go for tablets and smartphones.

- Revenues increased by 36% while organic revenue grew by 3.6% (excl. Boxer)
- Underlying EBITDA grew by 19% and organic underlying EBITDA increased by 5.3% (excl. Boxer)
- As a result of the company's continued focus on customer satisfaction, the Com Hem segment had the strongest quarterly intake of unique broadband and TV customers in several years
- The network expansion programme continued to progress, with 100,000 addressable households added in the quarter. Since the start of the expansion, Com Hem has increased its footprint by 35% from 2.0 to 2.7 million addressable households
- Com Hem's board intends to propose a 50% increase in cash dividend from SEK 4 to SEK 6 per share, reflecting increased confidence in the company's ability to continue generating strong cash flow

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19%
KINNEVIK STAKE

SEK 3.9BN
FAIR VALUE

2.7M
ADDRESSABLE HOUSEHOLDS

Key data (SEKm)	Jul-Sep		Jan-Sep	
	2017	2016	2017	2016
Revenue	1 780	1 309	5 331	3 885
% Growth	36%	4%	37%	4%
EBITDA	762	642	2 204	1 852
% Margin	43%	49%	41%	48%
Net profit/loss	136	106	366	283

EBITDA stated before disposals excluding items affecting comparability and operating currency gains/losses. Boxer is consolidated from 30 September 2016.

Entertainment



MTG is an international digital entertainment group active across six continents. Its brands span TV, radio and next generation entertainment experiences in esports, digital video networks and online gaming.

- MTG had organic revenue growth of 7% driven by all four of its business segments. MTGx grew by 39% and both the International Entertainment and Studios operations had double digit organic growth
- The EBIT margin amounted to 6% driven by strong performance in Nordic Entertainment, International Entertainment and MTG Studios
- Investments in new products to meet the growing viewership weighed on profitability in MTGx. The ambition remains to deliver a first quarterly profit for MTGx in the fourth quarter of this year, but at a lower level than previously anticipated
- The strategic transformation continued with the completion of the acquisition of Kongregate and the sale of MTG's Baltic operations. This active portfolio management enables MTG to capitalise on the shift in consumer video consumption to on demand and mobile entertainment

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20%
KINNEVIK STAKE

SEK 4.0BN
FAIR VALUE

939 000
NORDIC SUBSCRIBERS

Key data (SEKm)	Jul-Sep		Jan-Sep	
	2017	2016	2017	2016
Revenue	4 280	3 657	12 230	10 702
% Growth	7%	7%	7%	4%
EBIT	257	141	785	643
% Margin	6%	4%	6%	6%
Net profit/loss	189	83	547	438

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

Financial Services

Betterment

Betterment is an independent automated investing service in the United States. The company operates a vertically integrated platform that provides fully automated, personalised advice and access to a low cost, globally diversified investment portfolio.

- Assets under management amounted to USD 10.9bn at the end of the third quarter 2017, an increase of 84% compared to the same time last year. Number of customers totalled over 290,000, a yearly increase of 51%. Betterment is the first independent online financial advisor in the US to pass USD 10bn in AUM
- A new messaging service manned with licensed financial experts was launched on Betterment's mobile app during the quarter. Through the service, Betterment's customers can ask financial questions and get help from a licensed expert
- The Company also launched new portfolios for its customers, including a Socially Responsible Investing portfolio, an Income portfolio in partnership with BlackRock, and a Smart Beta portfolio in partnership with Goldman Sachs

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16%
KINNEVIK STAKE

SEK 1.1BN
FAIR VALUE

291 000
CUSTOMERS



BAYPORT

FINANCIAL SERVICES

Bayport provides financial solutions to formally and informally employed individuals in emerging markets. The company's operations span 9 countries across Africa and Latin America.

- At the end of September 2017, Bayport's core payroll customer base had grown by 8% on a yearly basis to 486,400, providing 24% loan book growth
- Bayport continued to grow its digital retail offering My Money in Ghana, with the number of client accounts reaching 213,000 in September 2017
- The company has received permission to proceed with a transaction where a Black Economic Empowerment (BEE) consortium will acquire 51% of Bayport South Africa and make an investment that will give it a 10% share of Bayport Management Ltd

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22%
KINNEVIK STAKE

SEK 1.1BN
FAIR VALUE

486 400
CORE PAYROLL CUSTOMERS



Milvik offers, under the brand BIMA, affordable and uniquely designed life and health insurance products via mobile phones. BIMA is active in 15 countries across Africa, Asia, Latin America and the Caribbean.

- At the end of the third quarter 2017, BIMA had 6 million active customers, representing a yearly increase of 23% excluding discontinued products
- BIMA continued to execute on its market expansion strategy, and recently extended its customer base in Pakistan

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33%
KINNEVIK STAKE

SEK 393M
FAIR VALUE

6.0M
ACTIVE CUSTOMERS

Healthcare & Other



Babylon is a digital healthcare service based in the United Kingdom. Combining mobile tech and artificial intelligence with medical expertise, Babylon's mission is to make healthcare more accessible and affordable for people everywhere.

- At the end of September 2017, Babylon had over 1 million registrations and users continue to award the service with sector leading customer satisfaction rates
- The GP service in partnership with the NHS, branded "GP at hand", is now live in several parts of London and has seen thousands turn to Babylon to provide NHS GP services
- During the quarter, the company continued to add several corporates that now offer Babylon as a health benefit to its employees

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20%
KINNEVIK STAKE

SEK 371M
FAIR VALUE

1.0M
REGISTRATIONS



Livongo is a California based consumer digital health company that empowers people with chronic conditions to live better and healthier lives. Livongo has developed a new approach for diabetes management that combines the latest technology with coaching.

- Livongo continued to grow its member base reaching over 50,000 members by end of September, an increase of over 150% since the beginning of the year
- The company made strong progress to expand the product to hypertension, offering people the same benefits as Livongo pioneered with diabetes
- Livongo acquired diabetes management company Diabeto that allows patients to turn their existing glucose meters into Bluetooth-connected meters, enabling Livongo to service users that want to keep their existing meters

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4%
KINNEVIK STAKE

SEK 102M
FAIR VALUE

50 000
MEMBERS

Financial review

DIVIDEND AND CAPITAL STRUCTURE

As at 30 September 2017, Kinnevik was in a SEK 0.9bn net debt position.

During 2017, Kinnevik has received cash dividends from Millicom, Tele2, MTG, Com Hem and Black Earth Farming of SEK 2.3bn in aggregate, and paid out an ordinary cash dividend of SEK 2.2bn to its shareholders.

FINANCIAL TARGETS

Attractive Returns

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

Low Leverage

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

Increasing Shareholder Remuneration

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

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

INVESTMENT ACTIVITY

Investee company (SEKm)	Q3 2017	Q1-Q3 2017
Betterment	527	527
Com Hem	-	3 730
Livongo	-	112
Babylon	-	144
Home24	-	38
Other	42	107
Investments	569	4 658
Rocket Internet	-	4 071
Lazada	-	967
Glossybox	104	104
Other	-	135
Divestments	104	5 277
Net investments/divestments	465	-619

TOTAL SHAREHOLDER RETURN

15%

Past 30 years

11%

Past 10 years

20%

Past 5 years

25%

Past 12 months

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

VALUATION OF UNLISTED FINANCIAL ASSETS

Investment (SEKm)	Kinnevik ownership	Net invested amount	Fair value 30 Sep 2017	Change in fair value and dividends received		Valuation method
				Jul-Sep 2017	Jan-Sep 2017	
Global Fashion Group ^{1,2}	35%	5 658	4 983	-205	-658	Revenue multiple
<i>Home & Living</i>						
Home24 ²	17%	871	91	-93	-41	Revenue multiple
Westwing ²	17%	419	445	6	16	Revenue multiple
Other	Mixed	52	26	1	-2	Mixed
<i>Other E-Commerce</i>						
Lazada	-	-	-	-	261	-
Linio ²	27%	438	348	-9	56	Revenue multiple
Konga	34%	292	128	-10	-40	Revenue multiple
Other ¹	Mixed	35	57	-13	-12	Mixed
<i>Marketplaces</i>						
Quikr	18%	879	1 498	18	-37	DCF
Saltside	61%	195	195	-2	-5	DCF
Other	Mixed	222	-	-1	-19	Mixed
Total E-Commerce & Marketplaces		9 060	7 771	-308	-481	
Metro	100%	941	289	-29	-13	DCF
Other	Mixed	128	102	-4	-10	Mixed
Total Entertainment		1 069	391	-33	-23	
Bayport ³	22%	467	1 079	-36	-122	Latest transaction
Betterment	16%	1 065	1 061	-14	-56	Latest transaction
Milvik/BIMA	33%	151	393	-13	-9	Latest transaction
Other	Mixed	103	125	-5	-40	Mixed
Total Financial Services		1 786	2 658	-68	-227	
Babylon	20%	308	371	-	73	Latest transaction
Livongo	4%	112	102	-3	-10	Latest transaction
Other	Mixed	242	51	1	-	Mixed
Total Healthcare & Other		662	524	-2	63	
Total Unlisted Financial Assets		12 577	11 344	-411	-668	

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

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

³ Ownership on a fully diluted as converted basis.

FAIR VALUES AS AT 30 SEPTEMBER 2017

At the end of September, the fair value of Kinnevik's unlisted financial assets amounted to a total of SEK 11,344m, to be compared with an accumulated invested amount (net after dividends received) of SEK 12,577m. The change in fair value, plus dividends received, amounted to negative SEK 411 m in the quarter, as specified in the table on the previous page.

LIQUIDATION PREFERENCES

Kinnevik's unlisted investee companies adopt different financing structures, and at times issue shares with liquidation preference rights. Liquidation preferences determine how proceeds from a liquidity event are allocated between shareholders. This allocation may become increasingly complex as a company raises several funding rounds at different valuations. As Kinnevik's participation often varies between funding rounds, Kinnevik's share of proceeds may significantly deviate from its percentage ownership of the investee company's issued equity. Accordingly, an increase or decrease in value of an investee company's equity where liquidation preferences are applicable may result in a disproportionate increase or decrease in the fair value of Kinnevik's shareholding in that investee company.

GLOBAL FASHION GROUP

The fair value of Kinnevik's 35 percent shareholding in **Global Fashion Group** ("GFG") amounts to SEK 4,983m as at 30 September 2017, based on a total value of GFG's fully diluted equity of EUR 1.6bn. The valuation of GFG implies an average multiple of 1.3x the company's last twelve months' net revenues as at 30 June 2017. The implied average multiple corresponds to a 46 percent discount to a group of listed and profitable developed market fashion e-commerce peers, and discounts vary between GFG's different regional businesses. The implied discount not only reflects differences in growth and profitability, but also Kinnevik's assessment of equity risk premiums across GFG's partly emerging market focused footprint as may be referenced from a broader set of listed emerging market e-commerce companies. The implied discount increased during the quarter due to i.a. the valuation of Namshi being unchanged from last quarter, based on the joint venture transaction in the second quarter of 2017.

E-COMMERCE

The fair value of Kinnevik's 17 percent shareholding in **Home24** amounts to SEK 91m as at 30 September 2017, based on a total value of Home24's fully diluted equity of EUR 235m. The valuation of Home24 applies a multiple of 0.9x the company's last twelve months' net revenues as at 30 June 2017. The applied multiple corresponds to a 20 percent discount to a group of listed home and living e-commerce peers, which reflects differences in growth and profitability.

The fair value of Kinnevik's 17 percent shareholding in **Westwing** amounts to SEK 445m as at 30 September 2017, based on a total value of Westwing's fully diluted equity of EUR 217m. The valuation of Westwing applies a multiple of 0.9x the company's last twelve months' net revenues as at 30 June 2017. The applied multiple corresponds to a 10 percent discount to a group of listed home and living and shopping

club e-commerce peers, which reflects differences in growth, profitability, and addressable market.

The fair value of Kinnevik's 27 percent shareholding in **Linio** amounts to SEK 348m as at 30 September 2017. The valuation of Linio applies separate revenue multiples to the company's respective revenues from its inventory based sales and its marketplace based offering, and implies a multiple of 2.5x the company's last twelve months' net revenues as at 30 June 2017, or 0.9x the company's gross merchandise value during the same period. The implied multiple corresponds to an average 39 percent discount to two separate groups of listed retail e-commerce peers and listed marketplace e-commerce peers, which reflects differences in growth and profitability.

The fair value of Kinnevik's 34 percent shareholding in **Konga** amounts to SEK 128m as at 30 September 2017. As for Linio, the valuation of Konga applies separate revenue multiples to the company's respective revenues from its inventory based sales and its marketplace based offering, and implies a multiple of 3.7x the company's last twelve months' net revenues as at 30 June 2017, or 0.8x the company's gross merchandise value during the same period. The implied multiple corresponds to an average 35 percent discount to two separate groups of listed retail e-commerce peers and listed marketplace e-commerce peers, which reflects differences in growth and profitability.

MARKETPLACES

The fair value of Kinnevik's 18 percent shareholding in **Quikr** amounts to SEK 1,498m as at 30 September 2017, based on a total value of Quikr's fully diluted equity of USD 1.0bn. The valuation of Quikr is based on a discounted cash flow analysis. A number of all-stock transactions have been concluded at an approximate 50 percent premium to the USD 1.0bn valuation, but due to the lack of a significant cash element in each of these transactions they are not considered as sufficiently robust to be used as basis for the assessment of the fair value of Kinnevik's shareholding.

The fair value of Kinnevik's 61 percent shareholding in **Saltside** amounts to SEK 195m as at 30 September 2017. The valuation of Saltside is based on a discounted cash flow analysis.

FINANCIAL SERVICES

The fair value of Kinnevik's 22 percent shareholding in **Bayport** amounts to SEK 1,079m as at 30 September 2017, based on a total value of Bayport's fully diluted equity of USD 608m. The valuation of Bayport is based on the valuation applied in a funding round during the third quarter of 2017.

The fair value of Kinnevik's 16 percent shareholding in **Betterment** amounts to SEK 1,061m as at 30 September 2017, based on a total value of Betterment's fully diluted equity of USD 800m. The valuation of Betterment is based on the valuation applied in a funding round during the third quarter of 2017.

The fair value of Kinnevik's 33 percent shareholding in **Bima** amounts to SEK 393m as at 30 September 2017, based on a total value of Bima's fully diluted equity of USD 146m. The valuation of Bima is based on the valuation applied in a funding round during the first quarter of 2017.

Condensed Consolidated Income Statement

SEK m	Note	2017 1 Jul- 30 Sep	2016 1 Jul- 30 Sep	2017 1 Jan- 30 Sep	2016 1 Jan- 30 Sep	2016 Full year
Change in fair value of financial assets	4	3 406	9 968	13 340	-3 015	-4 969
Dividends received	5	418	13	2 260	1 716	1 733
Administration costs		-48	-50	-149	-154	-261
Other operating income		3	27	13	41	47
Other operating expenses		0	0	0	-1	-1
Operating profit/loss		3 779	9 958	15 464	-1 413	-3 451
Financial net		-12	-4	-65	36	-7
Profit/loss after financial net		3 767	9 954	15 399	-1 377	-3 458
Tax		0	0	0	0	-1
Net profit/loss for the period		3 767	9 954	15 399	-1 377	-3 459
Net profit/loss per share before dilution		13.69	36.08	55.97	-4.99	-12.55
Net profit/loss per share after dilution		13.67	36.06	55.90	-4.99	-12.55
Other comprehensive income						
Cash flow hedging, gains/losses during the period		2	0	18	0	5
Total other comprehensive income for the period		2	0	18	0	5
Total comprehensive income for the period		3 769	9 954	15 417	-1 377	-3 454
Outstanding shares at the end of the period		275 115 735	275 115 735	275 115 735	275 115 735	275 115 735
Average number of shares before dilution		275 115 735	275 115 735	275 115 735	275 683 841	275 570 219
Average number of shares after dilution		275 467 687	275 374 033	275 459 370	275 898 659	275 802 078

CONSOLIDATED EARNINGS FOR THE THIRD QUARTER

The change in fair value of financial assets including dividends received amounted to a profit of SEK 3,824m (profit of 9,981) for the third quarter of which a profit of SEK 4,235m (profit of 8,388) was related to listed holdings and a loss of SEK 411m (profit of 1,593) was related to unlisted holdings. See note 4 for further details.

CONSOLIDATED EARNINGS FOR THE FIRST NINE MONTHS OF THE YEAR

The change in fair value of financial assets including dividends received amounted to a profit of SEK 15,600m (loss of 1,299) for the first nine months of the year of which a profit of SEK 16,268m (loss of 978) was related to listed holdings and a loss of SEK 668m (loss of 321) was related to unlisted holdings. See note 4 for further details.

Condensed Consolidated Cash Flow Statement

SEK m	Note	2017 1 Jul- 30 Sep	2016 1 Jul- 30 Sep	2017 1 Jan- 30 Sep	2016 1 Jan- 30 Sep	2016 Full year
Dividends received	5	418	13	2 260	1 716	1 733
Cash flow from operations		-46	-52	-154	-170	-250
Cash flow from operations before interest net and income taxes		372	-39	2 106	1 546	1 483
Interest, received		3	12	10	54	54
Interest, paid		-16	-10	-57	-30	-41
Cash flow from operations		359	-37	2 059	1 570	1 496
Investments in financial assets		-592	-673	-4 704	-2 359	-3 330
Sale of shares and other securities		104	7	5 301	464	480
Cash flow from investing activities		-488	-666	597	-1 895	-2 850
Change in interest bearing loans		-496	-14	1 983	-14	381
Repurchase of shares		-	-	-	-500	-500
Redemption program and dividend paid to equity holders of the Parent company		-	-	-2 201	-7 084	-7 084
Cash flow from financing activities		-496	-14	-218	-7 598	-7 203
Cash flow for the period		-625	-717	2 438	-7 923	-8 557
Cash and short term investments, opening balance		3 386	1 674	323	8 880	8 880
Cash and short term investments, closing balance		2 761	957	2 761	957	323
SUPPLEMENTARY CASH FLOW INFORMATION						
Investments in financial assets	4	-569	-742	-4 658	-2 428	-3 399
Current period investments, not yet paid		-	69	-	69	69
Prior period investments, paid in current period		-23	-	-46	-	-
Cash flow from investments in financial assets		-592	-673	-4 704	-2 359	-3 330

Condensed Consolidated Balance Sheet

SEK m	Note	2017 30 Sep	2016 30 Sep	2016 31 Dec
ASSETS				
Fixed assets				
Financial assets accounted at fair value through profit and loss	4	86 548	74 910	73 827
Tangible fixed assets		59	65	63
Other fixed assets		3	5	3
Total fixed assets		86 610	74 980	73 893
Other current assets		39	29	103
Short term investments		2 380	672	0
Cash and cash equivalents		381	285	323
TOTAL ASSETS		89 410	75 966	74 319
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity attributable to equityholders of the Parent Company		85 661	74 507	72 434
Interest bearing liabilities, long term		2 876	1 245	41
Interest bearing liabilities, short term		748	0	1 600
Non interest bearing liabilities		125	214	244
TOTAL EQUITY AND LIABILITIES		89 410	75 966	74 319

Key Ratios

Ratio	Note	2017 30 Sep	2016 30 Sep	2016 31 Dec
Debt/equity ratio		0.04	0.02	0.02
Equity ratio		96%	98%	97%
Net cash/(Net debt) for the Group, including net loans to investee companies	6	-821	-435	-1 309
Leverage		1%	1%	2%

Condensed Report of Changes in Equity for the Group

Attributable to the
Parent Company's shareholders

SEK m	Share capital	Other contributed capital	Hedging reserve	Retained earnings including net result for the year	Total shareholders' equity
Opening balance 1 January 2016	28	8 840	-34	74 630	83 464
Profit for the year				-3 459	-3 459
Other comprehensive income			5		5
Total comprehensive income for the period	0	0	5	-3 459	-3 454
Transactions with shareholders					
Effect of employee share saving programme				8	8
Redemption program and cash dividend				-7 084	-7 084
Share buy-backs	-1			-499	-500
Closing balance 31 December 2016	27	8 840	-29	63 596	72 434
Profit for the period				15 399	15 399
Other comprehensive income			18		18
Total comprehensive income for the period	0	0	18	15 399	15 417
Transactions with shareholders					
Effect of employee share saving programme				11	11
Cash dividend				-2 201	-2 201
Closing balance 30 September 2017	27	8 840	-11	76 805	85 661

Notes for the Group (SEKm)

NOTE 1 ACCOUNTING PRINCIPLES

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

The accounting principles and calculation methods applied in this report are the same as those described in the 2016 Annual Report.

NOTE 2 RISK MANAGEMENT

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

Kinnevik's financing and management of financial risks is centralised within Kinnevik's finance function and is conducted on the basis of a finance policy established by the Board of Directors. Kinnevik is exposed to financial risks mainly in the form of changes in the value of the stock portfolio, changes in currency and interest rates, and financing risks. Operational risks are managed within each company with an operating business. Kinnevik is also exposed to political risks since the companies in which Kinnevik has invested have substantial operations in less developed markets in Latin America, Sub-Saharan Africa and South East Asia.

For a more detailed description of Kinnevik's risks and uncertainties, as well as risk management, refer to Note 18 for the Group in the 2016 Annual Report.

NOTE 3 RELATED PARTY TRANSACTIONS

Related party transactions for the period are of the same character as the transactions described in the 2016 Annual Report.

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

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

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

Below is a summary of the valuation methods applied in the accounts as per 30 September 2017:

Company	Valuation method	Valuation assumptions
Global Fashion Group	The valuation is based on a sum-of-the-parts method using sales multiples for each region applying individual regional discounts to a group of listed and profitable developed market fashion e-commerce peers (Zalando, Asos and Yoox Net-a-Porter Group). The implied average multiple corresponds to a 46% discount on an aggregated level. The applied discounts reflects differences in growth and profitability as well as emerging market exposure referenced from a broader set of listed emerging market e-commerce companies. On a fully diluted basis GFG is valued at EUR 1.6bn. The valuation considers preferential rights in case of a liquidation or sale of the company.	Last 12 months sales (ending 30 June 2017) Multiple: 1.3x
Home24	The valuation is based on the average sales multiple of a group of comparable companies (including Ocado Group, Wayfair and AO World), adjusted with a 20% discount on an aggregated level to adjust for growth and profitability. On a fully diluted basis Home24 is valued at EUR 235m. The valuation considers preferential rights in case of a liquidation or sale of the company and results in Kinnevik's 17% stake in Home24 being valued at SEK 91m.	Last 12 months sales (ending 30 June 2017) Multiple: 0.9x
Westwing	The valuation is based on the average sales multiple of a group of comparable companies (including Ocado Group, Wayfair and AO World). The average sales multiple of the peer group has been reduced by 10% due to factors such as growth, profitability and addressable market. On a fully diluted basis Westwing is valued at EUR 217m. The valuation considers preferential rights in case of a liquidation or sale of the company and results in Kinnevik's 17% stake, together with warrants worth SEK 81m, being valued at SEK 445m.	Last 12 months sales (ending 30 June 2017) Multiple: 0.9x
Linio	The valuation is based on the average sales multiple of a group of comparable companies. Linio generates revenue from two business models, inventory and marketplace. Accordingly, two different peer groups are used in the valuation and the multiple weighted based on sales. The peer group for the inventory model includes AO World, B2W, CNova and JD.com. The peer group for the marketplace model includes MercadoLibre, eBay and Alibaba. This has then been adjusted by an aggregated 39% discount to adjust for factors such as growth and profitability. The valuation considers preferential rights in case of a liquidation or sale of the company.	Last 12 months sales (ending 30 June 2017) Multiple: 2.5x
Konga	The valuation is based on the average sales multiple of a group of comparable companies. Konga generates revenue from two business models, inventory and marketplace. Accordingly, two different peer groups are used in the valuation and the multiple weighted based on sales. The peer group for the inventory model includes AO World, B2W, CNova and JD.com. The peer group for the marketplace model includes MercadoLibre, eBay and Alibaba. This has then been adjusted by an aggregated 35% discount to adjust for factors such as growth and profitability. The valuation considers preferential rights in case of a liquidation or sale of the company.	Last 12 months sales (ending 30 June 2017) Multiple: 3.7x
Quikr	The fair value of Kinnevik's 18% shareholding in Quikr valued at SEK 1.5bn is valued based on discounted cash flows valuing Quikr at USD 1.0bn on a fully diluted basis.	
Saltside	The valuation is based on discounted cash flows valuing Kinnevik's 61% shareholding to SEK 195m.	
Bayport	The valuation is based on the latest funding round in September 2017. The transaction values all shares in Bayport at USD 608m on a fully converted and diluted basis.	
Betterment	The valuation is based on the latest funding round in July 2017. The transaction values all shares in Betterment at USD 800m on a fully diluted basis.	
Milvik/ BIMA	The valuation is based on the latest funding round in March 2017. The transaction values all shares in BIMA at USD 146m on a fully diluted basis.	

For the companies in the table above that are valued based on sales multiples (i.e. Global Fashion Group, Home24, Westwing, Linio and Konga), an increase in the multiple by 10% would have increased estimated fair value by SEK 346m. Similarly, a decrease in the multiple by 10% would have decreased estimated fair value by SEK 390m.

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	2017 1 Jul- 30 Sep	2016 1 Jul- 30 Sep	2017 1 Jan- 30 Sep	2016 1 Jan- 30 Sep	2016 Full year
Black Earth Farming	-356	40	-306	5	100
Com Hem	-27	-	200		-
Millicom	1 502	-2 554	5 471	-1 623	-3 689
MTG	51	-49	328	20	711
Qliro Group	158	113	456	-6	-147
Rocket Internet	-	426	81	-1 608	-1 637
Seamless	-	-5	1	1	-7
SDS	-8	-	-8	-	-
Tele2	732	108	3 041	-1 517	-1 255
Zalando	1 765	10 309	4 744	2 048	1 302
Total Listed holdings	3 817	8 388	14 008	-2 681	-4 623
Babylon	-	-2	73	-11	-10
Bayport	-36	12	-122	-146	-77
Betterment	-14	6	-56	19	52
Global Fashion Group	-205	1 476	-658	98	71
Home24	-93	1	-41	-704	-734
Konga	-10	19	-40	17	7
Lazada	-	7	261	561	601
Linio	-9	32	56	-23	-90
Livongo	-3	-	-10	-	-
Milvik/BIMA	-13	19	-9	75	113
Quikr	18	17	-37	25	16
Westwing	6	14	16	-16	-16
Other	-52	-21	-101	-228	-279
Total Unlisted holdings	-411	1 580	-668	-334	-346
Total	3 406	9 968	13 340	-3 015	-4 969

30 September 2017
(listed companies)

Book value of Financial assets	Class A shares	Class B shares	Capital/ Votes (%)	2017 30 Sep	2016 30 Sep	2016 31 Dec
Black Earth Farming	51 811 828	-	23.3/23.3	3	213	308
Com Hem	33 911 671	-	18.9/18.9	3 930	-	-
Millicom	37 835 438	-	37.6/37.6	20 261	16 856	14 790
MTG	4 461 691	9 042 165	20.3/48.0	3 978	2 959	3 650
Qliro Group	42 613 642	-	28.5/28.5	822	507	367
Rocket Internet	-	-	-	-	4 019	3 990
Seamless	-	-	-	-	28	20
SDS	587 722	-	8.5/8.5	13	-	-
Tele2	20 733 965	131 699 187	30.3/47.9	14 207	10 006	11 166
Zalando	78 427 800	-	31.7/31.7	31 990	27 992	27 245
Total Listed holdings				75 204	62 580	61 536
Babylon			19.6/19.6	371	107	154
Bayport ¹			21.8/21.8	1 079	1 132	1 201
Betterment			16.3/16.3	1 061	557	590
Global Fashion Group			35.4/35.4	4 983	5 668	5 641
Home24			17.0/17.0	91	124	94
Konga			34.0/34.0	128	133	133
Lazada			-/-	-	666	706
Linio			27.0/27.0	348	359	292
Livongo			3.5/3.5	102	-	-
Milvik/BIMA			33.0/33.0	393	426	464
Quikr			17.7/17.7	1 498	1 544	1 535
Saltside			60.8/60.8	195	197	200
Westwing			16.5/16.5	445	429	429
Other			-/-	650	988	852
Total Unlisted holdings				11 344	12 330	12 291
Total				86 548	74 910	73 827

¹ On a fully diluted as converted basis.

Investments in financial assets	2017 1 Jul- 30 Sep	2016 1 Jul- 30 Sep	2017 1 Jan- 30 Sep	2016 1 Jan- 30 Sep	2016 Full year
Com Hem	-	-	3 730	-	-
Tele2	-	-	-	-	898
SDS	21	-	21	-	-
Total listed holdings	21	-	3 751	-	-
Babylon	-	-	144	118	164
Betterment	527	-	527	538	538
Global Fashion Group	-	578	-	1 503	1 503
Home24	-	27	38	27	27
Iroko	-	-	-	17	17
Konga	17	13	35	13	23
Linio ¹	-	115	-	115	115
Livongo	-	-	112	-	-
Westwing	-	-	-	58	58
Other	4	9	51	39	56
Total unlisted holdings	548	742	907	2 428	2 501
Total	569	742	4 658	2 428	3 399

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

Changes in unlisted assets (level 3)	2017 1 Jul- 30 Sep	2016 1 Jul- 30 Sep	2017 1 Jan- 30 Sep	2016 1 Jan- 30 Sep	2016 Full year
Opening balance	11 312	10 008	12 291	10 692	10 692
Investments	548	742	907	2 428	2 501
Disposals / Exit proceeds	-104	-	-1 185	-457	-556
Change in fair value	-411	1 580	-668	-334	-346
Closing balance	11 344	12 330	11 344	12 330	12 291

NOTE 5 DIVIDENDS RECEIVED

	2017 1 Jul- 30 Sep	2016 1 Jul- 30 Sep	2017 1 Jan- 30 Sep	2016 1 Jan- 30 Sep	2016 Full year
Millicom	-	-	883	823	823
Tele2	-	-	797	725	725
MTG	-	-	162	155	155
Com Hem	68	-	68	-	-
Black Earth Farming	350	-	350	-	-
Other	-	13	-	13	30
Total dividends received	418	13	2 260	1 716	1 733
<i>Of which cash dividends</i>	<i>418</i>	<i>13</i>	<i>2 260</i>	<i>1 716</i>	<i>1 733</i>
<i>Of which ordinary cash dividends</i>	<i>68</i>	<i>-</i>	<i>1 910</i>	<i>1 716</i>	<i>1 703</i>

NOTE 6 INTEREST BEARING ASSETS AND LIABILITIES

Kinnevik's total interest bearing assets amounted to SEK 2.821m as at 30 September 2017. The total amount of interest bearing liabilities was SEK 3,618m and the debt for unpaid investments/divestments was SEK 24m. Kinnevik was in a net debt position of SEK 878m as at 30 September 2017 (net debt SEK 1,367m as at 31 December 2016). Including net outstanding loans to investee companies, the corresponding figure was a net debt of SEK 821m (net debt SEK 1,309m as at 31 December 2016).

In May 2017 Kinnevik issued a SEK 1.45bn bond with three years maturity as well as a SEK 400m tap on the SEK 1bn bond issued in March 2017 with five years maturity. The bonds were issued under Kinnevik's medium term note programme (the "MTN Programme") which was put in place in February 2017 with a framework amount of SEK 4bn, whereof SEK 2.85bn has now been utilized. The bonds were a mix of fixed and floating rate bonds. To eliminate interest rate risk Kinnevik entered into interest rate swap agreements whereby Kinnevik will pay fixed annual interest on the full amounts.

Kinnevik's total credit facilities (including issued bonds) amounted to SEK 9,724m as at 30 September 2017 whereof SEK 6bn related to unutilised revolving credit facilities and SEK 3,594m related to bonds.

The Group's available liquidity, including short term investments and available unutilized credit facilities, totalled SEK 8,891m as at 30 September 2017 (SEK 6,053m as at 31 December 2016).

SEKm	2017 30 Sep	2016 30 Sep	2016 31 Dec
Interest bearing assets			
Loans to investee companies	57	39	91
Short term investments	2 380	672	-
Cash and cash equivalents	381	285	323
Other interest bearing assets	3	-	-
Total interest bearing assets	2 821	997	413
Interest bearing long term liabilities			
Debt to investee companies	-	55	32
Liabilities to credit institutions	0	25	21
Capital markets issues	2 850	1 200	0
Accrued borrowing cost	-11	-13	-12
Other interest bearing liabilities	31	33	31
	2 870	1 301	73
Interest bearing short term liabilities			
Debt to credit institutions	4	-	-
Capital markets issues	1 200	-	1 200
- of which held in own custody	-456	-	-
Commercial papers	-	-	400
	748	-	1 600
Total interest bearing liabilities	3 618	1 301	1 673
Net interest bearing liabilities (-) / assets (+)	-797	-304	-1 260
Debt, unpaid investments/divestments	-24	-131	-49
Net cash/(Net debt) for the Group, including net loans to investee companies	-821	-435	-1 309

The outstanding loans carry an interest rate of Stibor or similar base rate with an average margin of 1.07%. 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 30 September 2017, the average remaining tenor was 2.6 years for all credit facilities including the bonds. As at 30 September 2017, Kinnevik had not provided any security for any of its outstanding loans.

Condensed Parent Company Income Statement

SEK m	2017 1 Jul- 30 Sep	2016 1 Jul- 30 Sep	2017 1 Jan- 30 Sep	2016 1 Jan- 30 Sep	2016 Full year
Administration costs	-44	-47	-140	-135	-245
Other operating income and costs	2	3	5	5	7
Operating loss	-42	-44	-135	-130	-238
Dividends received, external	-	-	1 007	786	786
Result from subsidiaries	-	10	8 466	-839	-3 431
Financial net	37	-7	-3	-29	-45
Profit/loss after financial items	-5	-41	9 335	-212	-2 928
Group contribution	-	-	0	-	100
Profit/loss before taxes	-5	-41	9 335	-212	-2 828
Taxes	-	-	-	-	-
Net profit/loss for the period	-5	-41	9 335	-212	-2 828
Total comprehensive income for the period	-5	-41	9 335	-212	-2 828

Condensed Parent Company Balance Sheet

SEK m	2017 30 Sep	2016 30 Sep	2016 31 Dec
ASSETS			
Tangible fixed assets	4	4	4
Financial fixed assets	52 587	51 775	51 960
Short term receivables	24	20	121
Short term investments	2 380	672	0
Cash and cash equivalents	373	274	317
TOTAL ASSETS	55 368	52 744	52 402
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity	49 253	44 721	42 108
Provisions	27	28	27
Long term interest bearing liabilities	5 256	7 928	6 605
Short term interest bearing liabilities	744	-	-
Other short term liabilities	88	67	3 662
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	55 368	52 744	52 402

The Parent Company's liquidity, including short-term investments and unutilized credit facilities, totalled SEK 8,883m (8,054) at 30 September 2017. The Parent Company's interest bearing external liabilities amounted to SEK 3,606m (4,103) on the same date. Investments in tangible fixed assets amounted to SEK 0m (0) during the period.

Distribution by class of shares on 30 September 2017 was as follow:

	Number of shares	Number of votes	Par value (SEK 000s)
Outstanding Class A shares, 10 votes each	41 157 144	411 571 440	4 116
Outstanding Class B shares, 1 vote each	233 959 015	233 959 015	23 396
Class B shares in own custody	350 479	350 479	35
Registered number of shares	275 466 638	645 880 934	27 547

The total number of votes for outstanding shares amounted at 30 September 2017 to 645,530,455 excluding 350,479 class B treasury shares. During the first nine months of the year 424 Class B shares were delivered to a participant in a long term incentive program.

The Board has authorization to repurchase up to a maximum of 10% of all shares in the Company over 12 months, ending at the AGM of 2018.

There are no convertibles or warrants in issue.

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

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

Alternative performance measures in Kinnevik's interim report include:

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

KINNEVIK ANNUAL GENERAL MEETING 2018

The Annual General Meeting will be held on 21 May 2018 in Stockholm. Shareholders wishing to have matters considered at the Annual General Meeting should submit their proposals in writing to agm@kinnevik.com or to The Company Secretary, Kinnevik AB, Box 2094, SE-103 13 Stockholm, Sweden, at least seven weeks before the Annual General Meeting, in order for the proposal to be included in the notice to the meeting. Further details on how and when to register will be published in advance of the meeting.

NOMINATION COMMITTEE AHEAD OF THE 2017 ANNUAL GENERAL MEETING

In accordance with the resolution of the 2017 Annual General Meeting in Kinnevik, Cristina Stenbeck has convened a Nomination Committee comprising representatives of Kinnevik's largest shareholders in terms of voting interest. The Nomination Committee comprises Cristina Stenbeck representing Verdere S.à r.l., Wilhelm Klingspor representing the Klingspor family, Edvard von Horn representing the von Horn family, James Anderson representing Baillie Gifford, and Ramsay Brufer representing Alecta.

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

Shareholders wishing to submit proposals to the Nomination Committee can do so in writing to agm@kinnevik.com or to the Nomination Committee, Kinnevik AB, P.O. Box 2094, SE-103 13 Stockholm, Sweden.

FINANCIAL REPORTS

The year-end release for 2017 will be published on 9 February 2018. Dates for 2018 reporting:

26 April	Interim Report January-March 2018
23 July	Interim Report January-June 2018
25 October	Interim Report January-September 2018

Stockholm 26 October 2017

Joakim Andersson
Acting Chief Executive Officer

This Interim Report has not been subject to specific review by the Company's auditors.

This information is information that Kinnevik AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 08.00 CET on 26 October 2017.

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

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