

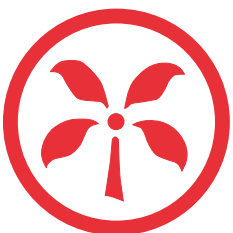


K I N N E V I K

ANNUAL REPORT 2019



**WE BUILD
LEADING
DIGITAL
BUSINESSES**



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For an in-depth description of Kinnevik including our strategy, team and investee companies, please refer to www.kinnevik.com

The Annual Report for Kinnevik AB (publ) 556047-9742 consists of a Board of Directors' Report, financial statements and other information on pages 34-80. The Sustainability Report on pages 4-33 has been subject to a limited assurance review. The annual accounts and consolidated accounts on pages 34-80 have been audited.

CHIEF EXECUTIVE'S REVIEW

Dear Shareholders, 2019 was characterized by strong performance in our large listed companies and high activity in our portfolio including new and follow-on investments in exciting growth companies. We accelerated our pivot towards growth by distributing Millicom to our shareholders and completing a sell-down of a 5 percent stake in Zalando to finance our continued investment momentum. During the year, we have also increased our efforts to future-proof our companies by supporting the integration of sustainability in their core business models. We enter 2020 with a strong foundation to execute on our strategy.

Full Year Results
 Kinnevik's Net Asset Value amounted to SEK 73.3bn, or SEK 265 per share, at the end of 2019, an increase of 31 percent over the year including dividends paid. The NAV development was driven particularly by strong share price performance in Zalando and Tele2.

Our Large Listed Companies

Zalando is our largest holding and a cornerstone of our growth portfolio. While the company's growth has been truly impressive since our first investment almost 10 years ago, we believe Zalando will continue to benefit from its large market opportunity. In September we decreased our stake from 31 to 26 percent to maintain our own pace of investment into private growth companies. Zalando fits squarely with our strategy and we fully support the company's ambition to continue investing in growth to become the starting point for fashion.

Following its 2018 merger with Com Hem, Tele2 is the leading fixed-mobile operator in Sweden and the Baltics, providing connectivity and digital services in our Swedish home market. With its strong cash conversion, disciplined disposals of non-core operations, and focus on maintaining an efficient capital structure, Tele2's shareholder remuneration is fuelling the growth in some of our less mature companies, while providing stability to our portfolio as a whole.

During 2019, we released SEK 9.1bn from our more mature assets through divestments and dividends, corresponding to over 12 percent of the portfolio we entered the year with.



Pivoting our Portfolio Towards Growth

In December, the distribution of our Millicom shareholding to our shareholders was concluded. This significant distribution of value to our investors reinforces our dedication to allocate a larger share of our portfolio to disruptive and technology-enabled growth and venture businesses. Through the distribution, the contribution of these businesses in Kinnevik's portfolio increased materially.

During 2019, we released some SEK 9.1bn from our more mature assets through divestments and dividends, corresponding to over 12 percent of the portfolio we entered the year with. About a third of the capital was re-invested into our existing portfolio and an additional SEK 1.6bn was invested into two new businesses - VillageMD and MatHem. With these transactions, we have improved the makeup of our portfolio, and made it more balanced both in terms of maturity profile and sector exposure.

Doubling Down in Healthcare

The healthcare industry is struggling to deliver accessible, effective and affordable care to all. We are optimistic that consumerization, new technology and innovation in payment models can yield better, more accessible and lower cost care. During the year, we doubled down in our healthcare portfolio with follow on investments in Babylon, Cedar and Livongo, and a new investment in VillageMD, a leading US based provider of primary care. At the end of 2019, the value of our healthcare portfolio amounted to SEK 6.7bn, corresponding to 9 percent of our portfolio compared to 2 percent in



2018, and 0.5 percent in 2017. We are convinced that these companies are only at the beginning of their growth journeys.

Taking On the Nordic Food Market

Another exciting investment theme in 2019 was our newly established leadership position in the Nordic online groceries market. Having been historically dominated by large incumbents with strong market positions, the sector is on the verge of significant transformation. We started with an investment in the largest online grocer in Norway, Kolonial, in 2018 and in the beginning of 2019, we invested SEK 0.9bn into MatHem, the Swedish market leader. During the year, we have materially strengthened MatHem’s leadership team, including hiring a new CEO. The team is dedicated to improving the company’s customer offering, drive efficiency gains, and steer the company towards a strong, long-term growth trajectory.

Financial Position and Shareholder Remuneration

We ended 2019 with a strong financial position and net debt of SEK 0.9bn or 1.3 percent of portfolio value, enabling us to carry out our capital re-allocation plan for the coming years. As communicated in 2019, rather than paying an ordinary dividend to our shareholders, going forward we will generate shareholder returns primarily through capital appreciation and will seek to return excess



Doubling Down in Healthcare: Our Healthcare portfolio ended the year at SEK 6.7bn

31%

Our NAV increased by 31% during 2019

We ended 2019 with a strong financial position and net debt of SEK 0.9bn or 1.3 percent of portfolio value, enabling us to carry out our capital re-allocation plan for the coming years.



capital generated by our investment activities to shareholders through extra dividends. In this context, the dividend in kind of Millicom corresponded to SEK 60 per Kinnevik share when the distribution was completed in the beginning of December.

Future-Proofing Our Portfolio

As consumer behaviours are shifting across the world, Kinnevik believes there is a real opportunity for businesses putting sustainable development at the core of their business model. In May 2019, we adopted a Diversity & Inclusion Framework to drive change within Kinnevik and our portfolio, not only from an equality standpoint but, most importantly, from a business and performance perspective. Read more about the Framework and our four overarching targets on page 18-19.

Something we are very proud to note as an owner, is Zalando’s new sustainability strategy launched in 2019. It is an ambitious strategy setting out the company’s bold vision of being a sustainable fashion platform with a net-positive impact on people and the planet. Zalando also set new diversity targets for its top leadership levels, emphasizing the need for the company to reflect its customer base. Many of the companies in our portfolio have made significant progress in future-proofing their businesses by integrating sound governance structures, ensuring social responsibility across different aspects and taking measures to reduce their environmental impact. Read more about Kinnevik’s and our portfolio companies’ efforts in the 2019 Sustainability Report.

Concluding Remarks

With a portfolio consisting of a higher share of growth companies, fewer but larger new investments, significant capital deployed into the healthcare sector, and a bold step into the Nordic food space, we have executed on the priorities that we highlighted at the beginning of the year. Looking forward, we will maintain our pace of investment and deploy our capital systematically into the leading businesses of tomorrow. We expect to invest slightly less capital in 2020 than in 2019, but enough to continue our transformation. Thank you, our shareholders, for your continued support on this exciting journey.

Georgi Ganev
Chief Executive Officer

STATEMENT BY THE CHAIRMAN OF THE BOARD

The consumers are in charge. At Kinnevik, we view sustainability as a business opportunity. In recent years, there has been a significant shift in consumer behaviour towards buying products and services that are produced in a sustainable manner. The increased consumer focus on sustainability creates opportunities for those companies that can meet these increased expectations. It is our responsibility as an active owner to put sustainable business development at the top of the agenda at our investee companies and make sure they seize the opportunities arising from this. We truly believe that to be a long-term successful company, you need to be part of the solution - not the problem.

The Decade of Delivery

2015 marked an inflection point globally as governments across the world agreed on a comprehensive framework for sustainable development, namely Agenda 2030 and the UN's Sustainable Development Goals (the "Global Goals"). They are a shared blueprint for peace and prosperity for people and the planet, now and in the future. With ten years left until 2030, 2020 starts off what has been called the Decade of Delivery.

One central aspect of the Global Goals is that they recognize that long-term sustainable development must go hand-in-hand with strategies that build economic growth. All levels of society are expected to contribute to the goals: governments, civil society and businesses. As an organization, we have defined which role we want to play in 2030 and beyond. We have used the Global Goals as a basis for our sustainability strategy and in our Sustainability Report, we outline our holistic approach to value creation and how we contribute to the Global Goals while creating value for our stakeholders.

Focusing on Diversity & Inclusion to Drive Better Business Outcomes

Diversity and inclusion is a business imperative for Kinnevik. A diverse organisation is able to maintain relevance for customers and at the same time increase productivity, innovation and profitability. During the year, we launched a Diversity & Inclusion Framework for gender equality to drive the important change we want to see at Kinnevik, in our portfolio and in the broader industry. Read more about our efforts to support Global Goal number 5, Gender equality, on page 18-19.

Companies in the top quartile for gender diversity are 21% more likely to outperform on profitability.

McKinsey, 2018



Sustainability Performance 2019

During the year, we have put a lot of effort into developing sustainability roadmaps for the ten companies we invested in during 2018. As for all early stage companies, the challenge is to balance growth with sustainability initiatives. A key focus area has been the implementation of Kinnevik's Diversity & Inclusion Framework and many of our companies have showed clear progress both on diversity and in creating a more inclusive workplace. In response to the climate crisis many companies are also taking decisive action to reduce their climate impact. Environmental aspects will be a key focus area for Kinnevik in 2020 and onwards.

In the fourth quarter of 2019 our portfolio company Quikr, an online classifieds platform operating in India, discovered that certain dealers had placed fictitious or misrepresented transactions on its platform. Kinnevik is working closely with Quikr's board and management to address the effects of this, and to improve the company's internal controls. Read more about the measures taken on page 22.

All Value is Created by People

Kinnevik's purpose is to make people's lives better by providing more and better choice. People are at the centre of what we do, and they are also our greatest asset in creating value for our stakeholders.

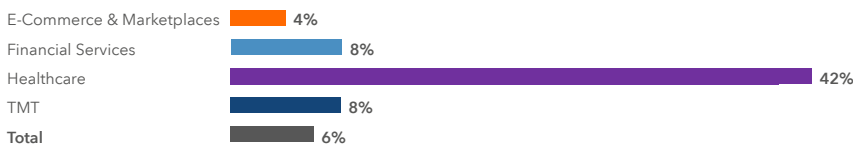
I would like to take this opportunity to thank Kinnevik's senior management team and all employees for all the incredibly hard work during the year. Through the committed teams at Kinnevik and in our investee companies, I am convinced we will continue to build long-term sustainable businesses that leverage disruptive technology to meet the demands of consumers today and in the future.

Dame Amelia Fawcett
Chairman of the Board of Kinnevik

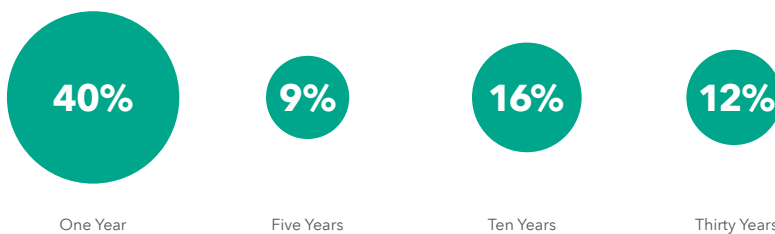
KINNEVIK IN SUMMARY

Kinnevik is an industry focused investment company with an entrepreneurial spirit. Our purpose is to make people’s lives better by providing more and better choice. In partnership with talented founders and management teams we build challenger businesses that use disruptive technology to address material, everyday consumer needs. As active owners, we believe in delivering both shareholder and social value by building long-term sustainable businesses that contribute positively to society. We invest in Europe, with a focus on the Nordics, the US, and selectively in other markets. 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.

Five Year Annualized IRR per Sector

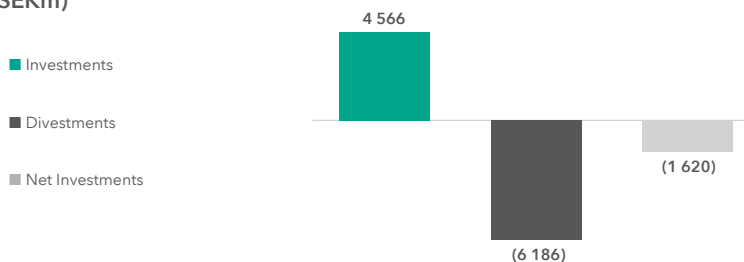


Total Shareholder Return (TSR)

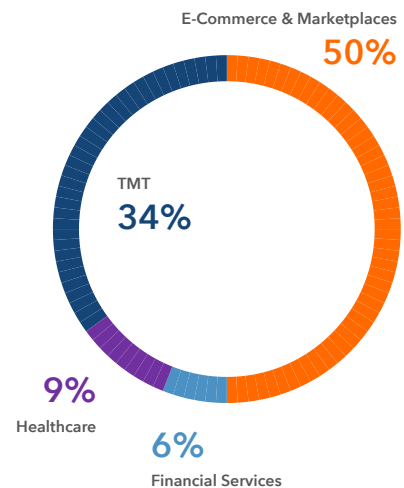


1.3% Leverage to Portfolio Value

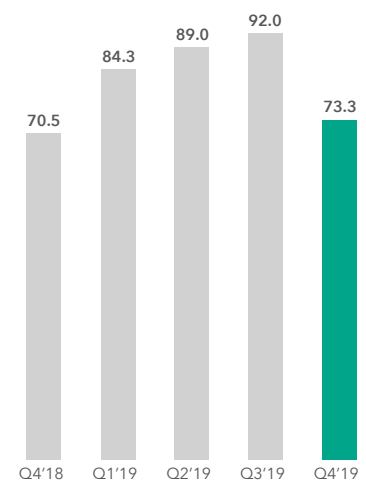
Investment Activity (SEKm)



Portfolio Composition



NAV Development (SEKbn)¹



¹ During 2019, Kinnevik distributed its entire shareholding in Millicom to its shareholders, corresponding to SEK 16.5bn.

KINNEVIK'S BUSINESS MODEL AND VALUE CREATION

OUR VALUE CREATION PROCESS. Kinnevik applies a holistic view on value creation. We are long term business builder that provide hands-on operational support to our companies, as well as a high-level strategic perspective. To create value for our companies as well as other key stakeholder groups, we draw on various types of resources.



Resources We Draw On

Financial

Funds available through investment management activities, dividends from investee companies and debt financing

Intellectual

Organisational capital such as systems, policies, processes and tools

Human

Our employees' and consultants' competencies, capabilities, experience, loyalty and motivations

Social

Relationships and interactions with our stakeholders and networks, as well as our brand and reputation

Natural

Environmental resources we draw on to enable for example business travel and office locations

CONNECTION TO THE GLOBAL GOALS

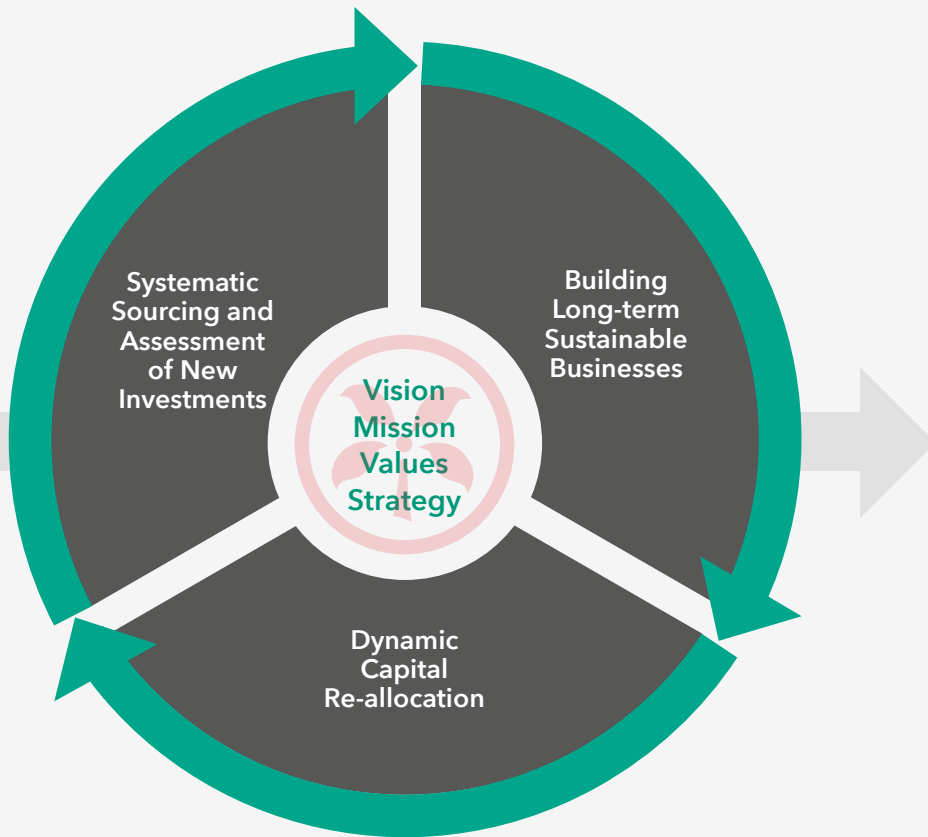
The value we create for our stakeholders through our active ownership is clearly connected to the Global Goals. Read more about our stakeholder dialogue on page 11, and about the most relevant Global Goals for Kinnevik and our portfolio on page 14-15. Furthermore, some of our companies contribute to the Global Goals by virtue of their core business models, read more on page 24.

Shareholders

- 8.1:** Sustainable economic growth
- 13.2:** Integrate climate change measures into policies and planning
- 16.5:** Substantially reduce corruption and bribery
- 16.6:** Develop effective, accountable and transparent institutions

Employees

- 5.5:** Ensure women's full participation in leadership and decision-making
- 8.8:** Protect labour rights and promote safe working environments



Value We Create for Our Stakeholders

Shareholders and the Financial Community
Long-term economic and sustainability performance

Employees
Strong corporate culture, improved skills and knowledge, equal opportunities, compensation, diversity and work-life balance

Portfolio Companies and Entrepreneurs
Economic and sustainability performance, financial and operational support, network and knowledge sharing. Through our portfolio companies we provide consumers with more and better choice

Society and Authorities
Well-governed companies that contribute positively to society. Good corporate citizenship and improved policy landscape

Our vision and mission identify our purpose as an organization. Our strategy defines how we maximize opportunities and allocate resources, and our values guide us in how to implement our strategy. Read more about this and our business model on page 8-9.

Investee Companies and Entrepreneurs

- 5.5: Ensure women's full participation in leadership and decision-making
- 8.1: Sustainable economic growth
- 8.2: Diversify, innovate and upgrade for economic productivity
- 8.8: Protect labour rights and promote safe working environments
- 12.5: Substantially reduce waste generation
- 12.6: Encourage companies to adopt sustainable practices and sustainability reporting

- 13.2: Integrate climate change measures into policies and planning
- 16.5: Substantially reduce corruption and bribery
- 16.6: Develop effective, accountable and transparent institutions
- 17.16: Enhance the global partnership for sustainable development

Society and Authorities

- 16.6: Develop effective, accountable and transparent institutions
- 17.16: Enhance the global partnership for sustainable development

OUR BUSINESS MODEL

Sustainability is an integrated part of our business model, from the sourcing and assessment of new business opportunities to the ongoing development of our companies and the re-allocation of capital into new opportunities.

We believe that companies that operate in a responsible and ethical manner will be able to offer better products and services that meet the demands of their customers, as well as recruit the best employees, thereby outperforming their competitors in the long run.

Systematic Sourcing and Assessment of New Investments

Kinnevik has a well-defined process to source and assess potential new investments involving the Management Team, Investment Team and the Sustainability Function. Kinnevik’s Board of Directors is also involved in the investment process depending on the size of the investment and if the investment goes beyond our strategy execution plan.

In pipeline discussion meetings, the team takes a broader view of our target sectors and maps the opportunities in each sector. A small selection of companies is brought to stage one of the Executive Investment Committee (the “EIC”) and evaluated based on [Kinnevik’s investment criteria](#). Kinnevik’s investment team only brings companies that fit our investment ethos to pipeline discussion meetings and to the EIC.

The most promising opportunities move on to stage two of the EIC. A key evaluation aspect is the quality of the team and the passion, drive and values of the founders. During this stage we also conduct thorough due diligence on the companies across key functions including among others, financial, legal, commercial and sustainability.

In the sustainability due diligence, companies are evaluated based on their performance and structures in relation to economic, social and environmental aspects, and the key risks and opportunities are identified. We use the Kinnevik Standards (read more on page 21) as a basis for the due diligence. It includes,

among other aspects, human rights screening and a corruption risk assessment. In instances where potential investments do not adhere to relevant standards or are not considered to be likely to undertake the required improvements, Kinnevik refrains from proceeding with the investment.

When a portfolio company is seeking additional funding, they are evaluated again in stage two of the EIC and a key condition for follow-on investments is that the company has shown clear sustainability progress, including D&I, in accordance with their roadmap. Kinnevik’s Board of Directors oversees and conducts an annual evaluation of the EIC process.

During 2019, Kinnevik invested in two new companies, MatHem and VillageMD, both of which were subject to sustainability due diligence. To address identified issues, a roadmap was agreed with both companies and progress is being made.

Building Long-Term Sustainable Businesses

Investing in the best companies is critical, but how we contribute to the development of our companies after investment is key to creating value. We develop a plan for each company depending on each business’ characteristics and needs. We can provide hands-on operational support as well as high-level strategic guidance. Read more about how we support our companies on pages 22-23. We also provide access to the Our Group Platform, a global network of companies, advisors and experts, read more on page 21.

Due Diligence

- Commercial
- Financial
- Technology
- Cyber Security
- Legal
- Sustainability

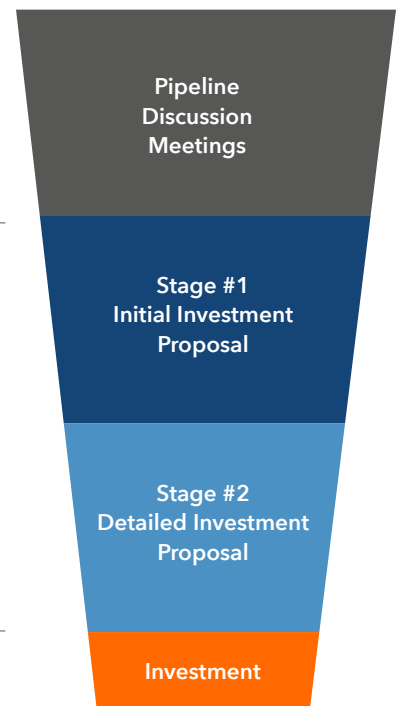
Executive Investment Committee

We conduct bi-annual investment reviews with all our companies in which our investment team discusses the companies’ development across a number of parameters, including sustainability aspects. In addition, Kinnevik’s Sustainability Function conducts yearly assessments of all portfolio companies, including implementation of the roadmap, and sets targets and priorities for the coming year. Read more about the assessment process on page 21.

Dynamic Capital Re-Allocation

Kinnevik systematically re-allocates capital from companies where we believe our tenure as owner is over into new venture and growth companies. With a distribution of companies along the growth and maturity curve, we benefit from a unique system of companies spanning from venture and growth businesses that are not accessible on the public markets to more mature listed companies providing stability to the portfolio.

Our Sourcing and Assessment Process



VISION

TO MAKE PEOPLE'S LIVES
BETTER BY PROVIDING MORE
AND BETTER CHOICE

MISSION

WE BUILD DIGITAL BUSINESSES
THAT ADDRESS MATERIAL,
EVERYDAY CONSUMER NEEDS

VALUES

INTEGRITY
BOLDNESS
EXCELLENCE

STRATEGY

A LEADING GROWTH INVESTOR

- Backing challenger businesses that use technology to address material, everyday consumer needs
- A bold and long-term business builder, partnering with talented entrepreneurs
- Focusing on Fashion & Food e-Commerce, Online Marketplaces, Financial Services, Healthcare and TMT, large sectors in the process of significant technological disruption
- Investing in Europe, with a focus on the Nordics, the US, and selectively in other markets
- Leveraging our experience and expertise to build leading, long-term sustainable businesses

SUSTAINABLE BUSINESS DEVELOPMENT STRATEGY AND FRAMEWORK

Kinnevik’s sustainability strategy and framework is based on the UN 2030 Agenda for Sustainable Development which balances three dimensions of sustainability: Economy, Society and Environment.

EXTERNAL FRAMEWORKS

Kinnevik is a signatory of the UN Global Compact which is the world’s largest corporate sustainability initiative. A part of this initiative’s multi-year strategy is to drive business awareness and action in support of achieving the Global Goals by 2030. This Sustainability Report serves as Kinnevik’s annual Communication on Progress to the UN Global Compact, containing our implementation of its principles on human rights, labour, environment and anti-corruption. Kinnevik also recognises the special importance of international standards on responsible business conduct, such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The Sustainability Report 2019 is prepared in accordance with the Global Reporting Initiative’s (“GRI”) Standards: Core option, including the GRI Sector Disclosures for Financial Services. The GRI index is available on page 29-31.

2030 Agenda and the Sustainable Development Goals

Sustainable development has been defined by the United Nations as: *“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”*

Sustainability is the foundation for today’s leading global framework for international cooperation - the 2030 Agenda for Sustainable Development and its Sustainable Development Goals. Adopted by all United Nations Member States in 2015, the 2030 Agenda is a broad and universal policy agenda with 17 Global Goals split into 169 associated targets to be achieved by 2030. The Global Goals are integrated, indivisible and balance the three dimensions of sustainable development: economy, society and environment.

The UN Sustainable Development Goals



KINNEVIK'S ORGANISATION

The Board of Directors is responsible for Kinnevik's overall strategy, including how we integrate sustainability aspects as part of our value creation. To assist the Board in monitoring the implementation of our sustainability agenda Kinnevik has established a Risk, Compliance & Sustainability Committee, appointed by the Board of Directors. To drive the integration on a day-to-day basis, on a Kinnevik level and in relation to our investee companies, Kinnevik has a dedicated Sustainability Function.

SUSTAINABILITY STRATEGY

Kinnevik's sustainability strategy is a framework set up to focus our resources on the most relevant economic, social and environmental issues, drive performance and to engage internal and external stakeholders. The framework consists of Kinnevik's material topics as well as targets and key performance indicators ("KPIs") for each material topic. Kinnevik addresses sustainable business development on two levels, *Kinnevik: A Responsible*

Company, and *Portfolio: Our Active Ownership*. The material topics are applied on both a Kinnevik and a Portfolio level with specific targets and KPIs for each level.

Kinnevik's purpose is to make people's lives better by providing more and better choice. We work towards that vision by leveraging our experience and expertise to build digital, long-term sustainable businesses that address material, everyday consumer needs.

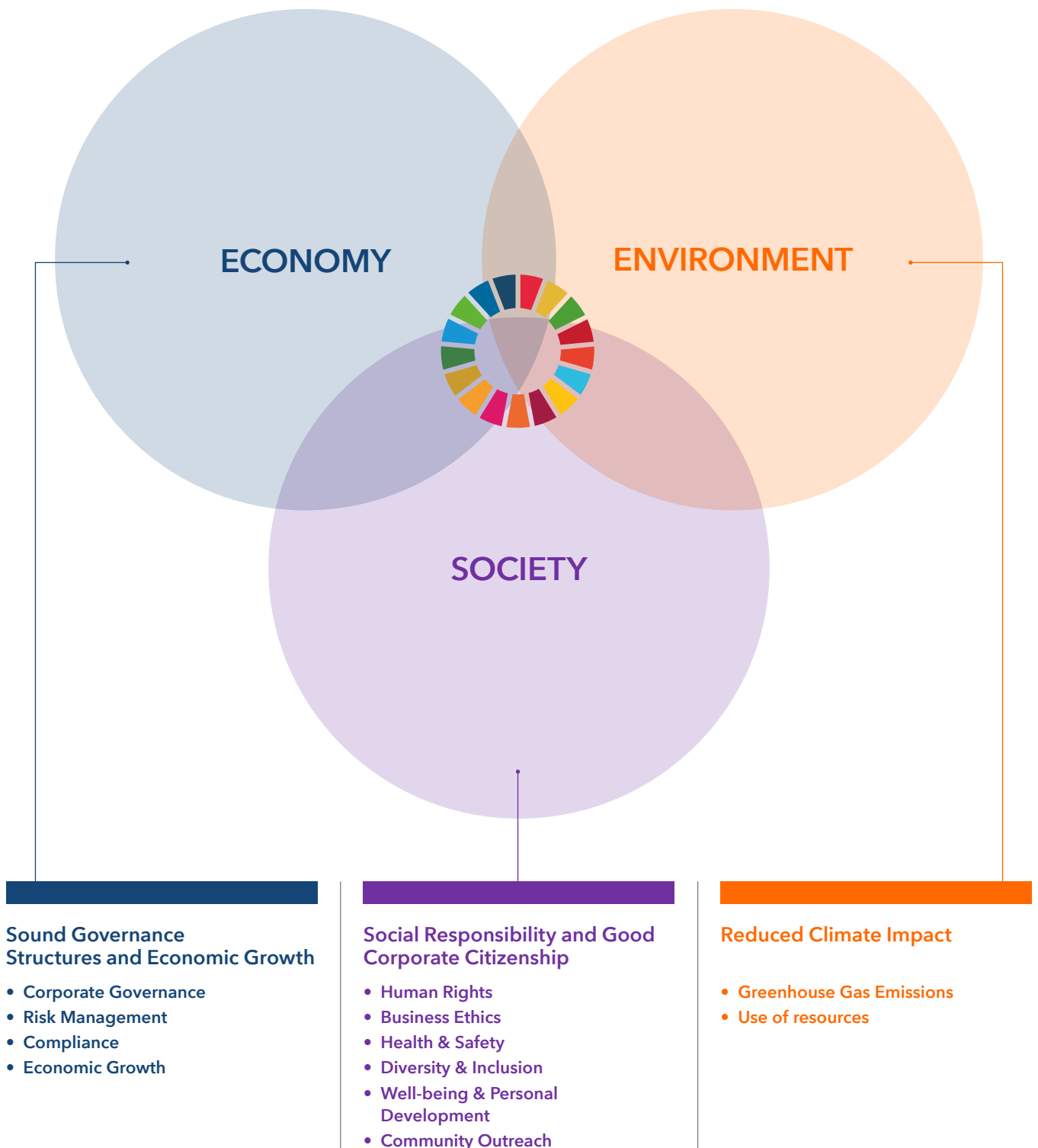
Stakeholder Dialogue

Maintaining a close dialogue with our principal stakeholder groups is central in defining and confirming our material aspects. The key stakeholder groups are identified through board and management discussions as those that are most affected by our operations, as well as have a high degree of influence over Kinnevik's ability to implement our strategies or achieve our objectives. The focus areas for each stakeholder group have been raised in ongoing dialogues throughout the year.

Key Stakeholder Groups	Focus Areas	Methods of Engagement	Response/Outcome
Shareholders and the Financial Community	Strong and long-term economic and sustainability performance including solid governance structures and sound social and environmental practices.	Investor meetings and road shows, Capital Markets Day, interim reports and webcasts, interviews in the media, corporate website, press releases, annual general meetings and annual and sustainability reports.	Continuous communication across available communication channels regarding Kinnevik's strategy, financial development and sustainability progress.
Employees	Corporate culture, performance management, equal opportunities, diversity and inclusion, work-life balance, attractive compensation structures and strong economic and sustainability performance.	Town hall meetings, local staff meetings, team conferences, bi-annual reviews of performance and personal objectives.	Structured on-boarding for new employees, bi-annual reviews and objective setting, annual compensation review, training of key policies and implementation of the Diversity & Inclusion framework.
Portfolio Companies and Entrepreneurs	Strong and long-term economic and sustainability performance, financial and operational support, network and knowledge sharing.	Ongoing communication through investment team, annual assessment relating to the Kinnevik Standards, active representation on Boards and in committees.	Continuous operational and financial support, support in implementing sound sustainability practices and access to the Our Group network.
Society and Authorities	Upholding of social responsibility, good corporate citizenship and overall transparency.	Dialogues with local governments, authorities and key policy makers. Corporate website and annual and sustainability report.	Actively engage in open dialogues to contribute to and improve the policy landscape. Participate in public consultations in areas of importance to Kinnevik and our companies.

Material Topics for Kinnevik and Our Portfolio

Across the three dimensions of sustainable development



Material Topics

Kinnevik's material topics are identified through interactive stakeholder dialogues, Board and management discussions, peer benchmarking and industry best practices.

When determining our material topics, we consider topics that are the most important to us and our stakeholders, as well as the significance of Kinnevik's economic, social and environmental impacts. The material topics comprise the key risks and opportunities that we believe are important to focus on, on a Kinnevik and Portfolio level.

The material topics have not changed significantly from last year, but the areas of social responsibility and diversity and inclusion in particular, as well as climate impact have risen in importance.

Kinnevik's material topics:

ECONOMY

Sound Governance Structures and Economic Growth

SOCIETY

Social Responsibility and Good Corporate Citizenship

ENVIRONMENT

Reduced Climate Impact

Targets and KPIs

On the next two pages is an overview of Kinnevik's targets and KPIs for each of our material topics on a Kinnevik and Portfolio level. The KPIs should be seen as quantifiable representations of our sustainability performance and as a tool to measure progress. They do not however cover the full extent of Kinnevik's efforts.

A number of our investee companies are in the early stages of their sustainability development, which is reflected in the outcome of the KPIs on a portfolio level. We cannot expect all companies to fully meet our expectations with regards to sustainability at the point of investment, and we define a clear roadmap for our companies with key priorities each year. In addition, Kinnevik invests primarily in growth and venture companies and the composition of our portfolio changes over time which has an impact on the KPIs.

A full account of the KPIs on a portfolio level, including comparative numbers for 2019 and 2018, is available on page 28.

Scope and Boundaries of Reporting

This report covers the sustainability performance of Kinnevik for the period 1 January to 31 December 2019. Our strategy involves being a lead shareholder in our companies with a sizeable minority shareholding which provides us influence over outcomes. This means that while we can exercise influence over our investee companies mainly through board representation, we do not directly control our investee companies.

The issues identified as relevant for investee companies relate to those organisations at group parent level and does not consider issues which may be relevant for their local operations or subsidiaries.

The focus of this report is on sustainability performance and initiatives in Kinnevik's own operations. Additional case study material on the investee companies is provided on a summary basis, as well as in the form of case studies on specific initiatives. More information on investee companies' performance can be found on their respective websites.

Kinnevik's economic performance is directly influenced by the economic performance of our investee companies, and therefore economic performance is only covered in this report on a Kinnevik level.

Kinnevik has identified climate impact, and Greenhouse Gas emissions in particular, as our most material environmental topics. In the future, we may include other environmental aspects, such as waste management and water consumption.

SUSTAINABLE BUSINESS DEVELOPMENT FRAMEWORK: KINNEVIK

Dimensions of Sustainable Development	ECONOMY	SOCIETY	ENVIRONMENT
Most Relevant Global Goals	<p>8.1: Sustainable economic growth</p> <p>16.5: Substantially reduce corruption and bribery</p> <p>16.6: Develop effective, accountable and transparent institutions</p>	<p>5.5: Ensure women's full participation in leadership and decision-making</p> <p>8.8: Protect labour rights and promote safe working environments</p> <p>17.16: Enhance the global partnership for sustainable development</p>	<p>13.2: Integrate climate change measures into policies and planning</p>
Material Topics	Sound Governance Structures and Economic Growth	Social Responsibility and Good Corporate Citizenship	Reduced Climate Impact
Targets	<ul style="list-style-type: none"> Maintain sound corporate governance structures including risk management and compliance in Kinnevik's own operations Deliver an annual total shareholder return of 12-15% over the business cycle Carry low leverage not exceeding 10% of portfolio value 	<ul style="list-style-type: none"> Attract, recruit and retain talented employees Be an attractive employer with diversity & inclusion, well-being and personal development in focus Contribute to and improve the policy landscape and society as a whole through open dialogues Community outreach engagement through Reach for Change 	<ul style="list-style-type: none"> Measure emissions Reduce climate impact Offset emissions through an internationally recognized offsetting project
Status	<ul style="list-style-type: none"> Yearly review of all policies and handbooks Dedicated Risk, Compliance & Sustainability Committee (Board) and Risk Committee (management) Yearly compliance training including Code of Conduct and anti-corruption 	<ul style="list-style-type: none"> Yearly employee performance reviews and bi-annual objective setting Personalized career development and training opportunities Best-in-class parental leave benefits Launched the Diversity & Inclusion Framework On-going commitment to Reach for Change 	<ul style="list-style-type: none"> Conduct a yearly greenhouse gas emission estimate by scope and activity Offsetting our carbon emissions in full
KPIs	<ul style="list-style-type: none"> Net Asset Value development Economic value generated and distributed Leverage in relation to Portfolio Value Annualised Total Shareholder Return (per 30, 10, 5 and 1 year) 	<ul style="list-style-type: none"> Number of employees split by office and function Number of nationalities Age distribution of employees and Board New hires and employee turnover Share of women across teams and Board Parental and sick leave Number of social entrepreneurs supported, and children helped through Reach for Change 	<ul style="list-style-type: none"> Carbon dioxide equivalents ("CO₂e") emissions in total and per employee CO₂e emissions in Scope 1, 2 and 3 CO₂e emissions per activity and by type of Greenhouse Gas

Note: Read more about the KPIs on a Kinnevik level on page 16-20.

SUSTAINABLE BUSINESS DEVELOPMENT FRAMEWORK: PORTFOLIO

Dimensions of Sustainable Development	ECONOMY	SOCIETY	ENVIRONMENT
Most Relevant Global Goals	<p>8.1: Sustainable economic growth</p> <p>8.2: Diversify, innovate and upgrade for economic productivity</p> <p>16.5: Substantially reduce corruption and bribery</p> <p>16.6: Develop effective, accountable and transparent institutions</p>	<p>5.5: Ensure women's full participation in leadership and decision-making</p> <p>8.8: Protect labour rights and promote safe working environments</p> <p>16.5: Substantially reduce corruption and bribery</p> <p>16.6: Develop effective, accountable and transparent institutions</p> <p>17.16: Enhance the global partnership for sustainable development</p>	<p>12.5: Substantially reduce waste generation</p> <p>12.6: Encourage companies to adopt sustainable practices and sustainability reporting</p> <p>13.2: Integrate climate change measures into policies and planning</p>
Material Topics	Sound Governance Structures and Economic Growth	Social Responsibility and Good Corporate Citizenship	Reduced Climate Impact
Targets	<ul style="list-style-type: none"> Build companies with sound corporate governance, risk management and compliance structures Ensure long-term sustainable economic growth across our portfolio companies 	<ul style="list-style-type: none"> Ensure our companies build responsible business relationships with suppliers, including human rights, business ethics and health & safety considerations Ensure our companies are attractive employers with human rights, health & safety, diversity & inclusion, well-being and personal development in focus Ensure our companies have committed community outreach programs 	<ul style="list-style-type: none"> Ensure our companies measure CO2e emissions Ensure our companies have implemented concrete measures to reduce their climate impact Ensure our companies offset emissions through an internationally recognized offsetting project
Status	Read about the sustainability performance of our portfolio companies on page 21-23.		
KPIs The Portfolio level KPIs are derived from our annual assessment of the portfolio companies based on the Kinnevik Standards, read more on page 21.			

Note: A full account of the Portfolio level KPIs is available on page 28.
 PV = % of Portfolio Value, #COs = % of Number of Companies.

KINNEVIK A RESPONSIBLE COMPANY

As a responsible and active owner, Kinnevik aims to be a role model for our investee companies across economic, social and environmental aspects.

SOUND GOVERNANCE STRUCTURES AND ECONOMIC GROWTH

For Kinnevik as a company, it is important to have sound governance, risk management and compliance structures in place, including clear structures, policies and processes across functions. Being a financially strong company is imperative to our role as active owners, supporting our portfolio companies towards achieving long-term sustainable and profitable growth.

Governance

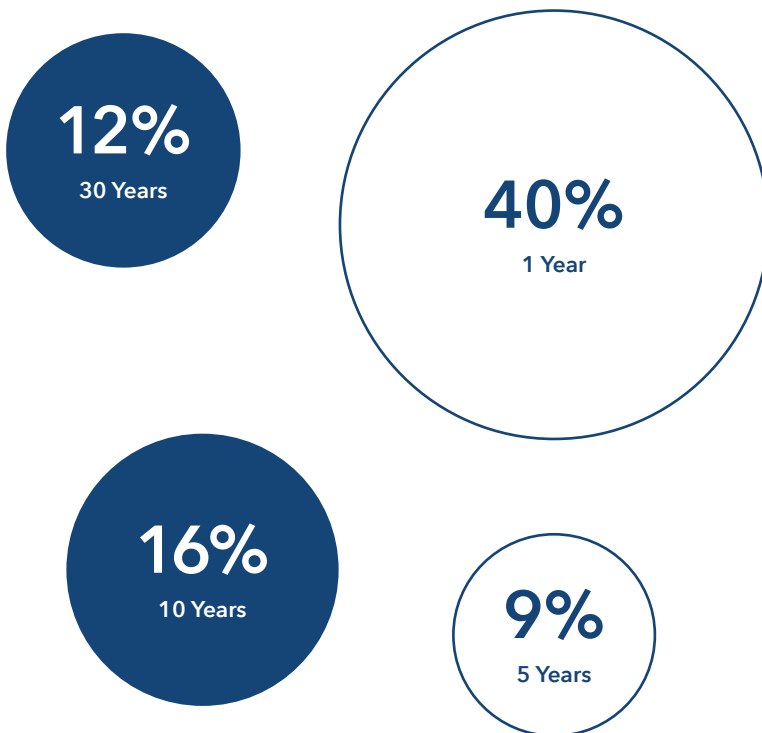
The basis for corporate governance in Kinnevik is Swedish legislation, Nasdaq Stockholm's Rule Book for Issuers, and regulations and recommendations issued by relevant self-regulatory bodies. Kinnevik also follows the Swedish Corporate Governance Code (Swe. Svensk kod för bolagsstyrning).

Kinnevik's Board is responsible for Kinnevik's overall strategy, including sustainability, and is well informed about Kinnevik's policies and procedures. The Board is supported by the Risk, Compliance & Sustainability Committee (a subset of the Board) and the Risk Committee consisting of Kinnevik's management team and investment directors.

The Risk, Compliance & Sustainability Committee assists the Board in monitoring the governance structures of Kinnevik's investee companies, Kinnevik's risk management process and compliance with laws, regulations and codes of conduct. More information about Kinnevik's governance bodies and their work is available in the Corporate Governance Report 2019.

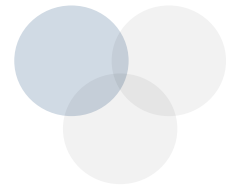
Kinnevik's key policies are our Code of Conduct, Whistle-blower Policy, Corporate Responsibility Policy, Supplier Code of Conduct and Lobbying Policy. The policies have been communicated to all employees and members of the Board and are available on [our website](#).

All employees and representatives of Kinnevik are expected to fully comply with the Code of Conduct. Kinnevik has an onboarding process for new employees that introduces them to the Code of Conduct, which includes provisions



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.

KINNEVIK
ECONOMY



on anti-bribery and business ethics, and other key policies and procedures.

As outlined in the Whistle-blower Policy, Kinnevik expects all employees, as well as relevant third parties who deal with the company, to come forward and voice all serious concerns about any aspect of Kinnevik’s work, including the areas of human rights, labour, environment, anti-corruption and antidiscrimination. Kinnevik whistleblowing service is managed by the external party WhistleB. During 2019, Kinnevik did not receive any reports to the whistleblowing service.

A part of the compensation for Kinnevik’s investment team is linked to the portfolio companies’ sustainability performance.

Risk Management

Kinnevik’s Board is responsible for internal control in accordance with the Swedish Companies Act (Swe. Aktiebolagslagen) and the Swedish Corporate Governance Code. Kinnevik’s risk framework is outlined in the Risk Management Policy. Kinnevik’s management has established a Risk Committee that meets thrice a year to review key risks, developments since the previous meeting, the efficiency of any mitigating actions and our overall risk appetite. The work of the Risk Committee is presented at each meeting of the Risk, Compliance & Sustainability Committee and to the Audit Committee on a periodic basis.

Compliance

Kinnevik’s compliance framework is mainly focused on compliance with the laws and regulations that govern listed companies in Sweden, such as Nasdaq Stockholm’s Rule Book for Issuers, the European Union Market Abuse Regulation (No 596/2014), the Swedish Companies Act, and other laws and regulations relating to Kinnevik’s operations and investment activities. The Risk, Compliance & Sustainability Committee and the Audit Committee receive periodic updates on compliance status. A compliance review in relation to the laws and regulations that govern Swedish listed companies is performed annually to ensure full compliance and identify potential areas for improvement.

Kinnevik conducts mandatory annual compliance training, including Code of Conduct and Insider Trading Rules, for all employees, as well as periodic deep-dives on specific matters such as anti-corruption and supply chain management.

Economic Performance

During 2019, Kinnevik’s Net Asset Value increased by 31 percent, adjusted for dividends paid, to SEK 73.3bn (70.5). Total investments for the year amounted to SEK 4.6bn (2.7). Total divestments amounted to SEK 6.2bn (1.6). Kinnevik ended 2019 in a net debt position of SEK 0.9bn (2.9), corresponding to a leverage of 1.3 (4.0) percent of portfolio value.

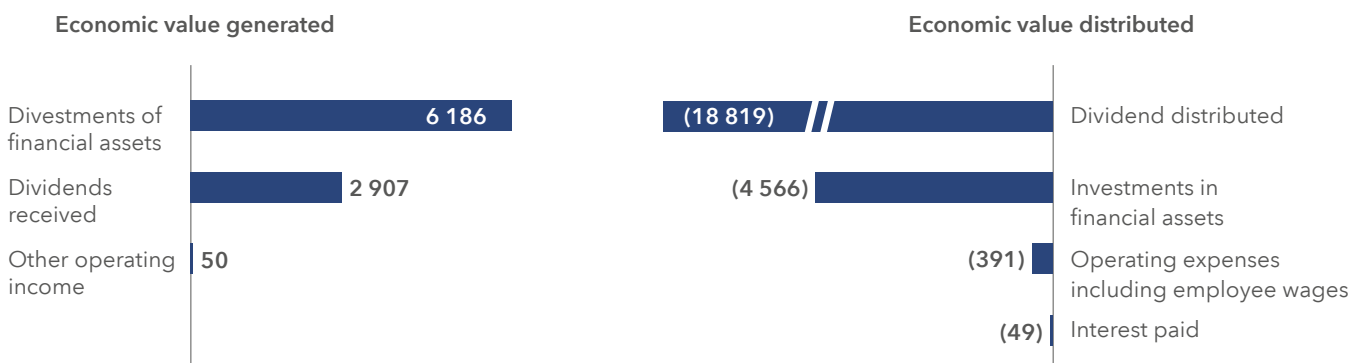
During 2019, Kinnevik divested a 5 percent stake in Zalando, representing 17 percent of our total shareholding in the company, generating gross proceeds of SEK 5.9bn. Kinnevik also distributed its entire shareholding in Millicom to our shareholders, a value transfer of SEK 16.5bn in total.

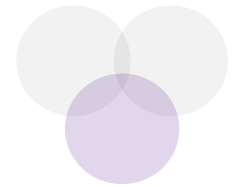
Kinnevik does not consolidate operating subsidiaries and has a negative operating result and is therefore not subject to corporation tax.

Amended Shareholder Remuneration Policy

For a number of years, Kinnevik aimed to pay an annual dividend growing in line with dividends received from our investee companies, mainly Millicom and Tele2, and the cash flow generated from our investment activities. In light of the distribution of Millicom, and the entailing step change in our portfolio’s composition, we amended our shareholder remuneration policy. Going forward, we will cease to pay an ordinary cash dividend and instead use dividends received, primarily from Tele2, to fund and accrete our ownership in the companies we believe are tomorrow’s winners in our private portfolio. Further, we will seek to return excess capital to shareholders from successful exits in the form of extra dividends.

Economic value generated and distributed by Kinnevik during 2019, SEKm





SOCIAL RESPONSIBILITY AND GOOD CORPORATE CITIZENSHIP

Kinnevik's greatest asset is and has always been our people. As such, attracting and retaining top talent is a key priority. Kinnevik regards diversity and inclusion as core levers for value creation, and we make full use of the opportunities that arise from employing a team with different backgrounds and perspectives. We also have a firm belief in contributing to the wider community, which we have done for many years through the Kinnevik-founded non-profit organisation Reach for Change.

A Small and Diverse Team

While the nature of our work changes frequently, our core values do not. Kinnevik's team members share an entrepreneurial spirit, as well as a belief in building long-term sustainable businesses.

Kinnevik's organisation comprised 40 (37) people on average during 2019 (full-time equivalents "FTE", including wholly owned subsidiaries), with 27 people based in the Stockholm office and 13 people in the London office. The investment management organisation consisted of 12 professionals, whereof eight based in London and four in Stockholm. Moreover, during 2019 Kinnevik employed 28 people across Finance, Legal, Strategy, Sustainability, Corporate Communications, HR and Administration. All employees but four were on permanent contracts. All employees but one were on full-time contracts.

Kinnevik strongly advocates diversity and inclusion. This is reflected in the composition of our organisation, where a total of nine different nationalities are represented. The proportion of women employed across Kinnevik's organisation averaged 49 (44) percent in 2019. The proportion of women in Kinnevik's investment organisation was 27 (17) percent, and on the Board of Directors 50 (43) percent. Our target for 2022 is to achieve a 40/60 gender split across all Kinnevik teams.

Well-Being and Personal Development in Focus

Kinnevik offers its employees continuous opportunities for personal and professional growth in order to develop their skill set and to take increasing responsibility for value creation at Kinnevik and our investee companies. The small size of our organisation enables us to personalise career development and training opportunities for each employee. These include educational programs such as leadership courses and topic specific training sessions, as well as hands-on operational experience through secondment at a portfolio company.

Ongoing assessments of employees' performance and success in meeting their objectives are central in order to ensure that Kinnevik offers the right personal development tools at an individual and group level. All employees participate in yearly performance reviews and have individual objectives that are reviewed twice a year.

Kinnevik is committed to promoting a good, safe and healthy work environment for all employees across physical, organisational and social aspects, where the risks of occupational injuries and work-related ill-health are prevented. The goal is to strengthen the employees' motivation, effectiveness, health and well-being.

As stated in Kinnevik's Work Environment Handbook, if an employee is involved in an incident, accident or any other situation of ill-health they immediately need to inform their manager. During 2019, Kinnevik did not report any incidents to the Swedish Work Environment Authority (Swe: Arbetsmiljöverket). The low level of sick leave, below 1 (<1) percent of total working time, highlights Kinnevik's efforts to improve our employees' health through healthcare insurance, fitness subsidies and other initiatives.

In order to assess how employees feel about working for Kinnevik, we conduct yearly employee satisfaction surveys. The results of the employee survey 2019 did not indicate any significant issues with regards to human rights, equal opportunities or work environment.

Out of the 86 percent of employees that responded to Kinnevik's 2019 employee survey, 95 percent said they would refer someone else to work at Kinnevik.

Kinnevik encourages parental leave for both men and women. In 2019, the average parental leave taken was 39 (0) weeks for men and 46 (52) weeks for women. This refers to parental leave that started during 2019 and includes the full number of weeks requested. The leave may therefore be completed during the following year.

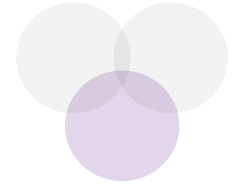
In 2019 Kinnevik implemented a new parental leave policy, stipulating that every permanent employee is eligible for nine months paid parental leave with 100 percent of their fixed salary. The policy reflects our ambition to be at the forefront regarding equal opportunities and to promote well-being and a healthy work-family balance.

Kinnevik's Diversity & Inclusion Framework

In May 2019, Kinnevik launched a D&I framework to drive the important change we want to see in our portfolio and the broader industry. Besides our fundamental belief in equal rights for all employees, Kinnevik believes diversity and inclusion brings clear business benefits as it leads to improved financial performance, higher degree of innovation, better decision-making and creation of value over the long-term.

In order to deliver on our vision of providing more and better choice we need to truly understand our customers, which is why it is vital that our organisation and portfolio company teams reflect their customer base. While diversity may be measured by many different characteristics, gender diversity is widely considered to be one of the most significant. Therefore, we have initially chosen to focus our concrete actions on gender diversity.

Kinnevik's Board of Directors and management have agreed on four overarching targets, signifying Kinnevik's ambitions and setting the foundation for Kinnevik's D&I framework.



- **40/60 Composition** - by end of 2022 Kinnevik shall have a 40/60 composition (at least 40 percent of the underrepresented gender) in the Management team as well as in the Investment and Corporate teams
- **10% Female Capital** - from 2019 and onwards, at least 10 percent of the annual investment budget shall be reserved for investments in female-founded or led companies. If the 10 percent is not invested in full, the residual will roll over and increase next year's earmarked budget
- **No Follow-Ons** - Kinnevik will only consider making follow-on investments in companies that it believes have made progress in relation to diversity and inclusion

- **Leadership** - all Kinnevik managers are to be measured on diversity and inclusion, and the results will be linked to their remuneration

Kinnevik has formed an internal D&I Taskforce to drive our agenda forward by providing input on the D&I Framework and other initiatives, set goals and action plans as well as to track progress. To ensure that multiple perspectives are represented, the Taskforce comprises a group of six employees across different genders, locations, functions and seniority. To further ensure everyone's voice is heard and to avoid group thinking, the composition of the taskforce will rotate after a term of 12 months. The Taskforce provides periodic progress updates to Kinnevik's Board of Directors and management.

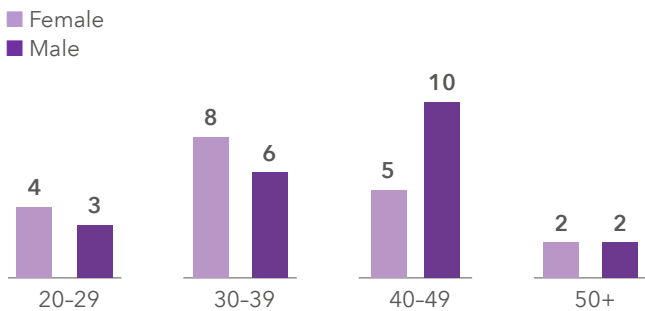
To set the agenda for the Taskforce and raise awareness regarding D&I across the organisation, Kinnevik initiated an

assessment and education process for employees which included a survey, individual interviews and customized education sessions.

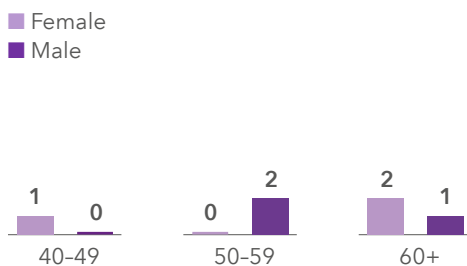
Progress regarding the D&I Framework will be reported annually in connection with Kinnevik's Annual General Meeting.

Read more about Kinnevik's community outreach efforts through Reach for Change on page 27.

Age distribution of employees in 2019 (FTE)



Age distribution of the Board of Directors in 2019 (FTE)

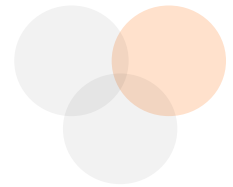


New employee hires and turnover during 2019 (FTE)

New Hires	20-29	30-39	40-49	50+	Total	Rate
Stockholm						
Women	-	-	0.6	-	0.6	1.5%
Men	-	-	-	-	-	-
London						
Women	0.4	-	-	-	0.4	1.0%
Men	-	-	-	-	-	-
Total					1.0	2.5%

Turnover	20-29	30-39	40-49	50+	Total	Rate
Stockholm						
Women	-	-	-	-	-	-
Men	-	-	-	0.9	0.9	2.3%
London						
Women	0.8	-	-	-	0.8	2.0%
Men	0.5	-	-	-	0.5	1.3%
Total					2.2	5.6%

Note: New hire and turnover rate is stated in FTE equivalents and calculated in relation to the FTE average number of employees in 2019.



REDUCED CLIMATE IMPACT

All businesses have an impact on the environment. An area which has become increasingly important for Kinnevik is measuring, reducing and offsetting our carbon footprint.

Greenhouse Gas Emissions Estimate

Kinnevik conducts a yearly greenhouse gas ("GHG") emissions estimate which quantifies the total direct and indirect greenhouse gas emissions produced by our operations. The estimate provides us with a tool to monitor and reduce our climate impact. The GHG assessment quantifies all seven Kyoto greenhouse gases where applicable and is measured in units of carbon dioxide equivalence, or CO₂e. The results of the report are summarized below, and the full Greenhouse Gas Report is available on our website. The report includes Kinnevik AB and Kinnevik Capital Ltd.

Kinnevik's 2019 Emissions Summary by Greenhouse Gas

Greenhouse Gas	Global Warming Potential (IPCC 2007)	Tonnes CO ₂ e
Carbon dioxide (CO ₂)	1	582
Methane (CH ₄)	25	0.77
Nitrous oxide (N ₂ O)	298	2.95
Other gases	1	72.9
TOTAL		659

Result for 2019

During 2019, Kinnevik generated 659 (645) tonnes of CO₂e in total, corresponding to 16.6 (17.6) tonnes per full time equivalent employee. Our largest climate impact was in Scope 3 where business travel (which consists almost entirely of air travel) accounts for 95 (95) percent of Kinnevik's total emissions in 2019.

In 2020, we are aiming to raise our ambition level regarding our climate impact. For example, we are looking to expand Kinnevik's Scope 3 emissions by including the emissions of our total portfolio. The next step is to set overall portfolio targets to reduce climate impact.

[Read more about the conflict between economic growth and reducing carbon emissions at Kinnevik on page 26.](#)

Methodology and Assumptions

The assessment has been carried out in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. This protocol is considered current best practice for corporate and

organisational GHG emissions reporting.

All use of company owned cars during 2019 has been included in the assessment, although they are primarily used by employees outside of work and for personal purposes. Petrol is subject to fringe benefits tax. District heating in the Stockholm office is already subject to a carbon offsetting program directly through the supplier.

Compensating Our Carbon Emissions

In order to take responsibility for our carbon footprint, we compensate by offsetting our emissions in full. For 2019 emissions, we have continued our partnership with a community-based reforestation initiative in the municipality of San Juan de Limay in Nicaragua. The initiative is designed and verified to the Plan Vivo Standard, the oldest standard for certification of climate protection projects in the field of land usage. The projects must pursue a holistic approach, fighting deforestation and poverty while focussing on reforestation.

Kinnevik's 2019 Emissions Summary by Activity

Activity	Tonnes CO ₂ e	
Business travel	625	95%
Premises	12	2%
Company-owned/leased vehicles	21	3%
Materials purchased	1	0%
TOTAL	659	100%



Kinnevik's 2019 Emissions Summary by Scope

Scope	Tonnes CO ₂ e	
1. Direct emissions	18	3%
2. Indirect Emissions - Energy	10	1%
3. Indirect Emissions - Other	631	96%
TOTAL	659	100%



PORTFOLIO

OUR ACTIVE OWNERSHIP

Kinnevik has significant influence over its investee companies through capital allocation, board representation and the operational support we provide. Driving an ambitious sustainability agenda in our companies is central in Kinnevik's role as active owners.

THE KINNEVIK STANDARDS

Kinnevik's general expectations in relation to our investee companies' sustainability performance is outlined in our Corporate Responsibility Policy. As we invest across different sectors and geographies, and in companies at different stages of development, the maturity of our investee companies' sustainable business development practices vary.

Kinnevik has developed a structured framework to define best practices for our companies, to measure performance and to set priorities and roadmaps, called the Kinnevik Standards (the "Standards"). They were developed based on stakeholder dialogues, peer benchmarking and industry best practice.

Kinnevik's investment team, supported by the Sustainability Function, is responsible for implementing the Standards in our investee companies. At its core, the Sustainability Function is a business development function with the purpose of supporting our companies to put the necessary structures, processes and culture in place to be successful over the long term.

The Standards mirror our material topics and comprise 64 standards across the three dimensions of sustainable development: economy, society and environment.

Example of Content in the Standards

ECONOMY

- Code of Conduct
- Board membership and committees
- Whistleblowing system
- Risk framework and organisation
- Business ethics and anti-corruption
- Data privacy and protection

SOCIETY

- Supply chain compliance
- Human rights
- Health & Safety
- Diversity & Inclusion
- Employee development and well-being
- Community outreach programs

ENVIRONMENT

- Emissions reporting
- Reducing climate impact

The Scoring Process

Kinnevik performs a yearly assessment of all our material investee companies, public and private, based on the Standards. Material companies are defined as those stated separately in our NAV reporting, or with a fair value exceeding SEK 100m per 31 December the previous calendar year. Following the completion of the assessment, Kinnevik scores the investee companies on their fulfilment of each standard. The development of the scores can be tracked over time for the total portfolio and for individual companies. The assessments are performed through interviews with the investee companies and our board representatives and by the Sustainability Function's periodic visits to the companies.

The assessment for 2019 included 26 (24) companies, 6 (6) public and 20 (18) private, corresponding to circa 100 (99) percent of Kinnevik's portfolio value per 31 December 2019.

Assessment Process

Our public investee companies perform a yearly self-assessment to evaluate their fulfilment of the Standards. The self-assessment is compared to Kinnevik's assessment and any material gaps are addressed. The company's management team, together with Kinnevik's representative on the board and the Sustainabi-

lity Function, identify key risks and set priorities for the coming year. Following approval by the company's board or audit committee, the agreed sustainability agenda is implemented and followed up by management.

Private investee companies at an earlier stage of development generally benefit from active support on a management level to implement the Standards. Their performance is assessed yearly by Kinnevik's Sustainability Function together with the company's management. Based on the priorities for the coming year, a roadmap is defined and adopted by the company's board where Kinnevik is represented.

Kinnevik's Risk, Compliance and Sustainability Committee review the companies' assessments once a year and track progress regularly during the year.

Our Group Platform

The Kinnevik Group forms a network of companies and people that we believe can learn from each other. In order to create opportunities for knowledge sharing and networking, Kinnevik organises a number of events and conferences.

During 2019, in connection with Brilliant Minds we organised the Kinnevik Summit, a day of inspirational speakers and interactive discussions for the companies' CEOs. We also hosted events for subject matter experts in the portfolio; in Stockholm for Legal and Internal Audit professionals, and in New York for Risk and Compliance experts. These events were designed to be a forum to share best practice, discuss trends and to inspire. In addition, we organised a program of workshops for HR Managers, a series of sessions for our Young Talents Network and social events for the Kinnevik Group Alumni. The events have been well-received and in 2020 we aim to expand our platform-building efforts.

SUSTAINABILITY PERFORMANCE IN OUR PORTFOLIO COMPANIES 2019

A cornerstone of our sustainability work is the active dialogue with our companies. Kinnevik provides high-level strategic as well as hands-on assistance. For example, we have provided some of our companies with concrete input and recommendations on the content and design of their Code of Conduct and internal control environment. We have invited our portfolio companies to two Our Group platform events focusing on sustainability performance, see page 21. We have also assisted in building best practice frameworks to identify, mitigate and manage risks and to build strong governance structures. We aided some companies in identifying sound whistleblowing systems and in developing strong information security structures. Following the roll-out of our D&I framework, we have assisted our companies in implementing diversity and inclusion aspects in key policies and provided support and examples of how to create a more inclusive work culture.

ECONOMY

A key focus area in 2019 was to develop sustainability roadmaps in companies we invested in during 2018. Most of the companies were in early stages of their journey and did not have structured workstreams around sustainability initiatives. Most new companies with regulated businesses created sub-committees of the board to oversee the development of initiatives across different aspects. Kinnevik also assisted the companies to set up internal governance structures such as risk groups and governance committees, responsible for driving progress. One of the main challenges for our early stage companies is balancing growth with sustainable business development.

In the fourth quarter of 2019 our portfolio company Quikr, an online classifieds platform operating in India which Kinnevik invested in in 2014, discovered that certain dealers and vendors within their managed rentals and cars segments had placed fictitious or misrepresented transactions on its platform. This means that the value of revenue generated in these categories may be overstated, and there is a risk that some receivables may not be entirely recoverable. As a response, the company has reduced its footprint in the concerned segments, is managing its overall cost base and is pursuing criminal action against those responsible. An independent review of the internal control process has also been initiated. Kinnevik is working closely with Quikr's board and management to strengthen the company's internal controls and improve its overall governance, risk management and compliance structures. While we are very disappointed with what has been uncovered, we believe that the measures that are being taken are forceful and proportionate.

Examples of Our Companies Developing Their Governance, Risk and Compliance Structures

Tele2

After the merger with Com Hem in 2018, one of the key focus areas for the business was to deliver on the business plan of the combined entity in a sustainable manner. Kinnevik as the largest shareholder of Tele2 supported this agenda through an active dialogue with the management team. A portion of the variable compensation of the senior management team members within Tele2 for 2019 included their performance on sustainability initiatives.

Livongo

Since Kinnevik's first investment in Livongo in 2017, through our board representation and the Sustainability Function, we have worked closely with the management team to develop Livongo into a long-term sustainable business. Among other initiatives in 2019, Kinnevik actively assisted the Board of Directors to recruit an independent Chairman to the Audit Committee to improve independence and governance structures within the business.

Monese

Kinnevik invested at a very early stage in Monese in 2018. At the time of investment, Monese met basic levels of compliance required by the regulators. Kinnevik together with the management team recruited subject matter experts to drive specific sustainability initiatives. We worked closely with the Board to set up a Risk and Audit Committee to oversee development of these initiatives. Kinnevik also worked closely with the management team to set up an internal cross-functional risk committee to oversee 'on-the-ground' development.

SOCIETY

A key focus area during 2019 has been diversity and inclusion. In line with Kinnevik's high expectations outlined in our D&I Framework, many of our companies have made strong progress by implementing key policies and setting up training for employees, among other initiatives. As a result, many have become more attractive employers with equal opportunities and well-being in focus. D&I is a long-term commitment and many companies have plenty of room for improvement and this will continue to be an important initiative in the coming years.

Examples of Our Companies Taking the Lead on Diversity & Inclusion

Zalando

The company believes that the diversity of people, lifestyles, opinions and attitudes are crucial drivers of innovation and success. In October 2019, Zalando announced new diversity targets for its top leadership levels. The company aims for a balanced representation of women and men on its top six management levels by the end of 2023, meaning at least 40 percent of the underrepresented gender. The new targets are part of a general revision of the company's D&I strategy, in which Zalando aims to diversify its workforce across several metrics, including gender, nationality and educational background.

"During the past 11 years, we have been very focused on establishing and growing our business, and we didn't put enough effort into countering structural imbalances that have evolved. We acknowledge that today we lack diversity in our senior management, and we are committed to changing this. We strongly believe that only a diverse and inclusive culture will ensure that we have the best talent on board and can truly serve our customer base", says Rubin Ritter, Co-CEO of Zalando.

Betterment

Betterment sits at the intersection of two industries: finance and technology - both with large historical gender gaps and underrepresented populations. Betterment is working hard to change this by building a company of passionate individuals who reflect their customers and bring new and different perspectives. To achieve a better gender balance, the company has an internal D&I Committee to celebrate the many backgrounds and experiences of its employees. In 2018, the Women of Betterment group launched SHARE (Support, Hire, Aspire, Relate, Empower), a network of diverse individuals aimed at fostering deeper connections among women in the fintech community.

Global Fashion Group

GFG believes that having a truly dynamic and diverse workforce enables it to develop the deep local knowledge and expertise required to succeed within its markets. Since its foundation in 2014, GFG has increased the percentage of women in its management team from zero to 50 percent in December 2019. The same trend is seen on the board, which is headed by a female chairman and where the percentage of women has increased from none in 2014 to 50 percent in December 2019, demonstrating GFG's commitment to gender diversity.

ENVIRONMENT

As the climate crisis escalates, Kinnevik and our portfolio companies are responding. With our active support, our companies are increasingly taking action to reduce their environmental impact. In addition to the examples below, many of our companies are running initiatives with a general trend being that companies that are more mature have the more mature climate initiatives. During 2020, Kinnevik will continue to engage with our portfolio companies to support, encourage and influence them on their journey towards environmental responsibility, focusing on those companies with the greatest carbon footprints.

Examples of Our Companies Taking Responsibility for Environmental Issues

Zalando

Aiming to be net-positive for people and planet, Zalando launched its do.MORE sustainability strategy in October 2019 and already has net zero emissions for its own operations through off-setting. Zalando's dedicated sustainability team is leading the work to set Science-Based Targets during 2020 in line with the Paris Agreement.

Tele2

Carbon neutral across its own operations, Tele2 is engaging external advisers to measure its upstream and downstream emissions in 2020 with the aim of setting Science-Based Targets. As a large user of energy, Tele2 continues to work to source clean power for its operations in each market.

Kolonial

Food waste has halved each year for the past 3 years at Kolonial and it is zero waste in bakery because all products are baked to order. In December 2019 Kolonial switched from plastic bags for deliveries to recyclable cardboard boxes. Most of Kolonial's delivery fleet runs on biofuels and the company plans to increase the number of electric vehicles in 2020.

OUR COMPANIES ARE CONTRIBUTING TO THE GLOBAL GOALS

Many of our portfolio companies contribute to the Global Goals by virtue of their core business models. The 2030 Agenda and sustainable business development is an exciting business opportunity as it represents unmet demand across the globe.

ECONOMY

GOAL 1.4: Equal rights to ownership, basic services, technology and economic resources

By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including micro-finance.

- **Bayport:** Financial solutions for formally and informally employed individuals in emerging markets
- **BIMA:** Affordable and uniquely designed life and health insurance products via mobile phones in emerging markets
- **Monese:** Fully mobile current account service with a technically advanced KYC solution that enables people across Europe to open a current account within minutes

SOCIETY

GOAL 3.7: Universal access to sexual and reproductive care, family planning and education

By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes.

- **Livongo:** Pregnancy and Early Parenting program, an evidence-based behavioural health program offering personalized digital support

GOAL 3.8: Achieve universal health coverage

Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

- **Livongo:** Consumer digital health company that empowers people with chronic conditions to live better and healthier lives
- **Babylon:** Digital healthcare service company that combines mobile tech and artificial intelligence with medical expertise. Babylon's mission is to make healthcare more accessible and affordable for people everywhere
- **VillageMD:** Provider of primary care and a pioneer in the delivery of value-based care. The company transforms the healthcare experience for consumers by enabling primary care physicians to operate higher quality, risk bearing clinical models

ENVIRONMENT

GOAL 12.3: Halve global per capita food waste

By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.

- **Karma:** Marketplace platform that connects consumers with local restaurants and grocery stores that have surplus food. By letting customers buy unsold food at a discount through the app, Karma is reducing food waste

KINNEVIK'S NEGATIVE CONTRIBUTION AND OUR METHODS OF MITIGATION

Sustainable development is about doing good while doing no harm.

The contributions of businesses across the globe is critical in reaching the Global Goals by 2030. While this report focuses on Kinnevik's positive contributions to the Global Goals, we are also mindful of our actual or potential negative contributions and our methods to mitigate.

The below should not be seen as a comprehensive overview but a representation of Kinnevik's key areas of actual or potential negative contribution. Kinnevik focuses its investments primarily in Europe and the US and our exposure to emerging markets has decreased significantly in recent years. As such, risks relating to political changes or instability, human rights and business ethics across the portfolio have generally become less prominent.

Actual or Potential Negative Contribution	Method of Mitigation
ECONOMY	
<p>Kinnevik's economic performance may be negatively affected by:</p> <ul style="list-style-type: none"> • Portfolio concentration in terms of the size of specific companies and sectors, and share of private companies in relation to public companies in the portfolio • Liquidity risks including financing and availability of funding 	<p>Through our investment management activities and a dynamic allocation of capital, Kinnevik seeks to maintain a balanced portfolio across stages and tenures, sectors, share of public vs. private and geographies.</p> <p>Over the business cycle, Kinnevik relies on our investment management activities as well as dividends received from investee companies to cover our funding needs. In addition, in line with Kinnevik's financial target we can carry debt up to 10% of portfolio value. Our financial targets are available in full on our website. During 2019, we amended our shareholder remuneration policy (see page 17). Management of financial risks is conducted on the basis of our finance policy (see Note 17 of the Annual Report 2019).</p>
SOCIETY	
<p>Kinnevik's efforts to drive a diversity and inclusion agenda may be negatively affected by:</p> <ul style="list-style-type: none"> • Inability to find female-founded or female-led companies to reach the target of 10 percent capital allocation • Inability to source female talent to investee companies' boards and management teams 	<p>Kinnevik is actively working to expand the existing pipeline of potential investments. The EIC (see page 8) has mandated the investment team to find and present female founded and led businesses. We are also working to broaden our exposure to female founded and led businesses through conferences, sponsorships and a wide variety of networks.</p> <p>The Nomination Committees in our public companies have an extensive pipeline of potential board candidates and works with recruitment firms ensuring the right fit for the companies. Kinnevik's investment team is mandated to source potential board and management candidates for the unlisted companies. Read more about diversity initiatives in our investee companies on pages 22-23.</p>

Actual or Potential Negative Contribution	Method of Mitigation
SOCIETY	
<p>For some of Kinnevik’s companies, particularly in fashion e-commerce and food, certain employee group’s work environment is characterized by more monotonous tasks and a lower level of influence. Therefore, some employee groups are at higher risk of psychosocial health issues, for example in warehouse operations. In addition to the moral and ethical aspects, this also poses a reputational risk for Kinnevik.</p>	<p>Our portfolio companies have structured onboarding programs for new employees and periodic mandatory health and safety training. Hours worked are actively monitored and the companies have inbuilt controls to ensure that employees are not overworked. Middle and lower level managers are offered leadership development programs. Most of our companies have active whistle-blower hotlines where employees can address issues that are being overlooked by their immediate managers. Kinnevik continuously works with portfolio companies to keep health and safety on the agenda of the Board and Management teams.</p>
<p>Some of Kinnevik’s companies, particularly in fashion e-commerce, due to the global nature of their operations have an elevated risk of human rights violations in their supply chain. In addition to the moral and ethical aspects, this also poses a reputational risk for Kinnevik.</p>	<p>All Kinnevik’s companies are in the process of rolling out, or already have in place, supplier Codes of Conduct. In addition, all companies are performing a risk-based audit of compliance with the Code of Conduct. For high risk suppliers where portfolio companies have significant influence over practices within the supply chain (for example with private label suppliers), the suppliers are audited periodically to ensure that they comply with the Company’s Code of Conduct. Corrective Action Plans (CAPs) are put in place for material gaps that are identified during such audits which are followed-up periodically by the supply chain compliance team. Commercial agreements are terminated if suppliers are unable to demonstrate satisfactory progress.</p>
ENVIRONMENT	
<p>Kinnevik has a negative impact on the climate through business travel, primarily air travel, which accounted for 95 percent of emissions in 2019.</p>	<p>We compensate for our emissions including business travel through a reforestation initiative, read more on page 20. Kinnevik’s investment focus on Europe and the US means we will likely invest more in those regions in the coming years. We believe being physically present is important in active ownership and that the benefits of actively driving our sustainable business development agenda on site outweighs the negative impact of business travel. Read more about our work to help our portfolio companies mitigate sustainability risks on pages 22-23.</p>
<p>Some of Kinnevik’s companies in the e-Commerce & Marketplaces sector, particularly within fashion and food, as well as the TMT sector have relatively higher environmental impacts. This may be because of the nature of their operations and/ or due to their relative size in our portfolio. For the fashion companies, the major sources of impact are the manufacturing processes, transport and packaging. For the food companies, the production of food as well as transport and food waste are the main causes of negative environmental impact. For TMT, electricity consumption is a major source of emissions of greenhouse gases.</p>	<p>For 2020, we are looking into ways of measuring our portfolio’s aggregate climate impact. The next step is to set overall portfolio targets to reduce climate impact. Read more about climate initiatives in our investee companies on page 23.</p>



UNLEASHING THE POWER OF SOCIAL ENTREPRENEURSHIP

Kinnevik is a proud founding partner of Reach for Change, a non-profit organisation that runs development programs for social entrepreneurs. Together we help scale innovations that create a better world for children and youth.

During 2019 we helped support

120

social entrepreneurs who improved

501 987

lives of children and youth in 11 countries

ADVISOR PROGRAM



In 2019, the second edition of the **Kinnevik Advisor Program** was **launched**. A one year program where employees shared their expertise with Change Leaders in e.g. sales, business modeling, scaling and HR. **100 %** of the advisors stated that being an advisor made **their work feel more meaningful**.

CHANGE LEADER CASE: INICIO

Mikaela Illanes, the founder of Inicio, joined Reach for Change's incubator in 2019. Inicio works to improve digital knowledge and offer everyone the same opportunities to participate and contribute to sustainable and smart societies. Inicio have received strategic support from Reach for Change and through the Kinnevik advisor program during 2019. This year they **scaled to one more municipality** and improved lives of nearly 500 children and youth.

96%

report that they would have developed **less** without the support from Reach for Change



90%

of the Change Leaders found the **connections** to people and/or opportunities gained through Reach for Change useful



87%

of the Change Leaders are satisfied with the **support** provided through the incubator in 2019

PORTFOLIO LEVEL KPIs

The 2019 and 2018 Actual KPIs include the companies in Kinnevik's portfolio per 31 December 2019 and 2018 respectively, excluding Millicom, Westwing and Nelly. The 2019 Comparable KPIs excludes MatHem and VillageMD as Kinnevik invested in the companies during 2019, and Nelly as it was not rated as a separate entity during 2018.

	% of Portfolio Value				% of Number of Companies			
	2019 Actual	2019 Comp	2018 Actual	2018 Comp	2019 Actual	2019 Comp	2018 Actual	2018 Comp
ECONOMY								
Has implemented a Code of Conduct across its organisation	92%	94%	95%	94%	69%	70%	60%	61%
Has implemented a Whistleblowing system	94%	95%	95%	94%	54%	57%	48%	48%
Has conducted a risk assessment including rating risks based on likelihood and impact	87%	89%	62%	48%	46%	48%	32%	30%
Has a defined risk limits statement to monitor risk levels	42%	43%	64%	49%	23%	26%	24%	22%
Conducts regular compliance training	96%	97%	89%	85%	81%	78%	56%	57%
Has incorporated anti-corruption principles in the Company's policies	89%	91%	96%	96%	62%	61%	56%	57%
SOCIETY								
Has implemented a Supplier Code of Conduct based on international standards	83%	85%	92%	90%	46%	43%	40%	39%
Conducts periodic employee surveys	94%	96%	92%	88%	77%	78%	64%	61%
Has incorporated anti-discrimination principles in the Company's policies	93%	96%	96%	96%	73%	74%	56%	57%
Has at least 40% of the underrepresented gender in the management team	4%	4%	34%	7%	12%	13%	16%	13%
Has at least 40% of the underrepresented gender in the board	37%	38%	29%	41%	8%	9%	8%	9%
Has implemented a community outreach or philanthropic program	82%	84%	88%	84%	31%	26%	28%	26%
ENVIRONMENT								
Engages in environmental reporting	78%	79%	60%	44%	23%	22%	20%	17%
Has implemented measures to reduce the Company's carbon emissions	79%	81%	84%	79%	31%	30%	24%	22%

GRI INDEX

Kinnevik's Sustainability Report refers to the calendar year 2019 and is prepared in accordance with the GRI Standards: Core option, including the GRI Sector Disclosures for Financial Services. A description of how we identified the Material Topics is available on pages 12-13.

The Sustainability Report 2019 has been subject to a limited assurance review, see statement on page 32. Kinnevik intends to continue our sustainability reporting in accordance with the GRI Standards on an annual basis.

MANAGEMENT APPROACH DISCLOSURES

Kinnevik continuously evaluates our efforts within each material aspect to identify potential improvements and take appropriate actions.

Economy (GRI Material Topics: Sound Governance Structures and Economic Growth)

We believe it is important for any company to have sound governance, risk management and compliance structures in place, including clear structures, policies and processes across functions. Being a financially strong company is imperative to our role as active owners, supporting our portfolio companies towards achieving long-term sustainable and profitable growth.

All employees and representatives of Kinnevik are expected to fully comply with the Code of Conduct. Kinnevik has an onboarding process for new employees that introduces them to the Code of Conduct, which includes provisions on anti-bribery and business ethics, and other key policies and procedures.

Kinnevik's risk framework is outlined in the Risk Management Policy. Kinnevik's management has established a Risk Committee that meets three times a year to review key risks, developments since the previous meeting, the efficiency of any mitigating actions and our overall risk appetite.

A compliance review in relation to the laws and regulations that govern Swedish

listed companies is performed annually to ensure full compliance and identify potential areas for improvement.

Kinnevik conducts mandatory annual compliance training, including Code of Conduct and Insider Trading Rules, for all employees, as well as periodic deep-dives on specific matters such as anti-corruption and supply chain management.

Kinnevik recognizes that the key to long-term successful business development is ensuring we operate in a sustainable manner. Equally we believe that good sustainability performance is a prerequisite for good economic performance.

Society (GRI Material Topics: Social Responsibility and Good Corporate Citizenship)

Our greatest asset is and has always been our people, within Kinnevik and in our companies. As such, attracting and retaining top talent is a key priority. Kinnevik regards diversity and inclusion as core levers for value creation, and we make full use of the opportunities that arise from employing a team with different backgrounds and perspectives. We also have a firm belief in contributing to the wider community through community outreach or philanthropic programs.

Kinnevik offers its employees continuous opportunities for personal and professional growth in order to develop their skill set and to take increasing responsibility for value creation at Kinnevik and our investee companies. Ongoing assessments of employees' performance and success in meeting their objectives are central in order to ensure that Kinnevik offers the right personal development tools at an individual and group level. All employees participate in yearly performance reviews and have individual objectives that are reviewed twice a year.

Kinnevik is committed to promoting a

good, safe and healthy work environment for all employees across physical, organisational and social aspects, where the risks of occupational injuries and work-related ill-health is prevented. In order to assess how employees feel about working for Kinnevik, we conduct yearly employee satisfaction surveys.

In May 2019, Kinnevik launched a D&I framework to drive the important change we want to see in our portfolio and the broader industry. Besides our fundamental belief in equal rights for all employees, Kinnevik believes diversity and inclusion brings clear business benefits as it leads to improved financial performance, higher degree of innovation, better decision-making and creation of value over the long-term.

Our Code of Conduct, Whistle-blower Policy, Talent Management Policy and Employee Handbook set out both our commitments and expectations towards our employees in the way we do business.

Environment (GRI Material Topics: Reduced Climate Impact)

All businesses have an impact on the environment. An area which has become increasingly important for Kinnevik is measuring, reducing and offsetting our carbon footprint.

Kinnevik conducts a yearly greenhouse gas emission estimate which quantifies the total greenhouse gases produced directly and indirectly by our own operations. This is Kinnevik's fourth yearly estimate and it provides us with a tool to monitor, raise awareness and reduce our climate change impacts. More information about our emissions is available on Kinnevik's website where you can also download our Greenhouse Gas Protocol Report for 2019 and previous years.

GRI DISCLOSURES		REPORTED (Y/N)	COMMENT	PAGE
GRI 102-1	Name of the organisation (2016)	Y		34
GRI 102-2	Activities, brands, products, and services (2016)	Y		34
GRI 102-3	Location of headquarters (2016)	Y		34
GRI 102-4	Location of operations (2016)	Y		59, 71-72
GRI 102-5	Ownership and legal form (2016)	Y		34-36
GRI 102-6	Markets served (2016)	Y		34
GRI 102-7	Scale of the organisation (2016)	Y		18-19, 34, 54
GRI 102-8	Information on employees and other workers (2016)	Y	Four employees are on temporary contracts and one employee is on a part-time contract.	18-19
GRI 102-9	Supply chain (2016)	Y	Kinnevik's purchases include services and products to office operations in Stockholm and London and consultancy services in relation to the acquisition and sales processes as well as development procedures. Suppliers operate primarily in the Nordic countries and the UK.	-
GRI 102-10	Significant changes to the organization and its supply chain (2016)	Y	No significant changes this year.	-
GRI 102-11	Precautionary Principle or approach (2016)	Y	See Kinnevik's Corporate Responsibility Policy on www.kinnevik.com .	-
GRI 102-12	External initiatives (2016)	Y	UN Global Compact, GRI Standards: core option and Our Impacts.	-
GRI 102-13	Memberships of associations (2016)	Y	Stockholm Chamber of Commerce, Stockholm School of Economics, Brilliant Minds, Di Female Founders, Nine Muses Festival, Innovate Finance and Reach for Change.	-
GRI 102-14	Statement from senior decision-maker (2016)	Y		2-4
GRI 102-16	Values, principles, standards and norms of behavior (2016)	Y		8-9, 16-17, 21, 29
GRI 102-18	Governance structure (2016)	Y		39-40
GRI 102-40	List of stakeholder groups (2016)	Y		6-7, 11
GRI 102-41	Collective bargaining agreements (2016)	Y	No (zero) employees are covered by such agreements. However, freedom of assembly and association is clearly stated in our Code of Conduct.	-
GRI 102-42	Identifying and selecting stakeholders (2016)	Y		11
GRI 102-43	Approach to stakeholder engagement (2016)	Y	Stakeholders have not been specifically consulted in preparation of the Sustainability Report 2019.	11
GRI 102-44	Key topics and concerns raised (2016)	Y		11
GRI 102-45	Entities included in the consolidated financial statements (2016)	Y		71
GRI 102-46	Defining report content and topic boundaries (2016)	Y		11-13, 29
GRI 102-47	List of material topics (2016)	Y		12-13
GRI 102-48	Restatements of information (2016)	Y	No restatements have been made.	-
GRI 102-49	Changes in reporting (2016)	Y	No significant changes have been made.	-
GRI 102-50	Reporting period (2016)	Y		13, 29
GRI 102-51	Date of most recent report (2016)	Y	The Sustainability Report 2018 covers the sustainability performance of Kinnevik for the period 1 January to 31 December 2018.	-

Note: Publication year is indicated in parenthesis.

GRI DISCLOSURES		REPORTED (Y/N)	COMMENT	PAGE
GRI 102-52	Reporting cycle (2016)	Y		13, 29
GRI 102-53	Contact point for questions regarding the report (2016)	Y	Torun Litzen, Director of Corporate Communications: +46 8 562 000 83.	-
GRI 102-54	Claims of reporting in accordance with the GRI Standards (2016)	Y		29
GRI 102-55	GRI content index (2016)	Y		30-31
GRI 102-56	External assurance (2016)	Y	The Sustainability Report 2019 has been subject to a limited assurance review.	32
ECONOMY				
GRI 103-1	Explanation of the material topic and its Boundary (2016)	Y	All topics concern Kinnevik's own operations as well as our portfolio and contributions and actions in relation to such.	12-13, 29
GRI 103-2	The management approach and its components (2016)	Y	Given the nature of Kinnevik's material topics, we have not implemented any specific grievance mechanisms for such. To the extent relevant components are applicable to Kinnevik's material topics these have been included under the respective sections describing each topic.	16-17, 21-22
GRI 103-3	Evaluation of the management approach (2016)	Y		29
GRI 201-1	Direct economic value generated and distributed (2016)	Y		17
GRI 205-1	Operations assessed for risks related to corruption (2016)	Y	All Kinnevik's larger investee companies are covered by the Kinnevik Standards.	21
GRI 205-2	Communication and education about anti-corruption policies and procedures (2016)	Y	The Code of Conduct covers anti-corruption and is communicated to all employees and Board members. Kinnevik conducts mandatory annual Code of Conduct training for all employees. Given Kinnevik's very limited proprietary operations we only engage with very few but well-known suppliers and therefore do not currently communicate our anti-corruption policies and procedures to such suppliers. From 2020 onwards, relevant suppliers will be covered by our Code of Conduct. There is no data accessible on how many employees in the portfolio companies that have received anti-corruption training.	17
SOCIETY				
GRI 103-1	Explanation of the material topic and its Boundary (2016)	Y	All topics concern Kinnevik's own operations as well as our portfolio and contributions and actions in relation to such.	12-13, 29
GRI 103-2	The management approach and its components (2016)	Y	Given the nature of Kinnevik's material topics, we have not implemented any specific grievance mechanisms for such. To the extent relevant components are applicable to Kinnevik's material topics these have been included under the respective sections describing each topic.	18-19, 21-23
GRI 103-3	Evaluation of the management approach (2016)	Y		29
GRI 401-1	New employee hires and employee turnover (2016)	Y		18-19
GRI 404-3	Percentage of employees receiving regular performance and career development reviews (2016)	Y	100% of employees.	18
GRI 405-1	Diversity of governance bodies and employees (2016)	Y		18-19, 41-43
GRI 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening (2016)	Y	All Kinnevik's new investments in private companies are subject to a sustainability due diligence process based on the Kinnevik Standards which includes compliance with relevant human rights laws.	8
GRI 419-1	Non-compliance with laws and regulations in the social and economic area (2016)	Y	No fines or non-monetary sanctions were received during 2019.	-
GRI-FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	Y	All Kinnevik's larger investee companies are covered by the Kinnevik Standards.	21-23
ENVIRONMENT				
GRI 103-1	Explanation of the material topic and its Boundary (2016)	Y	All topics concern Kinnevik's own operations as well as our portfolio and contributions and actions in relation to such.	12-13, 29
GRI 103-2	The management approach and its components (2016)	Y	Given the nature of Kinnevik's material topics, we have not implemented any specific grievance mechanisms for such. To the extent relevant components are applicable to Kinnevik's material topics these have been included under the respective sections describing each topic.	20-21, 23, 29
GRI 103-3	Evaluation of the management approach (2016)	Y		29
GRI 305-1	Direct (Scope 1) GHG emissions (2016)	Y	Company-owned or long-term leased vehicles.	20
GRI 305-2	Energy indirect (Scope 2) GHG emissions (2016)	Y	Power consumption and district heating.	20
GRI 305-3	Other indirect (Scope 3) GHG emissions (2016)	Y	Business trips by plane, train and taxi, office material/paper consumption and waste from properties.	20

AUDITOR'S LIMITED ASSURANCE REPORT ON KINNEVIK AB'S SUSTAINABILITY REPORT

This is the translation of the auditor's report in Swedish.

**TO KINNEVIK AB (PUBL), CORPORATE IDENTITY NUMBER
556047-9742**

Introduction

We have been engaged by the Board of Directors of Kinnevik AB (publ) ("Kinnevik AB") to undertake a limited assurance engagement of the Kinnevik AB Sustainability Report for the year 2019. The Company has defined the scope of the Sustainability Report on page 29-31 in this document.

Responsibilities of the Board of Directors and the Executive Management for the Sustainability Report

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 29 in the Annual Report, and are the parts of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative) which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the Auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of

quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Kinnevik AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

Accordingly, the conclusion of the procedures performed do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

Stockholm 26 March 2020

Deloitte AB

Jan Berntsson
Authorized Public Accountant

Lennart Nordqvist
Expert Member of FAR



BOARD OF DIRECTORS' REPORT

Kinnevik is an industry focused investment company with an entrepreneurial spirit. Our purpose is to make people's lives better by providing more and better choice. In partnership with talented founders and management teams we build challenger businesses that use disruptive technology to address material, everyday consumer needs. As active owners, we believe in delivering both shareholder and social value by building long-term sustainable businesses that contribute positively to society.

We invest in Europe, with a focus on the Nordics, the US, and selectively in other markets. 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.

Kinnevik's registered address is Skeppsbron 18, Box 2094, SE-103 13 Stockholm. The company's corporate registration number is 556047-9742.

Five-year summary (SEKm)	2019	2018	2017	2016	2015
Equity	73 295	70 503	90 633	72 434	83 464
Equity/assets ratio, %	94%	95%	97%	97%	98%
Net cash/(Net debt) incl. net loans to investee companies ¹⁾	-456	-2 769	-1 062	-1 309	7 568
Debt/equity ratio, multiple	0.07	0.04	0.03	0.02	0.02
Net asset value	73 295	70 503	90 633	72 434	83 517
Net asset value per share, SEK	265	256	329	263	301
Net asset value change	31%	-22%	25%	-13%	-1%
Kinnevik market capitalization	63 232	58 728	76 042	60 223	72 680
Market price class B share at 31 December, SEK	229	213	276	219	262
Cash dividend per share, SEK	-	8.25	8.25	8.00	7.75
Dividend in kind per share, SEK	60.09	15.36	-	-	-
Share redemption program per share, SEK	-	-	-	-	18.00
Total shareholder return %	40%	-16%	31%	-6%	5%
Fair value, E-commerce & Marketplaces	37 318	25 442	42 674	40 829	40 452
Share of portfolio value	50%	35%	47%	55%	53%
Fair value, TMT (formerly Communication and Entertainment)	25 440	42 505	45 440	30 045	33 430
Share of portfolio value	34%	58%	50%	41%	44%
Fair value, Financial Services	4 762	4 136	3 078	2 440	1 779
Share of portfolio value	6%	6%	3%	3%	2%
Fair value Healthcare	6 710	1 342	480	154	0
Share of portfolio value	9%	2%	1%	0%	0%
Portfolio value	74 230	73 430	91 695	73 801	75 959
Change in fair value of financial assets (incl. dividends received)	21 879	-13 297	20 655	-3 236	1 447
Profit/loss for the year	21 572	-13 656	20 359	-3 459	1 207
Earnings per share	78.02	-49.58	73.90	-12.55	4.35
Cash flow from operations (excluding dividend received)	-271	-316	-267	-237	-209
Cash flow from investments in financial assets	-4 586	-2 710	-4 843	-3 330	-1 590
Cash flow from sale of shares and other securities	6 162	1 589	5 304	480	8 259
Dividends received	2 907	1 887	2 260	1 733	2 984
Cash dividend paid	-2 271	-2 270	-2 201	-7 084	-2 011
Cash flow for the year	3 401	-1 312	1 475	-8 557	7 490

For definitions of financial key ratios, refer to page 79.

¹⁾ Including debt unpaid investments.

The financial statements were approved by the Board of Directors on 26 March 2020 and the Board of Directors and the CEO hereby present the annual report and consolidated financial statements for the 2019 financial year. The balance sheets and the income statements for the Group and the Parent Company will be presented for adoption at the Annual General Meeting on 11 May 2020.

The consolidated accounts comprise only subsidiaries that only own shares in investee companies or provide services mainly to the Parent Company. Other subsidiaries are valued at fair value through the income statement.

The figures in this report pertain to the full-year 2019. The figures in parentheses pertain comparative figures for 2018 unless otherwise stated.

KEY EVENTS DURING 2019

The investment activity was high during 2019 and Kinnevik invested approximately SEK 4.6bn whereof SEK 1.6bn into two new growth companies and SEK 3.0bn in follow-on investments in the high-performing businesses in our unlisted and early growth portfolio, in line with our capital allocation framework.

Total divestments during the year amounted to SEK 6.2bn whereof the largest divestment was a sell-down of a 5% stake in Zalando, generating gross proceeds of SEK 5.9bn. In addition, Kinnevik distributed the entire SEK 16.5bn shareholding in Millicom to its shareholders, corresponding to SEK 60 per share.

CONSOLIDATED EARNINGS

The change in fair value of financial assets including dividends received amounted to a profit of SEK 21,879m (loss of 13,297) for the year of which a profit of SEK 19,267m (loss of 12,307) was related to listed holdings and a profit of SEK 2,612m (loss of 990) was related to unlisted holdings. See note 3 for the Group for further details. The increase in administration costs is mainly explained by higher investment and divestment activities. Improved financial net is mainly due to exchange differences.

CASH FLOW AND INVESTMENTS

The Group's cash flow from operating activities amounted to SEK 2,636m (1,571) during the year, of which dividends received amounted to SEK 2,907m (1,887). During the year, paid investments amounted to SEK 4,586m in other shares and securities. Divestments of other shares and securities contributed to the cash flow by SEK 6,162m and cash dividend paid amounted to SEK 2,271m, see Note 6 for the Group for more details.

LIQUIDITY AND FINANCING

Kinnevik's total interest bearing assets amounted to SEK 4,380m as at 31 December 2019. The total amount of interest bearing liabilities was SEK 4,836m. Kinnevik was in a net debt position of SEK 456m as at 31 December 2019, including loans to investee companies (net debt SEK 2,769m as at 31 December 2018). Net debt excluding loans to portfolio companies amounted to SEK 930m.

Kinnevik's total credit facilities (including issued bonds)

amounted to SEK 9,980m as at 31 December 2019 whereof SEK 6,000m related to unutilised revolving credit facilities and SEK 3,850m related to bonds.

The Group's available liquidity, including short term investments and available unutilized credit facilities, totalled SEK 9,056m as at 31 December 2019 (SEK 6,116m as at 31 December 2018).

For more information about the interest-bearing borrowing, see Note 10 for the Group.

Borrowing primarily occurs in SEK. During 2019, the Group did not have any significant cash flows in foreign currency except for dividends received and investment activities.

RISKS AND UNCERTAINTIES

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 has limited exposed to political risks.

For a more detailed description of Kinnevik's risks and uncertainties, as well as risk management, refer to Note 17 for the Group.

PARENT COMPANY

The main financial items 2019 for the Parent Company were the following:

- Administration costs: SEK 344m (316)
- External dividends received: SEK 0m (705)
- Result from associated companies: SEK 0m (6,684)
- Result from subsidiaries: SEK 23,752m (loss of 10)
- Profit after financial items: SEK 23,364m (7,024)

During the year, the Parent Company paid shareholders' contributions to subsidiaries totalling SEK 8,626m (23,451) to finance reallocation of portfolio companies between subsidiaries as well as external investments. Dividends received from subsidiaries amounted to SEK 45,026m (2,279) and write-down of shares in subsidiaries amounted to SEK 21,274m (2,302) due to decreased capital through dividends paid.

SHARE CAPITAL

As of 31 December 2019, the number of shares in Kinnevik AB amounted to 276,902,244, of which 33,755,432 are class A shares carrying ten votes each, 241,911,206 are class B shares carrying one vote each (of which 297,770 held in treasury) and 1,235,606 are reclassifiable, sub-ordinated, incentive shares

held by the participants in Kinnevik's long-term incentive plan launched in 2018 and 2019.

The total number of votes for outstanding shares amounted at 31 December 2019 to 580,403,362, excluding 297,770 class B treasury shares. During the year 111,777 class B shares were delivered to participants in the share-based plan from 2016 and 126,922 class B shares were sold to cover the tax for the participants. In addition, and similar to LTIP 2018, a new issue of reclassifiable, sub-ordinated, incentive shares, divided into four classes, to the participants in Kinnevik's long-term share incentive plan resolved on by the 2019 AGM were registered by the Swedish Companies Registration Office (Sw. Bolagsverket) during September 2019.

The Board has authorization to repurchase up to a maximum of 10% of all shares in the Company over 12 months, ending at the 2020 AGM. There are no convertibles or warrants in issue.

As per 31 December 2019, there were two shareholders owning shares representing more than 10% of the total number of the votes in the company; Verdere S.à.r.l. with 19.3% and Alces Maximus LLC with 11.6%. To the knowledge of the Board, there are no shareholder agreements or share associations in Kinnevik.

GUIDELINES FOR REMUNERATION FOR SENIOR EXECUTIVES

The Board proposes the following guidelines for remuneration to Kinnevik's Chief Executive Officer and the other members of the executive management team (together the "Senior Executives"). The guidelines are forward-looking, i.e. they will apply to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the 2020 Annual General Meeting. These guidelines will not apply to any remuneration decided or approved by the General Meeting, such as ordinary Board remuneration and share-related or share price-related remuneration (the "long-term incentive plans").

The guidelines' promotion of Kinnevik's business strategy, long-term interests and sustainability

In short, Kinnevik's business strategy is to be the leading growth investor by:

- backing challenger businesses that use technology to address material everyday consumer needs;
- being a bold and long-term business builder, partnering with talented entrepreneurs;
- focusing on Fashion & Food e-Commerce, Online Marketplaces, Financial Services, Healthcare and TMT, and large sectors in the process of significant technological disruption;
- investing in Europe, with a focus on the Nordics, the US, and selectively in other markets; and
- leveraging our experience and expertise to build leading, long-term sustainable businesses.

For more information regarding Kinnevik's business strategy, please see Kinnevik's website at www.kinnevik.com under the heading "Strategy" (which can be found under the section "About us").

A prerequisite for the successful implementation of Kinnevik's business strategy and safeguarding of its long-term interests, including its sustainability, is that Kinnevik is able to attract, motivate and retain the best talent in Sweden and globally. To achieve this, it is necessary that Kinnevik offers competitive remuneration to create incentives for the Senior Executives to

execute strategic plans, deliver excellent operating results and to align their incentives with the interests of Kinnevik's shareholders. These guidelines enable Kinnevik to offer the Senior Executives a competitive total remuneration. In addition, these guidelines, together with Kinnevik's long-term incentive plans, promote Kinnevik's business strategy, long-term interests and sustainability by establishing that variable compensation shall be based on Kinnevik's overarching financial target to deliver targeted shareholder return, and other corporate performance targets, including in particular the value of the growth portfolio and achieving Kinnevik's diversity targets. Furthermore, in order to ensure that the performance on which compensation is based proves to be sustainable over time, Kinnevik shall have the authority, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim remuneration, other than fixed cash salary, pension and other customary benefits, paid on incorrect grounds or information that was manifestly misstated, or in the event of material breaches of Kinnevik's Code of Conduct ("claw-back").

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other customary benefits. Additionally, the General Meeting may resolve on, among other things, long term share incentive plans.

The fixed cash salary is reviewed each year and is based on the Senior Executive's competence, area of responsibility and market benchmarks.

The variable cash remuneration can amount to a maximum of 100 percent of the Senior Executive's fixed annual cash salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining Senior Executives, or as remuneration for exceptional performance beyond the individual's ordinary tasks. Such an additional remuneration may not exceed an amount corresponding to 100 percent of the Senior Executive's otherwise existing fixed annual cash salary.

Long-term incentive plans are resolved upon by the General Meeting - irrespective of these guidelines. The long-term incentive plans shall be structured to ensure a long-term commitment to the development of Kinnevik and with the intention that the Senior Executives shall have a significant long-term shareholding in Kinnevik. The outcome shall be linked to certain pre-determined performance criteria, based on Kinnevik's share price and value growth. For more information regarding the long-term incentive plans that are ongoing, or that have ended during the current year, please see Kinnevik's website at www.kinnevik.com under the heading "Remuneration" (which can be found under the section "Governance").

For the Senior Executives, pension benefits shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 percent of the Senior Executive's fixed annual cash salary.

Other customary benefits may include, for example, life insurance, medical insurance (Sw. sjukvårdsförsäkring) and company car. Such benefits may amount to not more than 10 percent of the Senior Executive's fixed annual cash salary.

Termination of employment

Upon termination of employment by Kinnevik, the notice period may not exceed 12 months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for 18 months for the Chief Executive Officer and 12 months for other Senior Executives. When termination is made by the Senior Executive, the notice period may not exceed 12 months for the Chief Executive Officer and six months for other Senior Executives, without any right to severance pay.

Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable financial and non-financial criteria, measured over a period of one year. The criteria include fulfillment of individual and corporate objectives which are linked to specific performance and potential processes and transactions. The variable cash remuneration shall be based on (i) the outcome of corporate performance targets linked to e.g. that Kinnevik delivers targeted shareholder returns, grows the growth portfolio and reaches and exceeds its investee diversity targets, and (ii) the Senior Executives individual targets. In order to increase alignment with the interests of Kinnevik's shareholders, payment of part of the variable cash remuneration is conditional upon a portion of it being invested in Kinnevik shares, until the Senior Executive has a shareholding in Kinnevik corresponding to his or her fixed annual cash salary, net after taxes.

The extent to which the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The People & Remuneration Committee is responsible for the evaluation. As regards financial criteria, the evaluation shall be based on the latest financial information made public by Kinnevik. The People & Remuneration Committee will use the discretion afforded them by shareholders to ensure that rewards properly reflect the business performance of Kinnevik, and will take into account any relevant environmental, social, and governance (ESG) matters when determining outcomes.

Salary and employment conditions for employees

In preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for Kinnevik's employees have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, as the basis for the People & Remuneration Committee's and the Board's decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to Senior Executives and remuneration to other employees will be disclosed in the remuneration report.

Remuneration to Board members

Board members in the parent company, elected at General Meetings, may in certain cases receive compensation for services performed within their respective areas of expertise, outside of their Board duties in the parent company. Compensation for such services shall be paid on market terms and be approved by the Board.

The decision-making process to determine, review and implement the guidelines

The Board has established a People & Remuneration Committee. The People & Remuneration Committee's tasks include preparing the Board's resolutions in remuneration-related matters, and preparing the Board's proposal for remuneration guidelines for Senior Executives. The People & Remuneration Committee's tasks also include assisting in other issues involving the composition, size and balance of the Senior Executive team, talent management, any termination, settlement, or compromise package or similar. The People & Remuneration Committee also monitors and evaluates the programs for variable remuneration (including share-related or share price-related remuneration) for the Senior Executives, the application of these guidelines as well as the current remuneration structures and compensation levels within Kinnevik.

Remuneration under employment subject to rules other than Swedish rules may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

The members of the People & Remuneration Committee are independent of the company and the executive management. Senior Executives do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting.

Derogation from the guidelines

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve Kinnevik's long-term interests, including its sustainability, or to ensure Kinnevik's financial viability.

For further information regarding the guidelines and remuneration for the Senior Executives paid out during 2019, please refer to Kinnevik's 2019 Annual Report, Note 16 for the Group.

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.

Amended shareholder remuneration policy

Kinnevik has resolved to amend its shareholder remuneration policy. Kinnevik's prior objective was to pay an annual dividend growing in line with dividends received from its investee companies and the cash flow generated from its investment activities. Going forward, Kinnevik will generate shareholder returns primarily through capital appreciation, and will seek to return excess capital generated by its investments to shareholders through extra dividends.

Outcome in 2019

Area	Target	Outcome 2019
Return	Annual TSR of 12-15% over the business cycle ¹⁾	+40% (1 year) +9% (5 years) +16% (10 years)
Leverage	Low leverage	1%

¹⁾ TSR is calculated on the assumption that shareholders have reinvested all cash dividends and dividends in kind into the Kinnevik share.

SUSTAINABILITY REPORT

A sustainability report that describes Kinnevik's work with sustainable value creation is provided on pages 4-33 and also on the company's website at www.kinnevik.com.

ORGANISATION

During 2019, Investment Director Lars-Åke Norling left Kinnevik and the CFO Joakim Andersson left at 31 December 2019. Erika Söderberg-Johnson has been appointed new CFO and will assume her position at the latest on 6 April 2020. Anna Stenberg will join Kinnevik in 2020 as Chief People and Platform Officer, a new role in the Kinnevik management team.

EVENTS AFTER THE REPORTING PERIOD

Kinnevik has, in February 2020, taken part of a summons application submitted by AB Custos concerning the sale of Metro Nordic Sweden AB (subsequently renamed Metro Media House AB, in bankruptcy). The summons concerns a claim of SEK 125m plus interest, a total of SEK 155m at the date of the summons application. Kinnevik is of the view that the claim is unfounded and has made no provision in the accounts.

During 2020, the spread of the coronavirus (COVID-19) has had material effects on the capital markets and economic environment that Kinnevik and its investee companies operate in. The most important effects on Kinnevik's financial position and ability to operate as an investment company generating long-term shareholder returns through growth capital investments are assessed to be the following:

- Firstly, Kinnevik may have to commit more capital than planned to finance its existing investee companies, as some of Kinnevik's investee companies are adversely impacted by the spread of the coronavirus, having direct implications on Kinnevik's portfolio composition and potentially its net indebtedness.
- Secondly, the valuations of Kinnevik's unlisted financial assets have in some cases been adversely affected due to the correction that has been observed in public equity markets (including in the share price development of Kinnevik and its publicly listed investee companies).

To mitigate these effects and to safeguard long-term shareholder value creation, Kinnevik is in a continuous dialogue with founders, management, co-investors and other key stakeholders of its investee companies to provide support and guidance, and to regularly reassess each investee company's potential need for additional capital.

Kinnevik has a strong financial position, a solid capital allocation framework and budgeting process, and capable partners, board directors and management teams in its investee companies. While Kinnevik's net asset value is negatively affected by the repercussions of the spread of the coronavirus, Kinnevik is well-equipped to navigate in a tougher market environment without compromising its financial targets over the long-term. As per the release of this Annual Report, Kinnevik's assessment is that the spread of the coronavirus and its ramifications on capital markets have had a material negative impact on the value of its unlisted financial assets, in a magnitude generally on par with what has been observed in the trading of publicly listed companies comparable to those of Kinnevik's unlisted investee companies.

FUTURE DEVELOPMENT

The Group's future development depends mainly on the performance of our investee companies together with future investments. In addition, trends in the financial markets can have a significant impact on the Group's reported earnings and position.

For the financial year 2019, the Board of Directors of Tele2 has recommended a total dividend of SEK 9 per share which corresponds to an aggregate expected dividend to Kinnevik amounting to SEK 1.7bn.

In line with Kinnevik's amended shareholder remuneration policy, Kinnevik's Board of Directors has not proposed a dividend for the fiscal year 2019.

PROPOSED TREATMENT OF UNAPPROPRIATED EARNINGS

The following amounts in SEK are at the disposal of the Parent Company's Annual General Meeting:

Retained earnings	47 629 527 700
Share premium	1 615 929 594
Total	49 245 457 294

The Board and the CEO propose that the unappropriated earnings and share premium at the disposal of the Annual General Meeting be disposed of as follows:

Share premium carried forward	1 615 929 594
Retained earnings carried forward	47 629 527 700
Total	49 245 457 294

CORPORATE GOVERNANCE REPORT

Corporate Governance in the Kinnevik Group is based on Swedish legislation and generally accepted sound practice on the securities market. Kinnevik applies the Swedish Corporate Governance Code (the "Code")¹⁾.

During 2019, Kinnevik, in line with previous years, deviated from the Code rules stipulating that a member of the Board of Directors may not chair the Nomination Committee. This deviation from the Code is explained in more detail in the Nomination Committee section below.

ANNUAL GENERAL MEETING

The Swedish Companies Act (2005:551) (the "Swedish Companies Act") and the Articles of Association determine how the notice to the Annual General Meeting and extraordinary general meetings shall occur, and who has the right to participate in and vote at such meetings. There are no restrictions on the number of votes each shareholder may cast at the general meeting. Class A shares entitle to ten votes, whereas other shares entitle to one vote. Distance participation and voting at the general meeting is not possible.

Information on major shareholders in the Company is provided on page 36 and on our webpage www.kinnevik.com, and authorizations approved by the Annual General Meeting for the Board to resolve on repurchase of own shares is provided in Note 10 for the Parent Company, Shareholders' Equity.

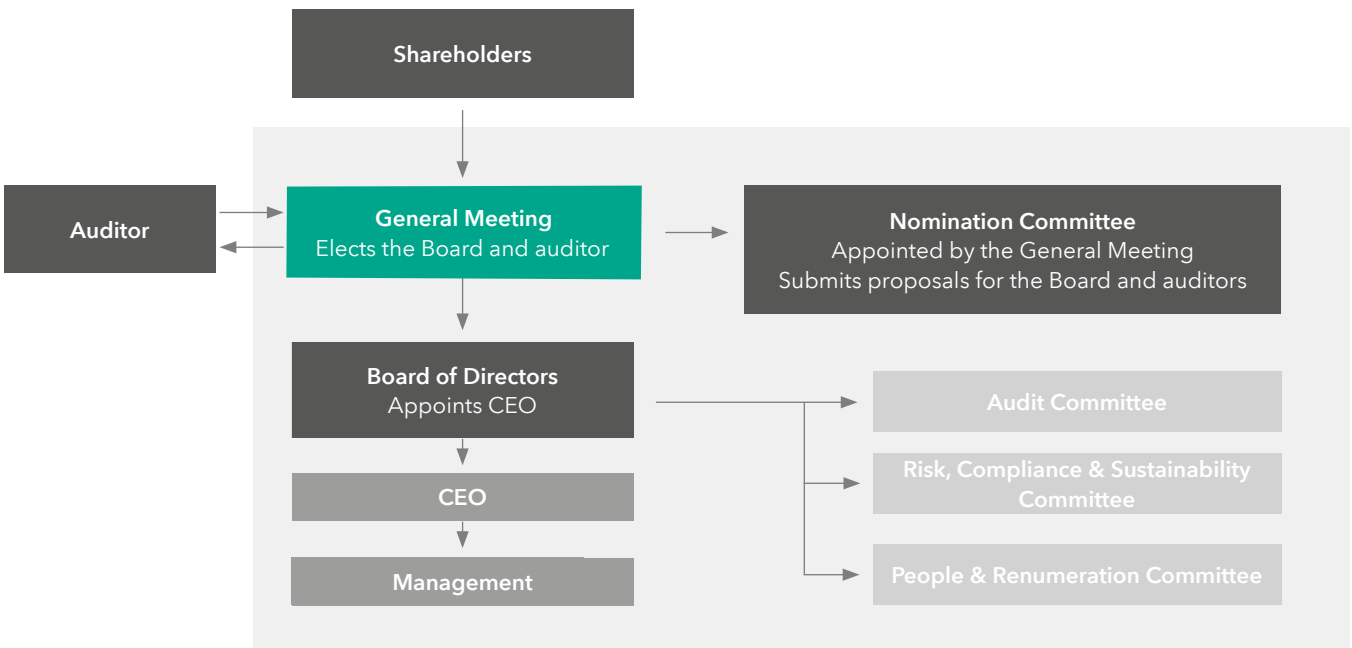
NOMINATION COMMITTEE

At the 2019 Annual General Meeting, it was resolved that a Nomination Committee would be formed in consultation with the largest shareholders of the company as of the last business day

of the month the Annual General Meeting was held, consisting of at least three members appointed by the largest shareholders of the company who have wished to appoint a member. It was further resolved that a representative of the largest shareholder of the company would act as the Nomination Committee's convenor.

In accordance with the resolution of the 2019 Annual General Meeting, Cristina Stenbeck, representing Verdere S.à r.l. and CMS Sapere Aude Trust, convened a Nomination Committee consisting of members appointed by the largest shareholders in Kinnevik in terms of voting interest. The Nomination Committee is comprised of Cristina Stenbeck appointed by Verdere S.à r.l. and CMS Sapere Aude Trust, Hugo Stenbeck appointed by Alces Maximus LLC (previously AMS Sapere Aude Trust), James Anderson appointed by Baillie Gifford, Ramsay Brufer appointed by Alecta, and Marie Klingspor. The Nomination Committee's task is to prepare and submit proposals for the Board of Directors and auditors, in the event auditors shall be elected, and fees to the Board of Directors and auditors, a proposal for the Chairman of the Annual General Meeting as well as any changes to the procedure for the Nomination Committee ahead of the 2020 Annual General Meeting. Cristina Stenbeck was appointed Chairman of the Nomination Committee.

Cristina Stenbeck was up until the 2019 Annual General Meeting a member of the Board of Directors of Kinnevik and the Chairman of the Nomination Committee. This deviates from what the Code prescribes. The other members of the Nomination Committee declared their decision as being in the Company's and its shareholders' best interest and a natural consequence of Cristina Stenbeck leading the Nomination Committee's work in recent years, as well as her connection to the Company's



¹⁾ The Code is available on <http://www.bolagsstyrning.se>.

largest shareholders.

In its work, the Nomination Committee applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. Accordingly, the Committee gives particular consideration to the importance of a diverse set of Board members, including their gender, age and nationality, as well as their experiences, professional backgrounds and business disciplines. The Committee believes the composition of the Board is fit-for-purpose in respect of the various dimensions of diversity, enjoying a compounding mix of skill-sets and experiences matching Kinnevik's key priorities. The Committee is committed to continue its efforts to compose the most competent Board, able to promote the debate around Kinnevik's key objectives. 50% of the Board members elected by the 2019 Annual General Meeting are women. Further information may be found in the Nomination Committee's motivated statement regarding its proposals to the 2019 Annual General Meeting.

AUDITORS

According to the Articles of Association, the Company shall have not more than three auditors, with not more than three deputies, or a registered audit firm. At the 2017 Annual General Meeting, the registered audit firm Deloitte AB was re-elected Company auditor for a period of four years until the 2021 Annual General Meeting, with authorized public accountant Jan Berntsson as auditor-in-charge. Jan Berntsson, born 1964, is also the auditor-in-charge in inter alia Boliden AB and AB Electrolux. The auditor's independence is ensured by legislation and professional ethics and the audit firm's internal guidelines, as well as by adhering to the Audit Committee's guidelines governing the type of assignments that the audit firm may conduct in addition to the audit. Information regarding audit fees is provided in the Annual Report's Note 12 for the Group and Note 5 for the Parent Company, Auditors' Fees.

BOARD AND COMMITTEE COMPOSITION

Board Director	Position	Audit Committee	People & Remuneration Committee	Risk, Compliance & Sustainability Committee
Dame Amelia Fawcett	Chairman	-	Member	Chairman
Henrik Poulsen	Deputy Chairman	Member	-	-
Susanna Campbell (from May 2019)	Member	Member (from May 2019)	Chairman (from May 2019)	-
Wilhelm Klingspor	Member	Member (from May 2019)	-	Member (until May 2019)
Brian McBride (from May 2019)	Member	-	-	Member (from May 2019)
Erik Mitteregger (until May 2019)	Member	Member (until May 2019)	Member (until May 2019)	-
Cristina Stenbeck (until May 2019)	Member	-	-	Member (until May 2019)
Charlotte Strömberg	Member	Chairman	Member	Member
Mario Queiroz (until May 2019)	Member	-	-	-

BOARD AND COMMITTEE MEETING ATTENDANCE

Board Director	Board	Audit Committee	People & Remuneration Committee	Risk, Compliance & Sustainability Committee
Dame Amelia Fawcett	10/10	-	5/5	4/4
Henrik Poulsen	10/10	11/12	-	-
Susanna Campbell (from May 2019)	8/8	7/7	3/3	-
Wilhelm Klingspor	10/10	7/7	-	1/1
Brian McBride (from May 2019)	8/8	-	-	3/3
Erik Mitteregger (until May 2019)	2/2	4/5	2/2	-
Cristina Stenbeck (until May 2019)	2/2	-	-	1/1
Charlotte Strömberg	10/10	12/12	5/5	4/4
Mario Queiroz (until May 2019)	1/2	-	-	-

BOARD OF DIRECTORS AND SENIOR EXECUTIVES

Board members are elected at the Annual General Meeting for a period ending at the close of the next Annual General Meeting. The Articles of Association contains no restrictions pertaining to the eligibility of Board members. According to the Articles of Association, the number of Board members can be no less than three and no more than twelve members elected by shareholders.

At the 2019 Annual General Meeting, following a proposal by the Nomination Committee, Dame Amelia Fawcett, Henrik Poulsen, Wilhelm Klingspor, and Charlotte Strömberg were re-elected members of the Board and Susanna Campbell and Brian McBride were elected as new members of the Board. The Annual General Meeting further elected Dame Amelia Fawcett as Chairman of the Board. At its constituent meeting, the Board appointed Henrik Poulsen as Deputy Chairman of the Board.

The independence of Board members in relation to the Company and its management, and to the major shareholders of the Company, is specified on pages 41-43. None of the Board members are employed within the Group. Per end of 2019, Senior Executives in Kinnevik included Chief Executive Officer Georgi Ganev, Chief Financial Officer Joakim Andersson, Director of Corporate Communications Torun Litzén, Senior Investment Director Chris Bischoff, Investment Director Andreas Bernström

and General Counsel Mattias Andersson. On 17 June 2019, Kinnevik announced that Joakim Andersson would leave his role as Chief Financial Officer of Kinnevik, with effect from 31 December 2019. Further, on 1 October 2019, Kinnevik announced that Erika Söderberg Johnson had been appointed Chief Financial Officer, she will take up her position at the latest on 6 April 2019. For information about Senior Executives, please see www.kinnevik.com and Note 16 for the Group, Personnel.

BOARD WORK

Kinnevik's Board of Directors is responsible for the overall strategy of the Group and for organizing its administration in accordance with the Swedish Companies Act. The Board's work and delegation procedures, instructions for the Chief Executive Officer, and reporting instructions are updated and approved at least annually following the Annual General Meeting.

Significant issues addressed by Kinnevik's Board during 2019 include the distribution of Kinnevik's shares in Millicom to its shareholders, the new shareholder remuneration policy, the sell-down of a 5 percent stake in Zalando, the overall strategy and financial performance of Kinnevik and its private investment strategy. As the basis for discussions concerning the listed portfolio companies, Kinnevik's management presented inde-

BOARD OF DIRECTORS

Dame Amelia Fawcett

Chairman

Born: 1956

Nationality: US and UK citizen.

Independence: Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: 15,000 class B shares.

Committee work: Chairman of the Risk, Compliance & Sustainability Committee, member of the People & Remuneration Committee.

Dame Amelia has been a Director of the Board of Kinnevik since 2011, she was appointed Deputy Chairman in 2013 and Chairman of the Board in 2018. She is also the Independent Lead Director of State Street Corporation in Boston, USA. Dame Amelia is Chair of the Board of Trustees of the Royal Botanic Gardens Kew, a Governor of the Wellcome Trust, and a Trustee of Project Hope UK. She held managerial positions within Morgan Stanley during 1987-2006 and was Vice Chairman and Chief Operating Officer of its European operations during 2002-2006. She was a Board Director of the Guardian Media Group during 2007-2013, and Chairman during 2009-2013. In 2010 she was awarded a DBE (Dame Commander of the British Empire) by HM Queen Elizabeth II for services to the financial services industry. She has a Law Degree from University of Virginia, USA, and a BA in History from the Wellesley College in Massachusetts, USA.

Henrik Poulsen

Deputy Chairman

Born: 1967

Nationality: Danish citizen.

Independence: Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: 15,000 class B shares.

Committee work: Member of the Audit Committee.

Henrik Poulsen was elected a Director and appointed Deputy Chairman of the Board of Kinnevik in 2017. He is a Director of ISS A/S and the Chief Executive Officer of Ørsted. Prior to joining Ørsted in 2012, Henrik was the Chief Executive Officer of Danish telecommunications company TDC between 2008 and 2012, and also spent two years at KKR & Co after seven years at LEGO. Henrik graduated with BSc and MSc degrees in International Business and Finance & Accounting from Aarhus School of Business.

pendent analyses of each company's strategy, operations and future opportunities within the markets in which they are active. Furthermore, Chief Executive Officers of certain listed portfolio companies held customary investor presentations and discussions with the Kinnevik Board.

Compliance with laws and regulations, responsibility and market confidence in Kinnevik are some of the key issues which the Board actively focuses on. Kinnevik's Code of Conduct and Corporate Responsibility Policy adopted by the Board describes Kinnevik's policy on issues pertaining to social responsibility, environmental considerations and ethics.

As in previous years, a People & Remuneration Committee, an Audit Committee and a Risk, Compliance & Sustainability Committee have been established within the Board. These committees are preparatory bodies of the Board and do not reduce the Board's overall responsibility for the governance of the Company and decisions taken. The General Counsel and Company Secretary, Mattias Andersson, is responsible for ensuring that rules of procedure are complied with, and all Board members can turn

to the Secretary for advice and assistance in their Board work.

During 2019, Kinnevik's Board of Directors held ten meetings (including the constituent meeting), of which three were extra meetings held via telephone.

EVALUATION OF THE WORK OF THE BOARD OF DIRECTORS

The Board complies with an annual performance review process to assess how well the Board, its committees and processes are functioning and how they might be improved. Every three years a more extensive Board evaluation is undertaken either by an independent Board member or an external consultant.

The evaluation of the Board's work during 2019 was conducted internally by the Chairman of the Board by way of a questionnaire, covering areas such as the Board's performance against its key duties, the Board's composition and processes, as well as the performance of individual Board members. The results of the evaluation were presented to the Nomination Committee by the Chairman of the Board, and were also reported in full to the Nomination Committee in writing.

BOARD OF DIRECTORS

Susanna Campbell

Board director

Born: 1973

Nationality: Swedish citizen.

Independence: Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: 1,700 class B shares.

Committee work: Member of the Audit Committee, Chairman of the People & Remuneration Committee.

Susanna Campbell was elected a Director of the Board of Kinnevik in 2019. She currently serves as Chairman of Röhnisch Sportswear, Ljung & Sjöberg, and Babyshop Group. She is also a Board member of Indutrade, Northvolt and Nalka Invest, as well as Senior Advisor of Norrskan VC. Between 2012-2016, she was the Chief Executive Officer of Swedish investment firm Ratos, having joined the company in 2003 from McKinsey & Co. Susanna holds an MSc from Stockholm School of Economics.

Wilhelm Klingspor

Board director

Born: 1962

Nationality: Swedish citizen.

Independence: Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: 1,148,242 class A shares and 679,532 class B shares.

Committee work: Member of the Audit Committee.

Wilhelm Klingspor has been a Director of the Board of Kinnevik since 2004 and was Director of Industriförvaltnings AB Kinnevik 1999-2004. He also served as Director of the Board of BillerudKorsnäs 2012- 2014 (Director of Korsnäs 2003-2012). Wilhelm is CEO of Hellekis Säteri. He graduated as a Forest Engineer from the Swedish University of Agricultural Sciences in Skinnskatteberg.

Brian McBride

Board director

Born: 1955

Nationality: UK citizen.

Independence: Independent of major shareholders.

Direct or related person ownership: -
Committee work: Member of the Risk, Compliance & Sustainability Committee.

Brian McBride was elected a Director of the Board of Kinnevik in 2019. He is the former Chairman of ASOS, the global online fashion and beauty retailer. He is currently non-executive Chair at Trainline, a leading independent rail and coach travel platform and a non-executive director of Wiggle, a private-equity owned online cycling and apparel business. With effect from 1 May 2020, he has also been appointed non-executive director of Standard Life Aberdeen. Brian also sits on the UK government's Government Digital Service Advisory Board, supporting the delivery of digital quality public services, is a senior adviser at Lazard, and a member of the Advisory Board of Scottish Equity Partners. Prior to assuming Chairmanship of ASOS, Brian was the Managing Director of Amazon UK, and prior to that the Managing Director of T-Mobile UK.

PEOPLE & REMUNERATION COMMITTEE

The People & Remuneration Committee's assignments are stipulated in Chapter 9.1 of the Code, and comprise issues concerning salaries, pension terms and conditions, incentive programs and other conditions of employment for the senior executives. The guidelines applied in 2019 are presented in Note 16 for the Group, Personnel. The People & Remuneration Committee shall strive to meet not less than twice a year, and more frequently as required. Minutes are kept at the People & Remuneration Committee's meetings and are reported to the Board at its next meeting.

AUDIT COMMITTEE

The Audit Committee's assignments are stipulated in Chapter 8, Section 49b of the Swedish Companies Act. These tasks include monitoring the Company's financial reporting and the efficiency of the Company's internal controls, as well as maintaining frequent contacts with the external auditors. The Audit Committee's work

primarily focuses on the quality and accuracy of the Group's financial accounting and the accompanying reporting, as well as the internal financial controls within the Group. Furthermore, the Audit Committee evaluates the auditors' work, qualifications and independence. The Audit Committee monitors the development of relevant accounting policies and requirements, discusses other significant issues connected with the Company's financial reporting and reports its observations to the Board. The Audit Committee shall meet not less than four times annually. Minutes are kept at the Audit Committee's meetings and are reported to the Board at its next meeting.

RISK, COMPLIANCE & SUSTAINABILITY COMMITTEE

The Risk, Compliance & Sustainability Committee is appointed by the Board of Directors to assist the Board in monitoring the governance structures of Kinnevik's investee companies, Kinnevik's risk management process and compliance with laws, regulations and codes of conduct and sustainability. The Risk, Compliance & Sustainability Committee shall meet not less than

BOARD OF DIRECTORS & CEO

Charlotte Strömberg

Board director

Born: 1959

Nationality: Swedish citizen.

Independence: Independent of the Company and management and independent of major shareholders.

Direct or related person ownership: 4,000 class B shares.

Committee work: Chairman of the Audit Committee, member of the People & Remuneration Committee, member of the Risk, Compliance & Sustainability Committee.

Charlotte Strömberg was elected a Director of the Board of Kinnevik in 2018. She currently serves as Chairman of Castellum and as a Board Director of Clas Ohlson and Sofina. Charlotte is a member of the Swedish Securities Council, and a co-founder of DHS Venture Partners, a venture capital fund backed by Stockholm School of Economics alumni. During 2006-2011, she served as Chief Executive Officer of the Nordic operations of Jones Lang LaSalle. Prior to joining Jones Lang LaSalle, Charlotte was Head of Equity Capital Markets, and later Head of Investment Banking, at Carnegie Investment Bank. She holds an MBA from the Stockholm School of Economics.

Georgi Ganev

CEO

Born: 1976

Nationality: Swedish citizen.

Direct or related person ownership: 85,000 class B shares and 200,000 call options on class B shares, issued by Verdere S.à r.l.

Committee work: -

Georgi Ganev has been CEO of Kinnevik since 2018. He is Board member of Tele2, Global Fashion Group, Babylon Health and Reach for Change. Georgi was CEO of Dustin 2012-2017. Prior to Dustin, Georgi was CMO at Telenor Sweden AB between 2010-2012, CEO of Bredbandsbolaget AB 2007-2010 and Sales & Marketing Director and Product Manager at Tele2 2002-2007. Georgi holds a MSc in Engineering in Information Technology from Uppsala University.

four times annually. Minutes are kept at the Risk, Compliance & Sustainability Committee's meetings and are reported to the Board at its next meeting.

THE BOARD'S DESCRIPTION OF INTERNAL CONTROL PERTAINING TO THE FINANCIAL REPORTING FOR THE 2019 FINANCIAL YEAR

The Board is responsible for internal control in accordance with the Swedish Companies Act and the Code. This description has been prepared in accordance with the Code's Rule 7.3 and 7.4, and Chapter 6, Section 6 and Chapter 7, Section 31 of the Annual Accounts Act (1995:1554), and is thus restricted to the internal control pertaining to the financial reporting.

CONTROL ENVIRONMENT

The purpose of the Board of Directors' rules of procedure and instructions for the Chief Executive Officer and Board Committees is to ensure a distinct division of roles and responsibility that promotes the efficient management of operational and financial risks. The Board has also adopted a number of fundamental guidelines of significance to activities involving internal controls, which are described in Kinnevik's Policy and Procedure Manual and include instructions governing the financial reporting of results, authorization procedures, purchasing policies, investment policies, accounting principles, financial risk management and internal audits. The Company's management reports regularly to the Board in accordance with established procedures. In addition, the Audit Committee and the Risk, Compliance & Sustainability Committee report on its respective work. The Company's management is responsible for the system of internal controls required for managing risks associated with ongoing operations. This includes guidelines for the employees to ensure that they understand the importance of their particular roles in efforts to maintain efficient internal control. The Company's operational and financial risks are reported each quarter to the Board, including an analysis of their consequences and financial impact in the event of them materializing, and how and who exercises ongoing control over each risk and how these can be mitigated in part or in full.

RISK ASSESSMENT AND CONTROL ACTIVITIES

Kinnevik has implemented a model for assessing the risk of errors in accounting and the financial reporting based on COSO's framework for internal control. The most significant items and processes in which the risk of significant errors can typically arise encompass financial assets and instruments in the income statement and balance sheet, and the investment process. Kinnevik has established documented work routines and continuously evaluates how well the controls function in relation to these items and processes.

INTERNAL AUDITS & THIRD PARTY REVIEWS

The Board of Directors evaluate the need for a separate internal audit function on a yearly basis. Kinnevik does not currently have a separate internal audit function, taking into account the size

of the company's operations. Instead Kinnevik, on instructions from the Audit Committee, engages internal auditors to follow up and evaluate work relating to inter alia risk management and internal control. The internal auditors report the results of their examination in the form of written reports to the Audit Committee. During 2019, Kinnevik procured a third party review of Kinnevik's valuations of unlisted holdings as at 31 March 2019, without remarks.

INFORMATION AND COMMUNICATION

Kinnevik's Policy and Procedure Manual and other guidelines of importance to financial reporting are updated at least once annually. Both formal and informal information channels to the Company's management and Board of Directors are available for internal communication. For external communication, guidelines have been compiled in an Information Policy ensuring the Company complies with the meticulous demands for timely and accurate information to market participants and other various constituencies, such as shareholders, Board members, employees and customers.

FOLLOW-UP

The Board of Directors continuously evaluates the information provided by management, the Audit Committee and the Risk, Compliance & Sustainability Committee. The work to monitor the efficiency of management's efforts in this area is of particular importance to the follow-up of internal controls. This work includes ensuring that action is taken concerning those shortcomings and proposed measures that result from external and internal audits.

GROUP FINANCIAL STATEMENTS

Consolidated Income Statement

For the period 1 January-31 December (SEK m)	Note	2019	2018
Change in fair value of financial assets	3	18 972	-15 184
Dividends received	3	2 907	1 887
Administration costs	16	-391	-339
Other operating income		50	32
Other operating expenses		-4	-5
Operating profit/loss		21 534	-13 609
Interest income and other financial income	4	97	18
Interest expenses and other financial expenses	4	-58	-64
Profit/loss after financial net		21 573	-13 655
Tax	7	-1	-1
Net profit/loss for the year		21 572	-13 656
Net profit/loss per share before dilution, SEK	5	78.11	-49.58
Net profit/loss per share after dilution, SEK	5	78.02	-49.58
Total comprehensive income for the year		21 572	-13 656
Outstanding shares at the end of the year		276 604 474	275 717 450
Average number of shares before dilution		276 160 962	275 416 805
Average number of shares after dilution		276 483 775	275 818 034

Consolidated Statement of Cash Flow

For the period 1 January-31 December (SEK m)	Note	2019	2018
Dividends received	3	2 907	1 887
Cash flow from operation		-222	-260
Cash flow from operation before interest net and income taxes		2 685	1 627
Interests, received		0	0
Interests, paid		-49	-48
Cash flow from operations		2 636	1 579
Investments in shares and other securities	6	-4 586	-2 710
Sale of shares and other securities	6	6 162	1 589
Cash flow from investing activities		1 576	-1 121
Amortization		-500	0
Borrowing		1 960	500
Redemption program and dividend paid to equity holders of the Parent Company		-2 271	-2 270
Cash flow from financing activities		-811	-1 770
Cash flow for the year		3 401	-1 312
Short term investments and cash, opening balance		486	1 798
Short term investments and cash, closing balance		3 887	486

Consolidated Balance Sheet

31 December (SEK m)	Note	2019	2018
ASSETS			
Fixed assets			
Financial assets held at fair value through profit or loss	2,3	74 230	73 430
Tangible fixed assets		51	54
Right of use asset		11	-
Other fixed assets		27	24
Total fixed assets		74 319	73 508
Current assets			
Other current assets		70	54
Short-term investments	8	3 664	149
Cash and cash equivalents	8	223	337
Total current assets		3 957	540
TOTAL ASSETS		78 276	74 048
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	9	28	28
Other contributed capital		8 840	8 840
Retained earnings including net profit/loss for the year		64 427	61 635
Total shareholders' equity		73 295	70 503
Long-term liabilities			
Interest-bearing loans	10	1 391	2 842
Provisions for pensions		23	29
Other liabilities	11	22	10
Total long-term liabilities		1 436	2 881
Short-term liabilities			
Interest-bearing loans	10	3 410	500
Other liabilities	11	135	164
Total short-term liabilities		3 545	664
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		78 276	74 048

Consolidated Statement of Changes in Equity

	Share capital	Other contributed capital	Retained earnings including net result for the year	Total shareholders' equity
Opening balance 1 January 2018	27	8 840	81 766	90 633
Loss for the year			-13 656	-13 656
Total comprehensive income for the year		-	-13 656	-13 656
Transactions with shareholders				
New issue	1		-	1
Effect of employee share saving programme			22	22
Cash dividend ¹⁾			-2 270	-2 270
Dividend in kind ²⁾			-4 227	-4 227
Closing balance 31 December 2018	28	8 840	61 635	70 503
Profit for the year			21 572	21 572
Total comprehensive income for the year			21 572	21 572
Transactions with shareholders				
Effect of employee share saving programme			39	39
Cash dividend ³⁾			-2 271	-2 271
Dividend in kind ⁴⁾			-16 548	-16 548
Closing balance 31 December 2019	28	8 840	64 427	73 295

¹⁾ The AGM 2018, resolved in favor of paying an ordinary cash dividend of SEK 8.25 per share

²⁾ An EGM held in July 2018 resolved to distribute all of Kinnevik's shares in MTG to the shareholders of Kinnevik. The distribution corresponded to SEK 15.36 per share.

³⁾ The AGM 2019, resolved in favor of paying an ordinary cash dividend of SEK 8.25 per share.

⁴⁾ An EGM held in November 2019 resolved to distribute all of Kinnevik's shares in Millicom to the shareholders of Kinnevik. The distribution corresponded to SEK 60.09 per share.

NOTES FOR THE GROUP

Note 1 Summary of significant accounting policies

STATEMENT OF COMPLIANCE

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS). Since the Parent Company is a company that is active in the EU, only EU-approved IFRS are applied. The consolidated accounts have also been prepared in accordance with Swedish law, with application of the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting regulations for Groups. The Parent Company's annual accounts have been prepared in accordance with Swedish law, and with application of the Swedish Financial Reporting Board's recommendation RFR 2 Reporting for legal entities. This means that the IFRS valuation and disclosure rules are applied with the deviations reported in the Parent Company's accounting principles.

To provide a better representation of Kinnevik's financial position and performance Kinnevik applies Investment Entity accounting according to IFRS 10. This means that the operating subsidiaries are valued at fair value through profit and loss instead of being consolidated from.

CHANGE OF ACCOUNTING PRINCIPLES FOR THE KINNEVIK GROUP

From 1 January 2019 the Group applies IFRS 16 Leases. The standard provides a single lease accounting model for lessees, which imply that mainly all leases shall be included in the statement of financial position. The right-of-use asset (the lease asset) and the liability are measured to the present value of the future lease payments payable. The right-of-use asset also includes any initial direct costs incurred in obtaining the lease contract. In the income statement depreciations of the right-of-use asset and interest expenses are recognised.

Kinnevik's leases consist mainly of a rental contract for the company's office in UK. The group has chosen to apply modified retrospective method for the transition to IFRS 16. According to this method Kinnevik did not restate comparative information. The initial adoption of IFRS 16 is instead recognised as an adjustment to the opening balance of retained earnings as of January 1, 2019. This adjustment amounted to SEK 0m. The Group adopts the exemptions for short-term lease contracts (12 months or less) and lease contracts where underlying asset amounts to low value. Those will be recognised in the operating result in the same way as current operating lease contracts.

The non-cancellable lease contracts for the Group at 1 January 2019 amounted to SEK 15m, whereof SEK 0m are short-term lease contracts or lease contracts where the underlying asset is of lower value. The discount rate amounts to 1.8 percent. Per 1 January 2019, the lease liability was SEK 15m. The transition to IFRS 16 had an effect on material fixed assets and interest-bearing loans of SEK 15m per 1 January 2019.

CLASSIFICATION AS INVESTMENT ENTITY

Kinnevik believes that the Company meets the criteria to qualify as an Investment Entity and the following key considerations were observed in conjunction with the assessment:

- Kinnevik raises capital from its shareholders in order to invest in companies. Kinnevik then support the development of its investee companies in order to generate returns in the form of both dividend yield and value appreciation on the investment. Investments are made both in listed and unlisted companies.

- Kinnevik continually monitors and evaluates its investments in portfolio companies on the basis of fair value.
- Kinnevik currently focuses on investments in a number of different sectors. The company does not have an explicit investment time horizon with regards to the divestment of any particular investment; instead, the investment strategy is assessed on an on-going basis and the focus changes over time.

HOLDINGS IN SUBSIDIARIES

A subsidiary is a company which the parent company, directly or indirectly, controls or exercises a controlling influence over. An investor has a controlling influence over the investee company when it is exposed to, or has the right to, dividends or other returns resulting from its interest in the investee company and has the ability to influence those returns through its controlling influence over the investee company.

An Investment Entity shall not consolidate its holdings in subsidiaries or apply IFRS 3 Business Combinations when they reach controlling influence except for subsidiaries performing services connected to the Investment Entity's investment activity. Instead, subsidiaries are valued at fair value through profit and loss in accordance with IFRS 9 Financial instruments.

HOLDINGS IN ASSOCIATED COMPANIES

An associated company is an entity over which the parent company has significant influence, through the ability to participate in decisions concerning the business' financial and operational strategies, but not a controlling influence or joint controlling influence over these strategies. A holding of 20-50% of the voting power (directly or through subsidiaries) indicates significant influence. Kinnevik is an Investment Entity. In accordance with IAS 28 Investments in Associates and Joint Ventures, associated companies are valued at fair value through profit and loss in accordance with IFRS 9 Financial Instruments.

SEGMENT REPORTING

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are reviewed regularly by the entity's chief operating decision maker and for which stand-alone financial information is available. The chief operating decision maker is the function that assesses the performance of the operating segment and makes decisions about resource allocation. Kinnevik considers its chief operating decision maker to be the CEO. In the regular internal reporting to the CEO, results are reported for the investment company as a whole. The CEO does not regularly review the results on a lower level to make decisions about allocation of resources and assess the performance of different parts of the investment company. The investment company is therefore considered one single operating segment.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group as of 31 December each year. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies.

The consolidated financial statements have been prepared on a historical cost basis, except for investments in derivative financial instruments and financial assets valued at fair value through profit or loss. The consolidated statements are presented in Swedish kronor (SEK) and all

values are rounded to the nearest million except when otherwise indicated.

The consolidated financial statements include the Parent Company and subsidiaries that serve in a supporting function to the Parent Company while subsidiaries and associated companies that are investments (investee companies) are not consolidated, but are stated at fair value. Consolidated subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where control of a subsidiary ceases, its results are only included for the part of the reporting year during which the Group had control over the subsidiary.

The consolidated accounts are prepared using the purchase method. The difference between the acquisition value of shares in a subsidiary, excluding the transaction costs which are recognised directly through the income statement, and the fair value of identifiable assets and liabilities of that subsidiary at the time of acquisition is reported as goodwill.

Intercompany transactions, balance sheet items and unrealized gains on transactions between companies are eliminated. Unrealized losses are also eliminated, unless the transaction evidences the need to write down the transferred asset.

FOREIGN CURRENCY TRANSLATION

The functional and presentation currency of the Parent Company and its Swedish subsidiaries is Swedish kronor (SEK). Transactions in foreign currencies are initially recorded in the functional currency exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange at the balance sheet date. Realized and unrealized exchange gains/losses on receivables and liabilities of an operating nature are reported in operating income, while exchange rate differences on financial assets and liabilities in foreign currencies are reported among financial items.

As at the reporting date, the assets and liabilities of subsidiaries that have not the same functional currency as the Group (SEK) are translated at the rate of exchange at the balance sheet date. Their income statements are translated at the average exchange rates for the year. The exchange differences arising on the translation are taken in other comprehensive income and as a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the income statement through Other comprehensive income.

Long-term monetary balances between the Parent Company and subsidiaries may be deemed to represent an extension or a contraction of the Parent Company's net investment in the subsidiary. Foreign currency differences arising on such balances are therefore charged as Other comprehensive income as a translation difference.

TANGIBLE ASSETS

Tangible assets are recognized at cost less deduction of accumulated depreciation and any impairment. Depreciation is calculated on a straight-line schedule based on the acquisition value of the asset and its estimated useful life. The assets residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year-end.

FINANCIAL INSTRUMENTS

Financial assets in Kinnevik's Statement of Financial Position includes Financial assets accounted to fair value through profit or loss, Trade

receivables, Other current assets, and Cash and cash equivalents. On the liability side, it includes Interest-bearing loans, Trade payables and partly Other payables.

A financial asset or financial liability is recognized in the balance sheet when the Company becomes a party to the instrument's contractual terms. Accounts receivable are recognized when the invoice is sent. A liability is recognized when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been sent.

A financial asset is derecognized from the balance sheet when the rights in the contract are realized, expired or the Company loses control over them. The same applies for a portion of a financial asset. A financial liability is derecognized from the balance sheet when the obligation in the contract is met or in some other manner is extinguished. The same applies for a portion of a financial liability.

Acquisition and divestment of financial assets are reported on the transaction date, which is the date on which the Company commits to acquire or divest the assets.

Classification and measurement

Financial instruments are allocated to different categories. A financial instrument is classified upon initial recognition based on the purpose for which it was acquired. The classification determines how the financial instrument is measured after initial recognition.

Financial instruments allocated to Financial assets accounted to fair value through profit and loss, are initially recognized at fair value (excluding transaction costs). Other financial instruments are initially recognized at cost, which corresponds to the instrument's fair value (including transaction costs). Measurement after initial recognition is described under each category below.

Financial Assets valued at fair value through profit and loss

Financial assets held at fair value through profit or loss are continuously measured at fair value and value changes are reported in the Income Statement.

Kinnevik's financial assets in this category, including short-term investments and loan receivables are managed and measured on the basis of fair values in accordance with the risk management and investment strategies.

Financial assets at amortized cost

Loan receivables and other receivables, including cash and cash equivalents, are non-derivative financial assets with defined or definable payments and defined maturities that are not listed on an active market. Loan receivables and other receivables are valued at amortized cost. Trade receivables generally have 30 days terms.

Derivatives

Kinnevik may occasionally invest in derivatives with the purpose to hedge certain cash flows. One example is interest rate swaps to hedge the interest rate risk relating to the bond financings. From 2018 Kinnevik does not apply hedge accounting and any changes in the value of the derivatives are reported directly in the income statement.

Financial debt at amortized cost

Financial liabilities not held for trading are measured at accrued acquisition value, which is determined based on the effective interest rate

calculated when the liability was assumed. This means that surplus and deficit values as well as direct costs in conjunction with assuming of loans are distributed over the term of the liability. Long-term liabilities have an expected term of exceeding one year, while current liabilities have a term of less than one year. Trade payables have short expected term and are valued at nominal value.

Fair value measurement

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial instruments traded on an active market is based on the market prices listed on the closing date. The listed market price used for the Group's financial assets is the final bid price. For companies with two classes of shares the market price for the most liquid share class is used.

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.

Kinnevik's unlisted holdings are valued using IFRS 13 and the International Private Equity and Venture Capital Valuation Guidelines, where a collective assessment is made to establish the valuation methods and points of reference that are most suitable to determine the fair value of each individual asset. While a valuation in a recent transaction is not applied as a valuation method as such, it typically provides an important point of reference and basis for the valuation of the asset in question, especially as it pertains to Kinnevik's younger investee companies where traditional valuation techniques are less applicable. For new share issues, consideration is taken to whether the newly issued shares have preferential rights, such as liquidation preferences to the company's assets senior to earlier issued shares. Valuation methods include forward or trailing revenue or profit multiples, or discounting future expected cash flows. When performing a valuation based on multiples, consideration is given to differences in size, historic growth, profitability and cost of capital.

The valuation process for Kinnevik's unlisted holdings is led by a valuation team independently from the respective holding's investment manager. Accuracy and reliability of financial information used in the valuations is ensured through continuous contacts with the management of each holding and regular reviews of their accounts. Information and opinions on applicable valuation methods are obtained periodically from investment managers and well-renowned investment banks and audit firms. The valuations are discussed with the CFO and CEO after which a proposal is discussed with the Audit Committee and the external auditors. After their scrutiny and potential adjustments, the valuations are approved by the Audit Committee and included in Kinnevik's accounts.

Information is provided in Note 2 for the Group per class of financial instruments that are measured at fair value through profit or loss, distributed in the three 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.

PENSION

The Group has defined benefit plans for some former employees within the Parent Company only. The yearly expenses for these defined benefit plans as well as the premium-based pension benefits are reported in Profit or Loss.

SHARE-BASED REMUNERATION

Kinnevik has one share-saving programs from 2017 for which the fair value, calculated on the date of allotment, of the allotted share-based instruments is expensed over the vesting period and is recognized directly in equity. Instrument issued within the Group's share-savings program consists of share rights. Kinnevik classifies the share-related remuneration programs as transactions that will be regulated with equity instrument. The fair value of the share rights consists of the market price on each allocation occasion. The cost is based on the Group's assessment of the number of shares that will be allotted. A new assessment of the anticipated number of allocated shares is performed at year-end. Fair value is restated on every balance-sheet date, to reflect calculations of social security costs expensed continuously over the vesting period in the various companies and programs.

In 2017 Kinnevik adopted a long-term cash based incentive program where synthetic option were issued to employees. The options were subscribed to at fair value with a subsidy paid by Kinnevik of 50%. The cost for the subsidy, except for social costs, is accounted for over three years while the social cost is accounted for directly when it is paid. All costs are included in share-based remuneration under personnel costs. The options are continuously evaluated to fair value and any value increase is included in share-based remuneration under personnel costs and as debt in the balance sheet.

From 2018, the long term incentive programs are based on a structure where the participants signs for, and receives, incentive shares which will be reclassified to Kinnevik class B shares in relation to the fulfilment of the terms and conditions after 3 and 5 years, respectively. Kinnevik has subsidized the subscription price which, including social costs, will be accounted for in accordance with IFRS2 during the vesting time period. To compensate for the tax effects arising due to the subsidy of the subscription price, Kinnevik has paid a cash subsidy directly to the relevant tax authorities. This cost, including social costs, was expensed in full when it was paid. Reclassification of the Incentive Shares into Kinnevik Class B shares does not result in any social security costs for Kinnevik.

OTHER PROVISIONS

Provisions are reported when the Group has a legal or contractual obligation to fulfill the obligation, when it is likely that a payment or some other form of compensation is required to settle the undertaking and a reliable estimate of the amount can be made.

REVENUE RECOGNITION

Rendering of services - Revenue from the sale of services is recognized at the time the service is rendered to the customer, after deductions for discounts.

Interest - Revenue is recognized as the interest accrues to the net

carrying amount of the financial assets. Dividends received - Dividends received are recognized when the shareholders' right to receive the payment is assessed as certain.

INCOME TAX

The total tax on the year's income consists of current and deferred tax. Taxes are stated in the income statement except when the underlying transaction is charged to other comprehensive income or directly against equity, in which case the related tax effect is also stated in equity. Current tax expense is the tax that is to be paid or received for the year in question, plus correction of tax expense for earlier periods. Deferred tax is calculated on the basis of the temporary differences between the book values of assets and liabilities and their value for tax purposes. The amounts are calculated on the basis of how these differences can be expected to be evened out and using the tax rates and rules in effect or announced as of the closing date. The deferred tax asset component of deductible temporary differences and tax loss carry forwards is only recorded in so far as it is likely that these will result in a lower tax payment in the future.

DIVIDENDS PAID

Cash dividends to shareholders are recorded in the accounting period the dividend is approved.

LEASES

The right-of-use asset (the lease asset) and the liability are measured to the present value of future lease payments payable. The right-of-use asset also includes any initial direct costs incurred in obtaining the lease contract. In the income statement depreciations of the right-of-use asset and interest expenses are recognized. The group will recognize the right-of-use asset separated from other assets in the financial statements. In subsequent periods the right-of-use asset is recognized at cost less depreciations and any impairment losses and adjusted for any remeasurement of the lease liability. Short-term leases (lease term of 12 months or less) and leases of low-value will not be reported in the statement of financial position. These expenses will be expensed in the same way as operating leases was expensed earlier. The new standard introduces significant changes to the lessee accounting compared with current standards.

CASH FLOW STATEMENT

The cash-flow statements for the Group and for the Parent company are prepared using the indirect method. For purposes of the Parent Company and the consolidated cash-flow statements, the Group include cash and investments with original duration of maximum three months among cash and bank. The book value of these items corresponds to fair value.

SIGNIFICANT JUDGMENTS AND ASSUMPTIONS

The preparation of the annual financial statements and consolidated financial statements includes a number of estimates and assumptions. The application of these estimates and assumptions affects the reporting and disclosures. Accounting policies that require more significant judgements by the Board and the management in the application of IFRS, and assumptions and estimations in matters that are inherently uncertain, are summarized below.

Matter	Estimates and assumptions	See Note
Valuation of unlisted holdings	Appropriate valuation method, peer group, future revenue and profit margins	Note 2
Environmental cases	Future decisions from County administrative board	Note 14
Deferred tax losses	Judgment of possibility to use deferred tax losses against future profits	Note 7

INFORMATION ABOUT SUBSIDIARY IN UK

Kinnevik AB's fully owned subsidiary in UK, Kinnevik Capital Ltd, will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the period ended 31 December 2019. In accordance with section 479C of the Companies Act 2006, Kinnevik AB will guarantee the debts and liabilities of Kinnevik Capital Ltd. As at 31 December 2019, the total sum of these debts and liabilities amounted to GBP 2.6m.

Note 2 Financial assets and liabilities

Financial assets and liabilities by valuation category

2019	Fair value through profit or loss	Amortized cost	Financial debt, amortized cost	Total book value	Fair value
Financial assets accounted at fair value through profit and loss	74 230	-	-	74 230	74 230
Other current assets	-	70	-	70	70
Short term investments	3 664	-	-	3 664	3 664
Cash and cash equivalents	-	223	-	223	223
Total financial assets	77 894	293	-	78 187	78 187
Interest-bearing loans	-	-	4 801	4 801	4 801
Trade payables	-	-	9	9	9
Other payables	-	-	149	149	149
Total financial liabilities	-	-	4 959	4 959	4 959

2018	Fair value through profit or loss	Amortized cost	Financial debt, amortized cost	Total book value	Fair value
Financial assets accounted at fair value through profit and loss	73 430	-	-	73 430	73 430
Other current assets	-	54	-	54	54
Short term investments	149	-	-	149	149
Cash and cash equivalents	-	337	-	337	337
Total financial assets	73 579	391	-	73 970	73 970
Interest-bearing loans	-	-	3 342	3 342	3 342
Trade payables	-	-	8	8	8
Other payables	-	-	161	161	161
Total financial liabilities	-	-	3 511	3 511	3 511

Financial assets measured at fair value through profit or loss by level

The table below indicates how fair value is measured for Kinnevik's financial assets and liabilities. The financial instruments are categorized on three levels, depending on how the fair value is measured:

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

	2019			2018				
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Global Fashion Group	1 945	-	-	1 945	-	-	-	-
Home24	162	-	-	162	352	-	-	352
Livongo	2 968	-	-	2 968	-	-	-	-
Millicom	-	-	-	-	21 169	-	-	21 169
Qliro Group	296	-	-	296	391	-	-	391
Tele2	25 440	-	-	25 440	21 172	-	-	21 172
Westwing	-	-	-	-	482	-	-	482
Zalando	30 814	-	-	30 814	17 924	-	-	17 924
Total Listed Assets	61 625	-	-	61 625	61 491	-	-	61 491
Babylon	-	-	2 808	2 808	-	-	500	500
Bayport	-	-	1 110	1 110	-	-	1 172	1 172
Betterment	-	-	1 315	1 315	-	-	1 153	1 153
Bread	-	-	315	315	-	-	298	298
Budbee	-	-	224	224	-	-	80	80
Cedar	-	-	197	197	-	-	142	142
Deposit Solutions	-	-	285	285	-	-	274	274
Global Fashion Group	-	-	-	-	-	-	3 284	3 284
Omio	-	-	468	468	-	-	443	443
Kolonial	-	-	686	686	-	-	309	309
Livongo	-	-	-	-	-	-	700	700
Bima	-	-	936	936	-	-	873	873
Pleo	-	-	343	343	-	-	67	67
Mathem	-	-	889	889	-	-	-	-
Monese	-	-	383	383	-	-	202	202
Quikr	-	-	941	941	-	-	1 643	1 643
Saltside	-	-	325	325	-	-	199	199
Travelperk	-	-	506	506	-	-	223	223
VillageMD	-	-	737	737	-	-	-	-
Other	-	-	137	137	-	-	377	377
Total Unlisted Assets	-	-	12 605	12 605	-	-	11 939	11 939
Short term investments	3 664	-	-	3 664	149	-	-	149
Total Financial Assets measured at Fair Value through Profit or Loss	65 289	-	12 605	77 894	61 640	-	11 939	73 579

Change in financial assets in level 3

	2019	2018
Opening balance 1 January	11 939	11 682
Investments	4 566	2 731
Disposals / Exit proceeds	- 161	- 419
Reclassifications	-6 351	-1 050
Change in fair value	2 612	-1 005
Closing balance, 31 December	12 605	11 939

Valuation methods as per 31 december 2019, level 3

Company	Valuation Method
Kolonial	<ul style="list-style-type: none"> Trailing and forward-looking revenue multiples of a peer group of inventory-holding e-commerce retailers, implying a multiple of 2.2x the company's last twelve months' revenues as per 30 September 2019 and corresponding to the valuation in a secondary transaction during the second quarter of 2019 Equity value of NOK 2.0bn
MatHem	<ul style="list-style-type: none"> Applying a multiple of 1.5x the company's last twelve months' revenues as per 30 September 2019 The multiple is referenced from a peer group of inventory-holding e-commerce retailers Equity value of SEK 2.4bn
Budbee	<ul style="list-style-type: none"> Growth-adjusted trailing and forward-looking revenue multiples of a peer group of logistics companies, corresponding to the valuation in a funding round during the first quarter of 2019 Equity value of SEK 938m
Quikr	<ul style="list-style-type: none"> Forward-looking revenue multiples of a peer group of emerging market online classifieds companies, with particular focus on companies active in India and adjacent markets Reflecting the impact of fictitious or misrepresented transactions as well as a reduced footprint and amended revenue recognition principles The change in valuation method from a discounted cash flow analysis ensures only near-term projected financial performance is reflected in our assessed fair value
Saltside	<ul style="list-style-type: none"> Trailing revenue multiples of a peer group of emerging market online classifieds companies The change in valuation method from a discounted cash flow analysis is reflective of an improved financial profile more similar to that of the peer group
Omio	<ul style="list-style-type: none"> Forward-looking revenue multiples of a peer group of online travel booking platforms, corresponding to the valuation in a funding round during the third quarter of 2018
TravelPerk	<ul style="list-style-type: none"> Forward-looking revenue multiples of a peer group of online travel booking platforms, corresponding to the valuation in a funding round during the third quarter of 2019
Bayport	<ul style="list-style-type: none"> Forward-looking earnings multiples of a peer group within financial services in both developed and emerging markets
Betterment	<ul style="list-style-type: none"> Discounted cash flow analysis based on a 6-year business plan using a discount rate based on a bottom-up analysis of the company's cost of capital
Bima	<ul style="list-style-type: none"> Discounted cash flow analysis as well as forward-looking revenue multiples of a peer group of insurance technology companies. The discounted cash flow analysis is based on a 10-year business plan using a discount rate based on a bottom-up analysis of the company's cost of capital
Bread	<ul style="list-style-type: none"> Forward-looking revenue multiples of a peer group of software, software-as-a-service, payments, and lending companies, corresponding to the valuation in a funding round during the third quarter of 2018
Deposit Solutions	<ul style="list-style-type: none"> Forward-looking revenue multiples of a peer group of software-as-a-service, software licensing, and financial technology companies Fully diluted equity value of EUR 420m
Monese	<ul style="list-style-type: none"> Forward-looking revenue multiples of a peer group of financial brokers and subscription businesses, corresponding to the valuation in a funding round during the third quarter of 2018
Pleo	<ul style="list-style-type: none"> Forward-looking revenue multiples of a peer group of software-as-a-service companies, corresponding to the valuation in a funding round during the second quarter of 2019
Babylon	<ul style="list-style-type: none"> Forward-looking revenue multiples of a peer group of disruptive healthcare and healthcare IT companies, corresponding to the valuation in a funding round during the third quarter of 2019
VillageMD	<ul style="list-style-type: none"> Trailing revenue multiples of a peer group of different types of care providers and outsourced services companies based in the United States of America
Cedar	<ul style="list-style-type: none"> Forward-looking revenue multiples of a peer group of healthcare software and analytics companies, corresponding to the valuation in a funding round during the second quarter of 2018

Duration

For the duration of interest bearing loans refer to Note 10. Of other financial liabilities the major part will fall due within one to six months.

Derivatives and hedging instruments

On 31 December 2019, Kinnevik had three derivative outstanding; three interest rate swaps with the purpose to create a cash flow hedge for the part of the bonds, issued in March 2017 and May 2017, where Kinnevik is paying floating interest rates. The nominal amounts of the swaps on 31 December 2019 were SEK 2,350m (2,350m). Also refer to Note 10 for the Group. For SEK 1,000m and SEK 400m the fixed rates are 1.495% and 1.361% and both expire in March 2022. For SEK 950m the fixed rate is 0.665% and it expires in May 2020. The derivatives had a negative market value of SEK 2.8m (negative 4.5m) at year-end. The derivatives are marked to market based on discounted cash flows with observable market data. The derivatives are covered by ISDA agreement.

Maturity structure

Maturity structure for undiscounted, contracted non-interest-bearing/interest-bearing receivables and liabilities along with future interest payments accruing therewith is shown in the table below. The interest-bearing liabilities maturing in 2020 will be refinanced during the year by new loans or by utilisation of existing unutilized credit facilities.

	2020	2021	2022	2023	Later	Total
Non-interest-bearing receivables	70	-	-	-	-	70
Interest-bearing receivables	21	17	4	-	-	42
Non-interest-bearing liabilities	-159	-	-	-	-	-159
Interest-bearing liabilities	-3 465	-42	-1 410	-2	-15	-4 935
Total as per 31 December 2019	-3 533	-25	-1 406	-2	-15	-4 981

	2019	2020	2021	2022	Later	Total
Non-interest-bearing receivables	54	-	-	-	-	54
Interest-bearing receivables	19	16	14	3	-	52
Non-interest-bearing liabilities	-169	-	-	-	-	-169
Interest-bearing liabilities	-555	-1 494	-36	-1 409	-20	-3 514
Total as per 31 December 2018	-651	-1 478	-22	-1 406	-20	-3 577

Note 3 Financial assets measured at fair value through profit or loss

Change in financial assets measured at fair value through profit or loss

	Listed assets	Unlisted assets	Total
Closing balance, 31 December 2017	80 035	11 682	91 717
Investments	0	2 731	2 731
Reclassification	1 050	-1 050	-
Distribution to shareholders	-4 227	-	-4 227
Change in fair value	-14 179	-1 005	-15 184
Disposals	-1 191	-419	-1 610
Translation difference	3	-	3
Closing balance, 31 December 2018	61 491	11 939	73 430
Investments	-	4 566	4 566
Reclassification	6 351	-6 351	-
Distribution to shareholders	-16 548	-	-16 548
Change in fair value	16 360	2 612	18 972
Disposals	-6 029	-161	-6 190
Closing balance, 31 December 2019	61 625	12 605	74 230

Investments in financial assets measured at fair value through profit or loss

	2019	2018
Babylon	374	122
BIMA	121	-
Bread	-	307
Budbee	46	80
Cedar	47	141
Deposit Solutions	-	263
Global Fashion Group	632	-
Omio	-	443
Karma	-	62
Kolonial	341	328
Livongo	825	456
MathHem	889	-
Monese	156	197
Pleo	85	68
Quikr	149	-
Travelperk	122	227
VillageMD	726	-
Övrigt	53	37
Total Unlisted Assets	4 566	2 731
Total	4 566	2 731

Disposals of financial assets measured at fair value through profit or loss

	2019	2018
Com Hem	-	-1 187
Westwing	-128	-
Zalando	-5 876	-
Other	-25	-4
Total Listed Assets	-6 029	-1 191
Linio	-	-273
Other	-161	-146
Total Unlisted Assets	-161	-419
Total	-6 190	-1 610

Dividends received and change in fair value of financial assets measured at fair value through profit or loss

	Dividends received	Change in fair value	2019 Total	Dividends received	Change in fair value	2018 Total
Com Hem	-	-	-	203	600	803
Global Fashion Group	-	-1 816	-1 816	-	-	-
Home24	-	-191	-191	-	53	53
Livongo	-	379	379	-	-	-
Millicom	956	-4 596	-3 640	890	227	1 117
MTG	-	-	-	169	-419	-250
Qliro Group	-	-95	-95	-	-375	-375
SDS	-	-	-	-	-3	-3
Tele2	1 951	4 268	6 219	610	2 181	2 791
Westwing	-	-355	-355	-	-269	-269
Zalando	-	18 766	18 766	-	-16 173	-16 173
Total Listed Assets	2 907	16 360	19 267	1 872	-14 179	-12 307
Babylon	-	1 934	1 934	-	3	3
Bayport	-	-62	-62	-	90	90
Betterment	-	162	162	-	89	89
Bima	-	-58	-58	-	67	67
Bread	-	17	17	-	-9	-9
Budbee	-	98	98	-	-	-
Cedar	-	8	8	-	1	1
Deposit Solutions	-	11	11	-	11	11
Global Fashion Group	-	-155	-155	-	-1 955	-1 955
Home24	-	-	-	-	81	81
Kolonial	-	35	35	-	-19	-19
Livongo	-	1 065	1 065	-	139	139
Mathem	-	-	-	-	-	-
Monese	-	25	25	-	5	5
Omio	-	25	25	-	-	-
Pleo	-	191	191	-	-1	-1
Quikr	-	-851	-851	-	285	285
Travelperk	-	161	161	-	-4	-4
VillageMD	-	11	11	-	-	-
Westwing	-	-	-	-	271	271
Övrigt	-	-5	-5	15	-59	-44
Total Unlisted Assets	-	2 612	2 612	15	-1 005	- 990
Total	2 907	18 972	21 879	1 887	-15 184	-13 297

Book value of Fixed financial assets held at fair value through profit or loss

Trade Name	Company Name	Registered Office	Number of Shares 2019	Capital/votes (%)			Book value	
				2019	2018	2019	2018	
Global Fashion Group	Global Fashion Group S.A.	Luxembourg	79 093 454	40.7/40.7	-	1 945	-	
Home24	Home24 SE	Germany	3 111 953	11.8/11.8	12.0/12.0	162	352	
Livongo	Livongo Health, Inc.	USA	12 653 927	13.3/13.3	-	2 968	-	
Millicom	Millicom International Cellular S.A.	Luxembourg	-	-	37.5/37.5	-	21 169	
Qliro Group	Qliro Group AB	Sweden	42 613 642	28.5/28.5	28.5/28.5	296	391	
Tele2	Tele2 AB	Sweden	187 613 119	27.3/42.0	27.3/42.0	25 440	21 172	
Westwing	Westwing Group AG	Germany	-	-	13.5/13.5	-	482	
Zalando	Zalando SE	Germany	65 297 800	26.4/26.4	31.6/31.6	30 814	17 924	
Total Listed Assets						61 625	61 491	
Babylon	Babylon Holdings Ltd	United Kingdom	-	16/16	20/20	2 808	500	
Bayport	Bayport Management Ltd	Mauritius	-	22/22	22/22	1 110	1 172	
Betterment	Betterment Holdings, Inc.	USA	-	16/16	16/16	1 315	1 153	
Bread	Lon Inc.	USA	-	13/13	13/13	315	298	
Bima	Milvik AB	Sweden	-	33/33	33/33	936	873	
Budbee	Budbee AB	Sweden	-	24/24	20/20	224	80	
Cedar	Cedar Cares, Inc.	USA	-	10/10	8/8	197	142	
Deposit Solutions	Deposit Solutions GmbH	Germany	-	6/6	7/7	285	274	
Global Fashion Group	Global Fashion Group S.A.	Luxembourg	-	-	35/35	-	3 284	
Kolonial	Kolonial.no AS	Norway	-	24/24	15/15	686	309	
Livongo	Livongo Health, Inc.	USA	-	-	10/10	-	700	
Mathem	Mathem i Sverige AB	Sweden	-	37/37	-	889	-	
Monese	Monese Ltd	United Kingdom	-	16/16	16/16	383	202	
Omio	GoEuro Corp.	USA	-	6/6	6/6	468	443	
Pleo	Pleo Holding ApS	Denmark	-	13/13	13/13	343	67	
Quikr	Quikr Mauritius Holding Private Ltd	Mauritius	-	17/17	17/17	941	1 643	
Saltside	Saltside Technologies AB	Sweden	-	61/61	61/61	325	199	
Travelperk	Travelperk, Inc.	USA	-	15/15	13/13	506	223	
VillageMD	VillageMD, Inc.	USA	-	10/10	-	737	-	
Otther	-	-	-	-	-	137	377	
Total Unlisted Assets						12 605	11 939	
Total						74 230	73 430	

Note 4 Financial income and expenses

	2019	2018
Interest income financial assets accounted at fair value	25	7
Exchange differences	69	11
Other financial income	3	0
Total financial income	97	18
Interest expenses, loans from credit institutions	-37	-30
Exchange differences	-	-15
Other financial expenses	-21	-19
Total financial expenses	-58	-64
Net financial income/expenses	39	-46

Note 5 Earnings per share

Earnings per share are calculated by dividing profit for the year attributable to holders of shares in the parent company by a weighted average number of shares outstanding. Earnings per share after dilution is calculated by dividing profit/loss for the year attributable to holders of shares in the parent company by the average of the number of shares outstanding during the year, adjusted for the dilution effect of potential shares from outstanding share saving plans.

	2019	2018
Net profit for the year	21 572	-13 656
Average number of shares outstanding	276 160 962	275 416 805
Earnings per share before dilution	78.11	-49.58
Average number of shares outstanding	276 160 962	275 416 805
Effect from outstanding share saving program, see Note 16 for information	322 813	401 229
Number of shares outstanding after dilution	276 483 775	275 818 034
Earnings per share after dilution, SEK	78.02	-49.58

Note 6 Supplementary cash flow information

	2019	2018
INTEREST BEARING LOANS		
Opening balance 1 January	3 342	2 833
Amortization of loans	-500	-
New short-term borrowing	960	500
New long-term capital markets financing	1 000	-
Market valuation SWAP	-2	5
Accrual borrowing costs	1	4
Closing balance 31 December	4 801	3 342

	2019	2018
Investments in shares and other securities, see note 3	-4 566	-2 731
Current year investment, paid after year end	-	21
Prior year investments, paid in current year	-20	-
Cash flow from investments in shares and other securities	-4 586	-2 710
Sale of shares and other securities		
Zalando	5 876	-
Westwing	128	-
Com Hem	-	1 188
Linio	-	273
Other	158	128
Cash flow from sale of shares and other securities	6 162	1 589

Note 7 Taxes

	2019	2018
Current tax expense		
Tax expense for the period	-1	-1
Total	-1	-1

Reconciliation of effective tax rate

	2019	%	2018	%
Profit/loss before tax	21 572		-13 656	
Income tax at statutory rate of Parent Company	-4 616	-21.4%	3 004	-22.0%
Change in fair value of financial assets	4 060	18.8%	-3 340	24.5%
Non-taxable dividends received	622	2.9%	415	-3.0%
Change in not recognized tax loss carry forwards	-67	-0.3%	-80	0.6%
Effective tax/tax rate	-1	0.0%	-1	0.0%

No tax has been recognised against other comprehensive income or shareholders' equity. Deferred tax is not stated for associated companies, subsidiaries and other shareholdings, as any dividend paid by these companies will not give rise to a tax liability, and divestments may be made without giving rise to capital gains taxation.

Tax loss carryforwards

The Group's tax loss carryforwards in Sweden with eternal duration amounted to SEK 1.7bn (1.7) at 31 December 2019. No deferred tax carried forward is accounted for.

Note 8 Short term investments and cash

	2019	2018
Short term investments	3 664	149
Cash and bank	223	337
Total	3 887	486

In addition to cash and cash equivalents reported above, the Group had undrawn credit facilities of SEK 5,170m (5,630) see Note 10.

Note 9 Shareholders' equity

SHARE CAPITAL

Share capital refers to the Parent Company's share capital; refer to Note 10 for the Parent Company.

OTHER CONTRIBUTED CAPITAL

Other contributed capital consist of the Parent Company's share premium reserve, which arose through the conversion of convertible loans in 1997 and 1998, capital injected in conjunction with the merger between Invik & Co. AB and Industriförvaltnings AB Kinnevik in 2004, capital injected in conjunction with a new share issue when acquiring the assets in Emesco AB 2009, as well as by the Parent Company's legal reserve.

RETAINED EARNINGS INCLUDING NET PROFIT/LOSS FOR THE YEAR

Retained earnings that are reported in the Group include the current and preceding year's profit/loss.

CAPITAL

Kinnevik's managed capital consists of shareholders' equity. There are no other external capital requirements, other than what is specified in the Swedish Companies Act. For dividend policy and leverage targets, please refer to the Board of Directors' report.

Note 10 Interest-bearing loans

	2019	2018
Interest-bearing long-term loans		
Capital markets financing	1 400	2 850
Marketvaluation SWAP	3	5
Accrued borrowing costs	-12	-13
	1 391	2 842
Interest-bearing short-term loans		
Capital markets financing	2 450	-
Commercial paper	960	500
	3 410	500
Total interest-bearing loans	4 801	3 342

Financing source	Credit facility	Utilised amount	Unutilised amount	Currency
	as per 31 Dec 2019	31 Dec 2019	31 Dec 2019	
Long-term loans				
Syndicated bank facilities	6 000	-	6 000	SEK
Total long-term loans	6 000	-	6 000	
Short-term loans				
Overdraft facilities	130	-	130	SEK
Total short-term loans	130	-	130	
Total Group Financing	6 130	-	6 130	

The long-term financing is mainly two syndicated bank facilities of in total SEK 6,000m. The first one of SEK 3,000m provided by DNB Bank ASA Sweden Branch, Nordea Bank AB (publ), Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ), matures in July 2021. The second one of SEK 3,000m is provided by the same banks as well as Crédit Agricole Corporate & Investment Bank (France) and Danske Bank (Denmark) and matures in December 2022 with possible lengthening up to two years. The facilities are secured by listed shares but does not involve any financial covenants. It is multicurrency facilities with a part being available as a backup against the refinancing risk of any outstanding commercial papers which by 31 December 2019 amounted to SEK 960m. Kinnevik has also issued one bond of SEK 1,450m with maturity in May 2020 and one bond of SEK 1,400m with maturity in March 2022. The bond with maturity in May 2020 have dual tranches, SEK 500m at an annual coupon of 1.385% and SEK 950m at floating interest corresponding to 3 months Stibor + 0.75%. The bond with maturity in March 2022 has a floating interest corresponding to 3 months Stibor + 1.10%. The bonds are unsecured and has no financial covenants. The interest rate risk under the tranches with floating interest are fully hedged with interest rate swaps.

The outstanding loans carry an interest rate of Stibor or similar base rate with an average margin of 0.7% (0.8%).

All bank loans have variable interest rates (up to 3 months) while financing from the capital markets vary between 1 to 12 months for loans under the commercial paper program and 3 to 5 years for the outstanding bond.

As per 31 December 2019, the average remaining duration was 1.8 (2.9) years for all credit facilities including the bonds.

Note 11 Other liabilities

	2019	2018
Other long-term liabilities	22	10
Total other long-term liabilities	22	10
Accrued interest expenses	24	23
Accrued personnel expenses	77	77
Debt unpaid investments	-	21
Other debt	34	43
Total other short-term liabilities	135	164

For trade creditors and other liabilities to related parties refer to Note 15.

Note 12 Auditors' fees

	2019	2018
To Deloitte		
Audit assignments	1	1
Other services	0	0
Total	1	1

Note 13 Pledged assets

At 31 December 2019 and 2018, Kinnevik did not have any listed shares in associated companies pledged in relation to the Group's financing. At utilization of the syndicated credit facilities, pledged listed shares' market value shall, at any given time, amount to 200% of the outstanding loans. If the value of the pledge remains below the threshold for a defined period of time and Kinnevik, despite written request by the banks, has not remedied the breach, the banks will be entitled to enforce the pledge. Such right to enforcement also applies to un-remedied breaches of other terms and conditions in the credit facility agreement.

There were no outstanding loans in relation to this financing at 31 December 2019.

Note 14 Contingent liabilities

County administrative boards have submitted claims to Kinnevik regarding environmental studies at a number of sites where Fagersta AB (through name changes and a merger, Kinnevik AB) conducted operations until 1983. Kinnevik's position is that the Company's responsibility to perform any decontamination measures must be limited, primarily out of consideration to the long period of time that has passed since any potential contamination damages occurred and the regulations that were in force at the time, and the fact that a quarter century has passed since operations were shut down or turned over to new owners. Kinnevik has therefore not made any provisions for potential future claims for decontamination measures. SEK 5m was provided in 2007 for potential environmental studies that Kinnevik might be required to pay for of which SEK 1.2m was used in 2010 to 2019.

Kinnevik has, in February 2020, taken part of a summons application submitted by AB Custos concerning the sale of Metro Nordic Sweden AB (subsequently renamed Metro Media House AB, in bankruptcy). The summons concerns a claim of SEK 125m plus interest, a total of SEK 155m at the date of the summons application. Kinnevik is of the view that the claim is unfounded and has made no provision in the accounts.

Note 15 Related-party transactions

Kinnevik's related party transactions primarily consists of short term bridge loans to investee companies, which are included in financial assets accounted at fair value through profit and loss. Interest income from such loans are recognised as external interest income through profit and loss. Other income relates to the rent out of office premises in Gamla Stan in Stockholm as well as re-invoicing of costs. Kinnevik buys telephony-, advertising- and consultancy services from related parties.

The following is a summary of Kinnevik's revenue, expense, receivables and liabilities to and from related parties (exceeding SEK 1m).

	Group		Parent Company	
	2019	2018	2019	2018
Revenue				
Tele2	2	3	-	-
Operating expenses				
SecureValue	-5	-5	-5	-5
Tele2	-1	0	-1	0
Interest income				
Babylon	6	5	-	-
Kolonial	7	-	-	-
Financial receivables from associated companies				
Babylon	-	118	-	-
Kolonial	166	-	-	-
Monese	161	-	-	-
Quikr	144	-	-	-
Other	3	-	-	-

All transactions with related parties have taken place at arm's length basis, i.e. on market conditions. In connection with acquisitions from and divestments to major shareholders of the company or directors or officers of the group, valuation reports are obtained from independent experts, in accordance with the Swedish Securities Council's statement 2012:05. In all agreements relating to goods and services prices are compared with up-to-date prices from independent suppliers in the market to ensure that all agreements are entered into on market conditions.

The Annual General Meeting on 6 May 2019 resolved in line with the Board's proposal to transfer of the real property Åre Äggsjön 1:2 to an entity owned by Cristina Stenbeck, Wilhelm Klingspor and Marie Klingspor for SEK 35m. Wilhelm Klingspor and Cristina Stenbeck did not participate in the Board's handling of the transfer on market conditions.

For transactions with the Board of Directors and Senior Executives refer to Note 16 for the Group.

Note 16 Personnel

AVERAGE NUMBER OF EMPLOYEES

	2019		2018	
	men	women	men	women
Sweden	13	14	12	12
UK	8	5	9	4
Total number of employees	21	19	21	16

AVERAGE DISTRIBUTION OF WOMEN AND MEN ON THE BOARD AND IN THE MANAGEMENT GROUP

	2019		2018	
	men	women	men	women
Board members	3	3	4	3
CEO	1	-	1	-
Other senior executives	5	1	3	1
	9	4	8	4

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES

(SEK 000s)	2019		2018	
	Board, CEO, senior executives	Other employees	Board, CEO, senior executives	Other employees
Total salaries and other remuneration	59 110	63 445	63 939	58 450
Social security expenses	18 396	11 522	18 960	13 309
Pension contributions/expenses	6 494	3 510	5 559	5 752
Estimated costs for share-based remuneration including social securities cost ¹⁾	39 615	65 429	33 484	37 161
Total	123 615	143 907	121 943	114 672

¹⁾ Share based remuneration includes subsidies received at launch of LTI programmes. See further under Incentive plans and share based remuneration

PRINCIPLES

The following principles and guidelines were approved by the AGM in May 2019 and are provided for the Chief Executive Officer and the other persons in the executive management of Kinnevik (the Senior Executives), as well as Members of the Board to the extent they are remunerated outside their Board duties.

The objective of Kinnevik's remuneration guidelines is to offer competitive compensation to attract, motivate and retain key employees. The aim is to create incentives for the Senior Executives to execute strategic plans and deliver excellent operating results and to align their incentives with the interests of the shareholders. Furthermore, it is intended that all Senior Executives shall have a significant long-term shareholding in Kinnevik.

The remuneration for the Senior Executives shall consist of an annual fixed salary, short-term variable remuneration paid in cash ("STI"), the

possibility to participate in long-term share or cash-based incentive plans ("LTI"), pension and other customary benefits. Kinnevik regularly carries out a remuneration benchmarking exercise to ensure that it is aware of the relevant benchmarks for key positions.

- The fixed salary is reviewed each year and is based on the Senior Executive's competence, area of responsibility and market benchmarks.
- The STI shall be based on performance in relation to established targets. The targets shall be individual and measurable as well as linked to specific performance, processes and transactions. The STI can amount to a maximum of 100 percent of the fixed salary. Payment of part of the STI is conditional upon a portion of it being invested in Kinnevik shares, until the Senior Executive has a shareholding in Kinnevik corresponding to his or her annual fixed salary, net after taxes.
- The LTI shall require an own investment and ensure a long-term commitment to the development of Kinnevik. The LTI shall be linked to certain pre-determined performance criteria, based on Kinnevik's share price and the value growth of Kinnevik and Kinnevik's private portfolio.
- Other benefits may include a company car, housing benefits for expatriated Senior Executives for a limited period of time, as well as other customary benefits. Other benefits shall not constitute a significant part of the total remuneration. The Senior Executives may also be offered health care insurance.
- The Senior Executives are offered defined contribution pension solutions, with premiums amounting to a maximum of 30 percent of the fixed salary. These premiums shall be paid to insurance companies; however Senior Executives that are non-Swedish residents may, if approved by the Board, instead be offered cash-based pension solutions corresponding to the premiums that otherwise would have been paid to insurance companies.
- In the event notice of termination of employment is served by Kinnevik, the Chief Executive Officer is entitled to salary for a period of a maximum of 18 months and the other Senior Executives are entitled to salary for a period of a maximum of 12 months.

Board Members, elected at General Meetings, may in certain cases receive compensation for services performed within their respective areas of expertise, outside of their Board duties. Compensation for these services shall be paid on market terms and be approved by the Board.

In special circumstances, the Board may deviate from the above guidelines. In such a case, the Board is obligated to give account for the appearance of, and the reason for, the deviation at the following Annual General Meeting.

The Board's proposal to the Annual General Meeting 2020 regarding adoption of new guidelines on remuneration for senior executives can be found in the Board of Director's report.

Remuneration for the CEO and other senior executives

(SEK 000's)	2019		2018	
	CEO	Other senior executives ¹⁾	CEO	Other senior executives ¹⁾
Fixed salaries	8 000	21 883	8 000	15 021
Variable salaries	6 400	13 890	7 200	16 504
Sign on bonus	-	-	8 000	-
Benefits	171	887	68	786
Pension contributions	2 400	4 094	2 400	3 159
Estimated costs for share-based remuneration excluding social securities cost ²⁾	13 511	16 756	6 940	17 534
Total	30 481	57 510	32 608	53 005

¹⁾ Other senior executives consisted during 2019 of 6 (4) persons.

²⁾ Share based remuneration includes subsidies received at launch of LTI programmes. See further under Incentive plans and share based remuneration.

In addition to remuneration paid by Kinnevik, as specified in the table above, Georgi Ganev has received Board fees from associated companies amounting to SEK 0.6 (1.8) m and other senior executives have received SEK 1.1 (1.2) m.

For CEO and other senior executives, pension premium payments of a maximum of 30% of fixed salary were paid. Pension premiums are mainly paid to insurance companies.

INCENTIVE PLANS AND SHARE BASED REMUNERATION

Within the Kinnevik Group there are long-term incentive plans ("the Plans") targeting all employees.

Shared based plans

There are one running long-term share-based incentive plan from 2017 that require participants to own shares in Kinnevik.

For each share held within the framework of the Plans, the Company has distributed retention and performance-based share rights which, subject to:

- (i) fulfilment of certain retention and performance-based conditions during the individual 3-year periods included in the Plans (the "Measurement Periods")
- (ii) the participant remaining in the employment of Kinnevik at the end of the Measurement Periods and
- (iii) the participant retaining the investments shares will entitle the participant to receive one class B share in the Company.

The number of shares the employee will receive depends on the fulfilment of defined retention- and performance-based conditions during the Measurement Periods, based on the:

- Total return on the Kinnevik class B share and
- Average annual development of the net asset value, including dividends

In order to align participants' interests with those of shareholders, the Company will compensate for forfeited dividends by increasing the

number of shares and rights to which they would otherwise be entitled.

The value of the share rights for each plan has been based on the average share price of the B shares (highest and lowest bid price) during five trading days before the date of distribution of the rights. For the share rights that have market-related performance conditions (according to IFRS 2), the value has been set at an estimated fair value. The multiplier includes the performance criteria and the probability for different outcome in these share rights. The average value of the rights at grant has been estimated based on a Monte Carlo simulation using the volatility at grant date.

Completed plan 2016-2019

The plan approved in 2016, with ended measurement period at 31 March 2019, resulted in allotment of 238,679 shares out of a maximum of still participating 263,984 rights. The number of total allotted shares including dividend compensation of totaling 28,464 shares. Participants' profit, which was restricted to a maximum of SEK 623 per right, was, on average, SEK 242 per share corresponding to the average share price when the shares were received. The plans total cost, including social security expenses, was SEK 41.6m and was expensed continuously during 2016-2019. All participants were offered to either receive all the allotted shares gross or to receive part of the allotment in shares and the calculated tax cost in cash by a payment to the Swedish or UK Tax Authority.

Plan 2016-2019	Number of participants	Original allotment of rights	Allotment of shares	Received shares	Received in cash to pay tax
Executive Management	4	80 000	72 200	32 707	9 520
Other employees	21	183 984	166 484	79 070	21 141
Total	25	263 984	238 684	111 777	30 661

Outstanding plans

At 31 December 2019, 28,135 investment shares held by participating employees remained for the Plan that was established in 2017 with vesting date on 31 March 2020. These investment shares entitle the participants to a maximum allotment of 225,510 share rights. The Plan encompasses the following number of participants and maximum number of share rights;

Plan 2017-2020	Number of participants	Outstanding rights
CEO	1	50 000
Executive Management	3	56 000
Other employees	18	119 510
Total	22	225 510

The participants' maximum award value is limited to SEK 711 per right, including dividend compensation, as measured based on three times the average closing price of the Kinnevik B share during February 2017. The maximum dilution is 0.09% in terms of shares outstanding, 0.04% in terms of votes and 0.08% in terms of costs for the program as defined in IFRS 2 in relation to Kinnevik's market capitalization.

The total cost before tax for share rights outstanding in 2017 incentive programs is expensed continuously during a three-year period and is, calculated based on remaining participants and anticipated aggregate outcome, amounting to approximately SEK 59m, including social security costs, of which SEK 23m (16) was expensed during 2019. Total liability for social security costs pertaining to this incentive program amounted to SEK 12m (5) on 31 December 2019.

VCPP 2017-2022

The AGM 2017 approved a new long-term, cash-based incentive plan for Kinnevik employees that have a direct impact on, and are working almost exclusively with, the value creation in Kinnevik's private portfolio ("VCPP 2017"). The participants in VCPP 2017 were not entitled to participate in LTIP 2017.

VCPP 2017 amounts to 48 issued non-transferrable synthetic options (the "Options") subscribed by two executive managers and four other senior employees within the Investment team. Settlement of the Options will be made in cash and will not increase the number of shares in Kinnevik.

The Options were subscribed to at fair market value with a subsidy received from Kinnevik of 50 percent. The subsidy will be accounted for over three years and is included in share-based remuneration. The cost for 2019 amounts to SEK 1.4 (1.4)m.

Each Option entitles the holder, at the end of the Option's five-year term, to receive a cash amount from Kinnevik of SEK 1m multiplied by a value creation multiple where the entry threshold shall be a value growth of the private portfolio of 8 percent IRR and a value creation multiple of 0.46 (SEK 0.46m) and with a cap at a value growth of 25 percent IRR. The maximum outcome is SEK 2m per Option.

Any payment to the Option holders will be made in April 2022. Assuming a Value Growth of 25 percent is achieved during the term of VCPP 2017, the maximum costs attributable to VCPP 2017 are SEK 109m (assuming no personnel turn-over and including subsidies as well as social security costs). At 31 December 2019, the entry-level of 8% IRR was not achieved and based on a Monte Carlo simulation no cost for change in fair value has been accounted for.

NEW PROGRAM FROM 2018

From 2018, the terms for LTIP and VCPP have been combined in one program targeting all employees in Kinnevik. The new program is based on a structure where the participants signs for, and receives, incentive shares which will be reclassified to Kinnevik class B shares in relation to the fulfillment of the terms and conditions after 3 and 5 years, respectively. The retention and performance conditions are the same as for earlier LTIP plans (3 years) and VCPP (5 years).

Kinnevik has subsidized the participants for the subscription price. The valuation is based on a Monte Carlo simulation using the volatility at grant date among other assumptions. This will be accounted for in accordance with IFRS2 during the vesting time period of 3 years. To compensate the participants for the tax effects arising due to the subsidy of the subscription price, Kinnevik has paid a cash subsidy directly to the relevant tax authorities. This cost, including social costs, was expensed when it was paid. Reclassification of the Incentive Shares into Kinnevik Class B shares does not result in any social security costs for Kinnevik. For details of each program, see below.

The Plan 2018

The total cost for LTIP 2018 is expected to be SEK 52m of which SEK 35m was expensed in 2018 and SEK 9m was expensed in 2019. During 2019, 47,676 incentive shares from LTI 2018 have been redeemed due to ceased employees.

Remaining participants Plan 2018-2021/2023	Num- ber of partici- pants	Remaining incentive shares, 3 yrs	Re- main- ing incentive shares, 5 yrs	IFRS2 (kSEK) ¹⁾
CEO	1	41 000	28 000	828
Executive Management	4	44 000	90 200	2 902
Other	27	157 377	179 058	3 158
Total	32	242 377	297 258	6 888

¹⁾ The part expensed in 2019, excluding social costs.

The maximum profit per Incentive Share is limited to SEK 598 for Incentive Shares with 3 years maturity and SEK 897 for Incentive Shares with 5 years maturity, including any compensation for dividends, based on two times/three times the average price for Kinnevik class B shares in March 2018. The maximum dilution due to LTIP 2018 is no more than 0.26 percent in terms of shares outstanding (i.e. total number of issued shares reduced by Kinnevik's holding of treasury shares), 0.11 percent in terms of votes, and 0.10 percent in terms of costs for LTIP 2018 as defined in IFRS 2 in relation to Kinnevik's market capitalisation.

The Plan 2019

The subsidy for the subscription price, including social costs, amounted to SEK 44m. The compensation cost for tax effects, including social costs, amounted to SEK 54m and was expensed when it was paid in 2019. The total cost for LTIP 2019 is expected to be SEK 98m of which SEK 65m was expensed in 2019.

Plan 2019- 2022/2024	Num- ber of partici- pants	Allotment of incentive shares, 3 yrs	Allot- ment of incentive shares, 5 yrs	IFRS2 (kSEK) ¹⁾	Subsidy recei- ved (kSEK) ²⁾
CEO	1	51 000	36 000	1 402	7 747
Executive Management	4	55 300	125 150	2 133	10 656
Other employees	27	167 675	260 845	5 237	24 346
Total	32	273 975	421 995	8 772	42 749

¹⁾ The part expensed in 2019, excluding social costs.

²⁾ Excluding social costs.

The maximum profit per Incentive Share is limited to SEK 482 for Incentive Shares with 3 years maturity and SEK 723 for Incentive Shares with 5 years maturity, including any compensation for dividends, based on two times/three times the average price for Kinnevik class B shares in March 2019. The maximum dilution due to LTIP 2019 is no more than 0.34 percent in terms of shares outstanding (i.e. total number of issued shares reduced by Kinnevik's holding of treasury shares), 0.16 percent in terms of votes, and 0.15 percent in terms of costs for LTIP 2019 as defined in IFRS 2 in relation to Kinnevik's market capitalisation.

The total cost for all incentive plans amounted to SEK 105 (71) m in 2019.

BOARD FEES AND OTHER FEES PAID TO THE DIRECTORS OF THE PARENT COMPANY (SEK 000S)

	2019 Board fees, Parent Company	Other assignment	Total fee	2018 Board fees, Parent Company
Dame Amelia Fawcett (chairman)	2 650		2 650	2 675
Henrik Poulsen	1 920		1 920	1 920
Susanna Campbell	870		870	-
Wilhelm Klingspor	720		720	675
Brian McBride	700	667 ¹⁾	1 367	-
Charlotte Strömberg	1 020		1 020	-
Erik Mitteregger	-		-	820
Mario Queiroz	-		-	600
Cristina Stenbeck	-		-	675
	7 880	667	8 547	8 360

¹⁾ During the period May to December 2019, Brian McBride received an amount of 55,586 GBP for work performed within investee companies in addition to customary Board work.

NOTE 17 FINANCIAL RISK MANAGEMENT

The Group's 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 policy is reviewed continuously by the finance function and updated when appropriate in discussion with the Audit Committee, after approval by the Kinnevik Board. The Group has a model for risk management with the aim to identify, control and reduce risks. The output of the model is reported to Kinnevik's Risk, Compliance & Sustainability Committee and Board on a regular basis.

Kinnevik is exposed to financial risks mainly in respect of:

- Share prices, changes in the value of the portfolio
- Liquidity and financing, that the cost of financing will increase or that opportunities will be limited when loans are needed, and that payment obligations thereby cannot be met
- Exchange rates, comprising transaction and translation exposure
- Interest rates, having an impact on the financing cost

SHARE PRICE RISK

Kinnevik is invested in both listed and unlisted investee companies where the share price and total market value can fluctuate based on a number of different factors.

On 31 December 2019, 83% (84%) of Kinnevik's total assets (excluding cash) pertained to listed investee companies and 17% (16%) to unlisted investee companies.

As Kinnevik intends to act as a long-term shareholder, it has no strategy for managing short-term fluctuations in the share prices of its listed investee companies. The share price risk associated with Kinnevik's portfolio

may be illustrated by stating that a 10% change in the prices of all listed shareholdings at 31 December 2019 would have affected the Group's earnings and shareholders' equity by SEK 6.2bn (6.1bn).

The value of Kinnevik's unlisted investee companies may increase or decrease due to a number of different factors, of which changes of trends in the stock markets is one. In the process of valuing its unlisted holdings, Kinnevik considers a number of factors such as relative valuations of comparable publicly traded companies, the operational and financial performance of the respective investee company, and the valuations resulting from transactions in the respective investee company's shares. Any changes in these factors have an impact on the total value.

LIQUIDITY AND FINANCING RISK

Kinnevik's liquidity and financing risk is limited because listed shares account for a large part of the Company's assets. Kinnevik relies in part on dividends received from investee companies, in particular Tele2, in order to finance its operations and investment activities. Without dividends from its investee companies, Kinnevik would be compelled to rely on asset management and/or debt financing to secure the funding of its operations and maintain its targeted financial position.

On 31 December 2019, the Company had cash and cash equivalents amounting to SEK 3,887m (486m) and committed but not utilized, or reserved in any other way, credit facilities amounting to SEK 5,170m (5,630m).

Financing risk is the risk that Kinnevik may not be able to obtain financing or that financing can only be obtained at a considerable cost. Kinnevik's financing risk is limited since its operations are financed from different sources, its debt financing is sourced from a number of different credit institutions with diversified maturities as well as by striving for refinancing of all facilities at least six months prior to maturity. On 31 December 2019, the total amount of committed financing was SEK

9,020m (8,480m) with an average remaining facility duration of 1.8 (2.9) years. For further details, please refer to Note 10 for the Group.

FOREIGN EXCHANGE RATE RISK

Transaction exposure arises from cash flows denominated in foreign currencies. Kinnevik's debt funding and cash position consist mainly of SEK. Excluding dividends received and investments and disposals made, Kinnevik does not have any material cash flows in foreign currencies.

Translation exposure arises from the translation of balance sheet items denominated in foreign currencies. Kinnevik's balance sheet is mainly exposed to foreign exchange risk by owning shares denominated in either EUR or USD. On 31 December 2019, 45% (31%) of Kinnevik's total assets (excluding cash), equal to a value of SEK 33.5bn (22.7bn), pertained to shareholdings denominated in EUR.

Kinnevik is also exposed to indirect translation exposure as a majority of the investments are active internationally. By being active internationally, foreign currencies have an indirect effect on the share prices of these investments.

INTEREST RATE RISK

Interest rate risk is the risk that the value of interest bearing receivables and liabilities will vary due to changes in market interest rates. On 31 December 2019, none of Kinnevik's interest bearing liabilities, SEK 4.8bn, were exposed to interest rate changes. SEK 2.4bn out of Kinnevik's SEK 3.9bn in outstanding bonds were originally exposed to interest rate risk with floating rates (3 months Stibor). This risk was hedged by entering into interest rate swaps expiring on the same dates as the repayment of the bonds. On 31 December 2019, these swaps had a negative market value of SEK 2.9m (negative 4.5m).

In connection with refinancing, or if Kinnevik would increase its receivables or liabilities, the interest rate risk may change materially.

NOTE 18 EVENTS AFTER THE REPORTING PERIOD

Kinnevik has, in February 2020, taken part of a summons application submitted by AB Custos concerning the sale of Metro Nordic Sweden AB (subsequently renamed Metro Media House AB, in bankruptcy). The summons concerns a claim of SEK 125m plus interest, a total of SEK 155m at the date of the summons application. Kinnevik is of the view that the claim is unfounded and has made no provision in the accounts.

During 2020, the spread of the coronavirus (COVID-19) has had material effects on the capital markets and economic environment that Kinnevik and its investee companies operate in. The most important effects on Kinnevik's financial position and ability to operate as an investment company generating long-term shareholder returns through growth capital investments are assessed to be the following:

- Firstly, Kinnevik may have to commit more capital than planned to finance its existing investee companies, as some of Kinnevik's investee companies are adversely impacted by the spread of the coronavirus, having direct implications on Kinnevik's portfolio composition and potentially its net indebtedness.

- Secondly, the valuations of Kinnevik's unlisted financial assets have in some cases been adversely affected due to the correction that has been observed in public equity markets (including in the share price development of Kinnevik and its publicly listed investee companies).

To mitigate these effects and to safeguard long-term shareholder value creation, Kinnevik is in a continuous dialogue with founders, management, co-investors and other key stakeholders of its investee companies to provide support and guidance, and to regularly reassess each investee company's potential need for additional capital.

Kinnevik has a strong financial position, a solid capital allocation framework and budgeting process, and capable partners, board directors and management teams in its investee companies. While Kinnevik's net asset value is negatively affected by the repercussions of the spread of the coronavirus, Kinnevik is well-equipped to navigate in a tougher market environment without compromising its financial targets over the long-term. As per the release of this Annual Report, Kinnevik's assessment is that the spread of the coronavirus and its ramifications on capital markets have had a material negative impact on the value of its unlisted financial assets, in a magnitude generally on par with what has been observed in the trading of publicly listed companies comparable to those of Kinnevik's unlisted investee companies.

PARENT COMPANY FINANCIAL STATEMENTS

Parent Company Income Statement for the period 1 January-31 December (SEKm)

	Note	2019	2018
Administration costs	5,16	-344	-316
Other operating income		3	5
Operating loss		-341	-311
Dividends received	2	45 026	2 984
Profit from financial assets, associated companies and other	4	-	6 684
Loss from financial assets, subsidiaries	4	-21 274	-2 290
Interest income and other financial income	3	9	6
Interest expenses and other financial expenses	3	-56	-49
Profit/loss after financial items		23 364	7 024
Appropriations			
Group contributions, paid		0	-20
Group contributions, received		122	13
Profit/loss before tax		23 486	7 017
Taxes	6	-	-
Net profit/loss for the year ¹⁾		23 486	7 017

¹⁾ Net profit corresponds with total comprehensive income.

Parent Company Balance Sheet as at 31 December (SEKm)

	Note	2019	2018
Tangible fixed assets			
Equipment	7	3	4
Shares and participations in Group companies	9	50 138	62 912
Shares and participations in associated companies	8	-	-
Receivables from Group companies		30 232	-
Other long-term receivables		20	20
Total fixed assets		80 393	62 936
Current assets			
Receivables from Group companies		122	19
Other receivables		18	14
Accrued income and prepayments		8	5
Short term investments		3 664	149
Cash and cash equivalents		191	202
Total current assets		4 003	389
TOTAL ASSETS		84 396	63 325

	Note	2019	2018
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders equity	10,15		
Restricted equity			
Share capital (276,902,244 shares of SEK 0.10)		28	28
Premium reserve		6 868	6 868
Unrestricted equity			
Share premium		1 616	1 616
Retained earnings		24 144	35 626
Net result		23 486	7 017
Total shareholders' equity		56 142	51 155
Liabilities	13		
Provisions			
Provisions for pensions		16	22
Other provisions		4	4
Total provisions		20	26
Long-term liabilities			
External interest-bearing loans	11	1 391	2 842
Total long-term liabilities		1 391	2 842
Short-term liabilities			
External interest-bearing loans	11	3 410	500
Trade creditors		4	7
Liabilities to Group companies		23 335	8 718
Other liabilities		5	5
Accrued expenses	12	89	72
Total short-term liabilities		26 843	9 302
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		84 396	63 325

Parent Company Statement of Cash Flow for the period 1 January-31 December (SEK m)

	2019	2018
External dividends received	-	705
Cash flow from operating costs	-298	-260
Cash flow from operations before interest net and income taxes	-298	445
Interest, received	0	0
Interest, paid	-49	-48
Income taxes, paid	-	-
Cash flow from operations	-347	397
Divestments of financial assets	17	16
Cash flow from investing activities	17	16
Borrowing	1 960	500
Amortization	-500	-
Dividend paid	-2 271	-2 270
Received from subsidiaries	45 067	2 296
Paid to subsidiaries	- 40 422	-2 377
Cash flow from financing activities	3 834	-1 851
Cash flow for the year	3 504	-1 438
Cash and short term investments, opening balance	351	1 789
Cash and short term investments, closing balance	3 855	351

Movements in Shareholders' equity of the Parent Company (SEK m)

	Share capital	Premium reserve	Unrestricted equity	Total
Opening balance, 1 January 2018	27	6 868	41 930	48 825
New share issue	1	-	-	1
Cash dividend ¹⁾	-	-	-2 270	-2 270
Dividend in kind ²⁾	-	-	-2 440	-2 440
Effect of employee share saving programme	-	-	22	22
Net result	-	-	7 017	7 017
Closing balance, 31 December 2018	28	6 868	44 259	51 155
Cash dividend ³⁾	-	-	-2 271	-2 271
Dividend in kind ⁴⁾	-	-	-16 268	-16 268
Effect of employee share saving programme	-	-	40	40
Net result	-	-	23 486	23 486
Closing balance, 31 December 2019	28	6 868	49 246	56 142

¹⁾ The Annual General Meeting held on 21 May 2018, resolved in favor of paying a cash dividend of SEK 8.25 per share, a total of 2,270m

²⁾ At the Extraordinary General Meeting in July 2018 it was resolved to distribute all Kinnevik's shares in MTG.

³⁾ The Annual General Meeting held on 6 May 2019, resolved in favor of paying a cash dividend of SEK 8.25 per share, a total of SEK 2,271m.

⁴⁾ At the Extraordinary General Meeting in November 2019 it was resolved to distribute all Kinnevik's shares in Millicom Int.

NOTES FOR THE PARENT COMPANY

NOTE 1 PARENT COMPANY'S ACCOUNTING PRINCIPLES

The Parent Company's annual accounts have been prepared in accordance with Swedish law and the Swedish Financial Reporting Board's recommendation RFR 2 (Reporting for legal entities).

The Parent Company's accounting principles depart from the principles governing consolidated accounting in respect of the valuation of financial instruments and pension liabilities. The Parent Company applies RFR 2 in respect of the option not to observe IFRS 9. Financial instruments are thus not valued at fair value as in the Group but at their acquisition cost and after write-down, if any. Pension liabilities are reported in accordance with Swedish principles.

For information concerning related party transactions, refer to Note 15 for the Group.

NOTE 2 DIVIDENDS RECEIVED

	2019	2018
Subsidiaries	45 026	2 279
Modern Times Group MTG AB	-	124
Tele2 AB	-	565
Altlorenscheurerhof S.A.	-	16
	45 026	2 984

NOTE 3 FINANCIAL INCOME AND EXPENSES

	2019	2018
Interest income	0	2
Exchange-rate differences	9	4
Financial income	9	6
Result from short-term investment	-6	-
Interest expenses to credit institutions	-35	-35
Other financial expenses	-14	-14
Financial expenses	-56	-49
Net financial income/expenses	-47	-43

NOTE 4 EARNINGS FROM FINANCIAL ASSETS

	2019	2018
Sale of shares in associated companies	0	6 661
Sale of other shares	-	35
Write-down of shares in associated companies	-	-12
Total loss from associated companies and other	0	6 684
Write-down of shares in subsidiaries	-21 274	-2 302
Sale of shares in subsidiaries	0	12
Total loss from subsidiaries	-21 274	-2 290

NOTE 5 AUDITORS' FEES

	2019	2018
To Deloitte		
Audit assignments	1	1
Other services	0	0
Total	1	1

NOTE 6 TAXES

	2019	2018
Tax expenses for the period	0	0
	0	0

RECONCILIATION OF EFFECTIVE TAX RATE

	2019	%	2018	%
Profit/loss before tax	23 486		7 017	
Income tax at statutory rate of Parent Company	-5 026	-21.4%	-1 544	-22.0%
Earnings from participations in associated companies	-	0,0%	969	13.8%
Non-taxable dividends received	9 636	41,0%	656	9.4%
Write-down of shares in associated companies	-4 553	-19,4%	-2	-0.0%
Other non-taxable expenses	-2	0.0%	1	0.0%
Charge non-capitalized loss carry-forward	-55	-0,2%	-80	-1.1%
Effective tax/tax rate	0	0.0%	0	0.0%

NOTE 7 TANGIBLE FIXED ASSETS

	2019	2018
Equipment		
Opening acquisition values	7	6
Sales for the year	-1	-1
Investments for the year	1	2
Closing acquisition values	7	7
Opening accumulated depreciation	-3	-3
Disposals/scraping for the year	0	1
Depreciation for the year	-1	-1
Closing accumulated depreciation	-4	-3
Closing book value	3	4

NOTE 8 SHARES AND PARTICIPATIONS

Associated companies	Reg no	Registered office	Number of shares	2019		2018	
				Capital/voting (%)	Book value	Capital/voting (%)	Book value
Altlorenscheurerhof S.A.		Luxembourg	625	33	0	33	0
Modern Cartoons Ltd		USA	2 544 000	23	0	23	0
Shared Services S.A.		Luxembourg	200	30	0	30	0
Total book value					0		0

Change in book value, shares and participations in associated companies

	2019	2018
Opening acquisition value, 1 January	0	10 580
Acquisition	-	1 306
Write-down	-	-12
Dividend in kind	-	-2 440
Sales	-	-9 434
Closing book value, 31 December	0	0

NOTE 9 SHARES AND PARTICIPATIONS IN GROUP COMPANIES

Shares and participations in direct-owned subsidiaries

	Reg no	Registered office	Number of shares	Capital/voting (%)	2019	2018
Invik&Co. AB	556051-6238	Stockholm	295 384	100/100	0	0
Royalvik AB	556035-3749	Stockholm	1 635	100/100	381	584
Invik S.A.		Luxembourg	551 252	100/100	1 023	875
Kinnevik Capital Ltd		Great Britain	1 000	100/100	1	1
Förvaltnings AB Eris & Co.	556035-7179	Stockholm	1 020 000	100/100	166	166
Kinnevik Consumer Finance Holding AB	556833-3917	Stockholm	50 000	100/100	1 342	1 342
Kinnevik East AB	556930-5666	Stockholm	50 000	100/100	0	0
Kinnevik Internet Lux SARL		Luxembourg	12 500	100/100	5 058	802
Kinnevik US Holdings AB	559109-4239	Stockholm	500	100/100	0	0
Kinnevik Media Holding AB	556880-1590	Stockholm	50 000	100/100	25	54
Kinnevik New Ventures AB	556736-2412	Stockholm	100	100/100	5 533	5 533
Kinnevik Online AB	556815-4958	Stockholm	50 000	100/100	17 459	16 984
Kinnevik Sweden Holding AB	559109-4221	Stockholm	500	100/100	6 350	20 944
Millcellvik AB	556604-8285	Stockholm	1 000	100/100	12 800	15 627
Friends of CS AB	559165-9734	Stockholm	500	100/100	0	0
Book value					50 138	62 912

RECONCILIATION OF THE BOOK VALUE OF DIRECT-OWNED SHARES IN SUBSIDIARIES

	2019	2018
Opening acquisition value, 1 January	73 727	53 507
Shareholders' contribution	8 626	23 451
Repaid shareholders' contribution	-126	-
Sale	-	-231
Closing acquisition value, 31 December	85 227	76 727
Opening write-down, 1 January	-13 815	-11 723
Write-down	-21 274	-2 301
Reversed write-down subsidiaries	-	209
Closing write-down, 31 December	-35 089	-13 815
Closing book value, 31 December	50 138	62 912

IN ADDITION THE FOLLOWING COMPANIES ARE INCLUDED IN THE GROUP

	Reg.no.	Registered office	Capital/voting (%)
Kinnevik Internet 1 AB	556884-6470	Stockholm	100/100
Kinnevik Mauritius Ltd, under liquidation		Mauritius	100/100
Kinnevik Online Holding AB	556862-0404	Stockholm	100/100
Saltside Technologies AB	556852-1669	Gothenburg	61/61
Ikman (pvt) Ltd		Sri Lanka	61/61
Bikroy Ltd		Bangladesh	61/61
Tonaton Ltd		Ghana	61/61
Saltside Technologies India Pvt. Ltd		India	61/61
Namki Technologies Pvt. Ltd		India	61/61
Metro International AB	556275-8853	Stockholm	100/100
Metro do Brasil Consultoria Administrativa e Editorial e Participações Ltda		Brazil	100/100

NOTE 10 SHAREHOLDERS' EQUITY

Change in shareholders' equity from the preceding year's balance sheet are presented in Movements in Shareholders' equity of the Parent Company.

SHARE CAPITAL

Kinnevik AB's share capital as of 31 December 2019 was distributed among 276,902,244 shares with a par value of SEK 0.10 per share.

DISTRIBUTION BY CLASS OF SHARES WAS AS FOLLOWS

	Number of shares	Number of votes	Par value (SEK 000s)
Class A shares outstanding	33 755 432	337 554 320	3 376
Class B shares outstanding	241 613 436	241 613 436	24 161
Class D-G shares outstanding 2018	539 636	539 636	54
Class D-G shares outstanding 2019	695 970	695 970	70
Class B shares in own custody	297 770	297 770	30
Registered number of shares	276 902 244	580 701 132	27 690

The total number of shares amounted at 31 December 2019 to 276,902,244, where of 33,755,432 class A shares with ten votes each, 241,911,206 class B shares (of which 297,770 class B shares in own custody) and 1,235,606 reclassifiable, sub-ordinated, incentive shares, held by participants in Kinnevik's long-term share incentive plans 2018 and 2019.

The total number of votes for outstanding shares amounted at 31 December 2019 to 580,403,362 excluding 297,770 class B treasury shares. During the year 111,777 class B shares were delivered to participants in the share-based plan from 2016 and 126,922 class B shares were sold to cover the tax for the participants. In addition, and similar to LTIP 2018, a new issue of reclassifiable, sub-ordinated, incentive shares, divided into four classes, to the participants in Kinnevik's long-term share incentive plan resolved on by the 2019 AGM were registered by the Swedish Companies Registration Office (Sw. Bolagsverket) during September 2019.

The Board has authorization to repurchase up to a maximum of 10% of all shares in the Company over 12 months, ending at the 2020 AGM. There are no convertibles or warrants in issue.

Regarding share based long-term incentive plans (LTIP), refer to Note 16 for the Group.

NOTE 11 INTEREST-BEARING LOANS

	2019	2018
Interest-bearing long-term loans		
Capital markets financing	1 400	2 850
Marketvaluation SWAP	3	5
Accrued borrowing costs	-12	-13
	1 391	2 842
Interest-bearing short-term loans		
Capital markets financing	2 450	-
Commercial paper	960	500
	3 410	500
Total interest-bearing loans	4 801	3 342

For further information about the Parent Company's interest bearing loans refer to Note 10 for the Group.

NOTE 12 ACCRUED EXPENSES

	2019	2018
Accrued personnel expenses	46	44
Accrued interest expenses	24	23
Other	13	5
Total	89	72

NOTE 16 PERSONNEL

Average number of employees	2019		2018	
	men	women	men	women
Stockholm	10	12	8	10

Salaries, other remuneration and social security expenses	2019		2018	
	Board, CEO and senior executives	Other employees	Board, CEO and senior executives	Other employees
Salaries and other remuneration	49 684	25 353	50 285	20 262
Social security expenses	17 068	5 681	17 025	7 539
Pension expenses/contributions	6 005	1 169	5 052	3 104
Provision for share-based remuneration including social securities expense ¹⁾	35 740	45 179	31 325	17 783
	108 498	77 382	103 688	48 689

¹⁾ Share based remuneration includes subsidies received at launch of LTI programmes. See Note 16 for the Group

Salaries and other remuneration to the Board, CEO and other senior executives are further presented in Note 16 for the Group.

NOTE 13 CONTINGENT LIABILITIES

County administrative boards have submitted claims to Kinnevik regarding environmental studies at a number of sites where Fagersta AB (through name changes and a merger, Kinnevik AB) conducted operations until 1983. Kinnevik's position is that the Company's responsibility to perform any decontamination measures must be very limited, if any, primarily out of consideration to the long period of time that has passed since any potential contamination damages occurred and the regulations that were in force at the time, and the fact that a quarter century has passed since operations were shut down or turned over to new owners. Kinnevik has therefore not made any provisions for potential future claims for decontamination measures. SEK 5m was provided in 2007 for potential environmental studies that Kinnevik might be required to pay for of which SEK 1.3m was used in 2010 to 2019. Kinnevik has, in February 2020, taken part of a summons application submitted by AB Custos concerning the sale of Metro Nordic Sweden AB (subsequently renamed Metro Media House AB, in bankruptcy). The summons concerns a claim of SEK 125m plus interest, a total of SEK 155m at the date of the summons application. Kinnevik is of the view that the claim is unfounded and has made no provision in the accounts.

NOTE 14 INTRA-GROUP TRANSACTIONS

Intra-group revenue for the Parent Company amounted to SEK 1m (1).

The Parent Company and the Swedish subsidiaries have their liquidity arranged through central bank accounts in different currencies. In addition, the Parent Company has a number of loans from subsidiaries. Market rate of interest are charged for all those balances.

NOTE 15 PROPOSED APPROPRIATION OF PROFITS

The Board and the CEO propose that the unappropriated earnings and share premium at the disposal of the Annual General Meeting be disposed of as follows:

	2019
Share premium carried forward	1 615 929 594
Retained earnings carried forward	47 629 527 700
Total, SEK	49 245 457 294

NOTE 17 FINANCIAL ASSETS AND LIABILITIES

2019	Fair value through profit or loss	Amortized cost	Financial debt, amortized cost	Total book value
Receivables from Group companies	-	30 354		30 344
Interest-bearing receivables	20	-		20
Other receivables	-	18		18
Short term investment	3 664	-		3 664
Cash at bank	-	191		191
Total financial assets	3 684	30 563		34 247
Interest-bearing liabilities			4 801	4 801
Liabilities to Group companies			23 335	23 335
Trade creditors			4	4
Other liabilities			94	94
Total financial liabilities			28 234	28 234

2018	Fair value through profit or loss	Amortized cost	Financial debt, amortized cost	Total book value
Receivables from Group companies	-	19		19
Interest-bearing receivables	20	-		20
Other receivables	-	14		14
Short term investment	149	-		149
Cash at bank	-	202		202
Total financial assets	149	220		404
Interest-bearing liabilities			3 342	3 342
Liabilities to Group companies			8 718	8 718
Trade creditors			7	7
Other liabilities			77	77
Total financial liabilities			12 144	12 144

Fair value. For financial assets which are valued at accrued acquisition value and are charged with floating rate or have short-term maturity, the book value correspond to fair value.

SIGNATURES OF THE BOARD OF DIRECTORS AND THE CEO

The undersigned certify that the consolidated accounts and the annual report have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted for use in the European Union, and generally accepted accounting principles respectively, and give a true and fair view of the financial positions and results of the Group and the Parent Company, and that the Board of Directors' Report gives a fair review of the development of the operations, financial positions and results of the Group and the Parent Company and describes substantial risks and uncertainties that the Group companies face.

Stockholm, 26 March 2020

Dame Amelia Fawcett
Chairman of the Board

Henrik Poulsen
Deputy Chairman of the Board

Susanna Campbell
Member of the Board

Wilhelm Klingspor
Member of the Board

Brian McBride
Member of the Board

Charlotte Strömberg
Member of the Board

Georgi Ganev
Chief Executive Officer

Our Audit Report was issued on 26 March 2020
Deloitte AB

Jan Bertsson
Authorized Public Accountant

AUDIT REPORT

TO THE GENERAL MEETING OF THE SHAREHOLDERS OF KINNEVIK AB (PUBL) CORPORATE IDENTITY NUMBER 556047-9742

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Kinnevik AB (publ) for the financial year 1 January 2019 – 31 December 2019 except for the corporate governance report on pages 39-44. The annual accounts and consolidated accounts of the company are included on pages 34-75 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2019 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2019 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinion does not include the corporate governance report on pages 39-44. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance

with these requirements. This includes that, based on our best knowledge and belief, no prohibited services referred to in the Auditors Regulation (537/2014) Article 5.1 has been provided to the audited company or, where applicable, its parent company or its controlled companies in the EU. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significant in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of unlisted investments

The total carrying value of unlisted investments amounted to SEK 12.605 million as of December 31, 2019. The company's valuation policy is based on IFRS 13 and the International Private Equity and Venture Capital Valuation Guidelines. The process for valuation of unlisted investments is based on a high degree of judgement and input from data that is not observable in the market, which implies that an inappropriate assessment of input from data can have a significant impact in the assessment of fair value. Our audit procedures included, but were not limited to:

- Evaluation of the process and internal controls related to the valuation of unlisted investments.
- Confirming that the valuation models that the company applies are consistent with IFRS 13.
- Evaluating assessments made by the Company, with respect to the selection of comparable companies, adjustments to the valuation multiples and parameters used in other valuation methods such as discounted cash flow models, and
- Assessing that the information disclosed in the annual reports is in compliance with IFRS 13.

Refer to page 51, note 2 and note 3 for disclosure of valuation of unlisted investments.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-33 och 79-80 . The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Kinnevik AB (publ) for the financial year 1 January 2019 - 31 December 2019 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that

the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 39-44 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Deloitte AB, was appointed auditor of Kinnevik AB (publ) by the annual general meeting of the shareholders on May 8, 2017 and has been the company's auditors since May 13, 2013.

Stockholm 2020-03-26

Deloitte AB

Jan Berntsson

Authorized Public Accountant

Signatures on Swedish original

DEFINITIONS AND ALTERNATIVE PERFORMANCE MEASURES

Kinnevik applies the Esma Guidelines on Alternative Performance Measures (APM). An APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. For Kinnevik's consolidated accounts, this typically means IFRS.

APMs are disclosed when they complement performance measures defined by IFRS. The basis for disclosed APMs are that they are used by management to evaluate the financial performance and in so believed to give analysts and other stakeholders valuable information. Definitions of all APMs used are found below. Reconciliations of a selection of APMs can be found on Kinnevik's corporate website www.kinnevik.com.

DEBT/EQUITY RATIO

Interest-bearing liabilities including interest-bearing provisions divided by shareholders' equity

EQUITY RATIO

Shareholders' equity as a percentage of total assets

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 including net loans to investee companies 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 ASSET VALUE CHANGE

Change in net asset value without adjustment for dividend paid or other transactions with shareholders

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

PORTFOLIO VALUE

Total book value of fixed financial assets held at fair value through profit or loss

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

ANNUAL GENERAL MEETING 2020

DATE AND VENUE

The Annual General Meeting will be held on Monday, 11 May 2020, at 10.00 a.m. at the Hotel At Six, Brunkebergstorg 6, Stockholm. The doors will open at 9.00 a.m. and registration will be conducted until 10.00 a.m., when the doors will be closed.

WHO IS ENTITLED TO PARTICIPATE?

Shareholders who intend to participate at the Annual General Meeting shall:

- be entered in the share register maintained by Euroclear Sweden on Tuesday, 5 May 2020, and
- give notice of their attendance no later than Tuesday, 5 May 2020.

Shareholders cannot vote or participate on distance.

HOW TO BE ENTERED IN THE REGISTER OF SHAREHOLDERS

Shares can be registered in the share register maintained by Euroclear Sweden in the name of the owner or the nominee. Shareholders whose shares are registered in the names of nominees must temporarily re-register the shares in their own name to be entitled to participate in the Annual General Meeting. Shareholders requiring such re-registration must inform the nominee of this in sufficient time prior to 5 May 2020.

HOW TO NOTIFY INTENTION TO PARTICIPATE

Shareholders can notify the Company of their intention to participate from Tuesday, 7 April 2020, and shall notify the Company by using one of the following alternatives:

- through the Company's website, www.kinnevik.com,
- by writing to the Company at Kinnevik AB, AGM 2020, c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Sweden, or
- by telephone, +46 (0) 8 402 91 36, weekdays from 9.00 a.m. to 4.00 p.m.

A NOTIFICATION SHOULD INCLUDE THE FOLLOWING

- Name
- Personal identification number/corporate registration number
- Address and telephone number
- Representatives, if applicable

If participation is based on written power of attorney, this should be submitted in conjunction with notification of participation in the Annual General Meeting and brought in original to the Annual General Meeting. A template proxy form is available on the Company's website at www.kinnevik.com. Notification must be submitted to the Company no later than Tuesday, 5 May 2020.

NOMINATION COMMITTEE

In accordance with the resolution of the 2019 Annual General Meeting, Cristina Stenbeck, representing Verdere S.à r.l. and CMS Sapere Aude Trust, 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. and CMS Sapere Aude Trust, Hugo Stenbeck representing Alces Maximus LLC (previously AMS Sapere Aude Trust), James Anderson representing Baillie Gifford, Ramsay Brufer representing Alecta, and Marie Klingspor. Information about the work of the Nomination Committee can be found on Kinnevik's website at www.kinnevik.com.

FINANCIAL INFORMATION

17 April	Interim Report January-March 2020
13 July	Interim Report January-June 2020
15 October	Interim Report January-September 2020

**WE BUILD
LEADING
DIGITAL
BUSINESSES**





For an in-depth description of Kinnevik including our strategy, team and investee companies, please refer to www.kinnevik.com