

A photograph of a rocket launch at dusk. The rocket is ascending vertically, leaving a trail of white smoke and fire. The sky is a deep blue with scattered white clouds. In the foreground, the launch pad's service structure is visible. A large white rectangular box is overlaid on the center of the image, containing the event title and date.



# *Capital Markets Day*

*Stockholm*  
*19 September 2019*







# Agenda

## Morning Block

<i>Time</i>	<i>Agenda Item</i>	<i>Speakers</i>		
10.00 - 10.30	Introduction, Overview & Strategy	Georgi Ganev CEO		
10.30 - 10.45	Financial Overview & Disclosure	Joakim Andersson CFO		
10.45 - 11.15	Investment Strategy & Focus Sectors	Chris Bischoff Senior Investment Director	Andreas Bernström Investment Director	
11.15 - 12.00	Financial Services Panel	Jon Stein Founder & CEO <b>Betterment</b>	Norris Koppel Founder & CEO  monese	Jeppe Rindom Founder & CEO  pleo
12.00 - 12.45	Lunch			

## Agenda

### Afternoon Block

Time	Agenda Item	Speakers
12.45 - 13.15	Under the Hood: Kinnevik as an Investor	Chris Bischoff Senior Investment Director Andreas Bernström Investment Director
13.15 - 13.35		Naren Shaam Founder & CEO
13.35 - 14.20		Lee Shapiro CFO
14.20 - 14.45	Break	
14.45 - 15.05		Christoph Barchewitz Co-CEO
15.05 - 15.25		Karl Munthe-Kaas Founder & CEO
15.25 - 16.00	Wrap-Up	Georgi Ganev CEO

# THIS WEEK, WE ANNOUNCED THREE STEPS TOWARDS OUR OBJECTIVE TO PIVOT OUR PORTFOLIO TOWARDS GROWTH AND VENTURE CAPITAL

## *This Week's Announcements*

*Evolving Our Portfolio*



### *Small Sell-Down in Zalando*

Strengthens our Financial Position

Reduces Portfolio Concentration  
Created by Zalando's Great Success

We Remain Zalando's Largest Owner,  
and Zalando Remains Core to Our Strategy



### *Distribution of Our Millicom Stake*

Significant Distribution of Value

Shareholders are Provided the  
Option to Hold Millicom Directly

Portfolio Step-Change Towards  
Growth and Venture Capital



### *Shareholder Remuneration Policy*

In Tune With Our Portfolio Composition

Dividends Received Deployed Into  
the Winners in Our Private Portfolio

Aim to Deliver Cash Returns as We  
Release Capital in Successful Exits

GEORGI GANEV, CHIEF EXECUTIVE OFFICER

# OVERVIEW & STRATEGY

OUR PHILOSOPHY IS SIMPLE - WE INVEST IN MISSION-DRIVEN, DISRUPTIVE  
AND TECHNOLOGY-ENABLED VENTURE AND GROWTH CAPITAL BUSINESSES

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# *Investing in the Power of Technology to Make Life Better*

*We believe in the power of technology to make life better for people around the world*

*The consumers and their right to choose is at the heart of everything we do*

# KINNEVIK IS A UNIQUE INVESTMENT OPPORTUNITY IRRESPECTIVE OF INVESTORS' DIRECT OR INDIRECT ACCESS TO PRIVATE MARKETS

## *A Leading Growth Investor*

*The Go-To Public Growth-Focused Investment Company*

*Traditional  
Holding  
Companies*

*Family Office Control Structure*

*Accumulating Power*

*Diversified*

*National*

*Monitoring Positions*

*Static Portfolio*

*Downside Focus*

*Venture  
& Growth  
Funds*

*Third Party Capital*

*Investment Constraints*

*High Fees*

*Illiquid*

*Kinnevik*

*Entrepreneurial Owners*

*Generating Returns*

*Specialized*

*Global*

*Driving Value Creation*

*Dynamic Portfolio*

*Upside Focus*

*Permanent Capital*

*Full Flexibility*

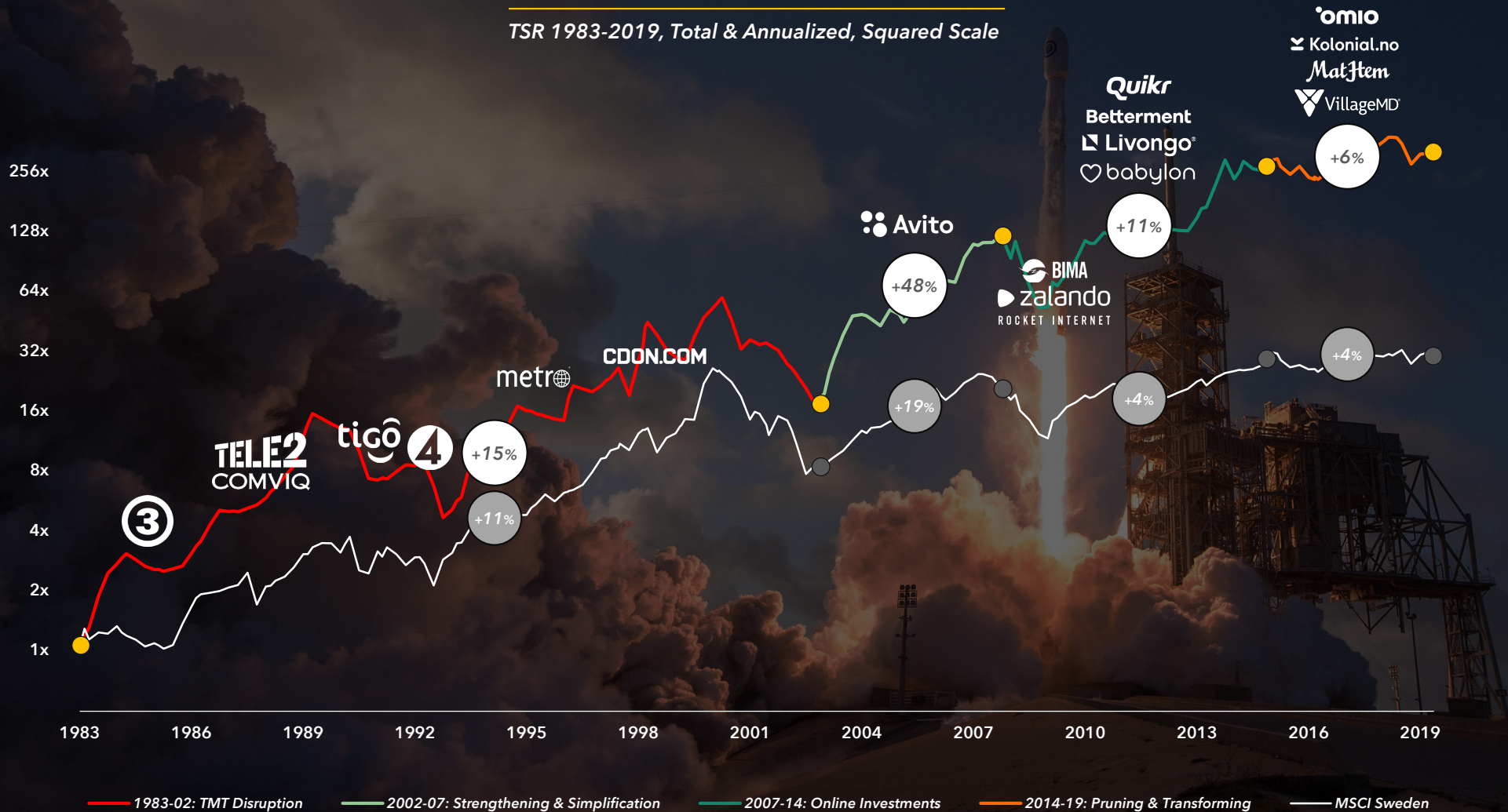
*Low Fees*

*Liquid*

# WE HAVE CONSISTENTLY BEATEN THE MARKET OVER THE LONG TERM, AND ARE NOW RE-ACCELERATING OUR EVOLUTION TOWARDS GROWTH

> 300x in 35 Years

TSR 1983-2019, Total & Annualized, Squared Scale





AS WE DID IN TELECOM AND TELEVISION, WE FOCUS ON LARGE SECTORS WHERE WE CAN CHALLENGE INCUMBENTS THAT ARE UNDERSERVING THEIR CUSTOMERS

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### *Our Focus Sectors*

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*Ripe for Disruptive Innovation*



**Healthcare**



**e-Commerce &  
Marketplaces**

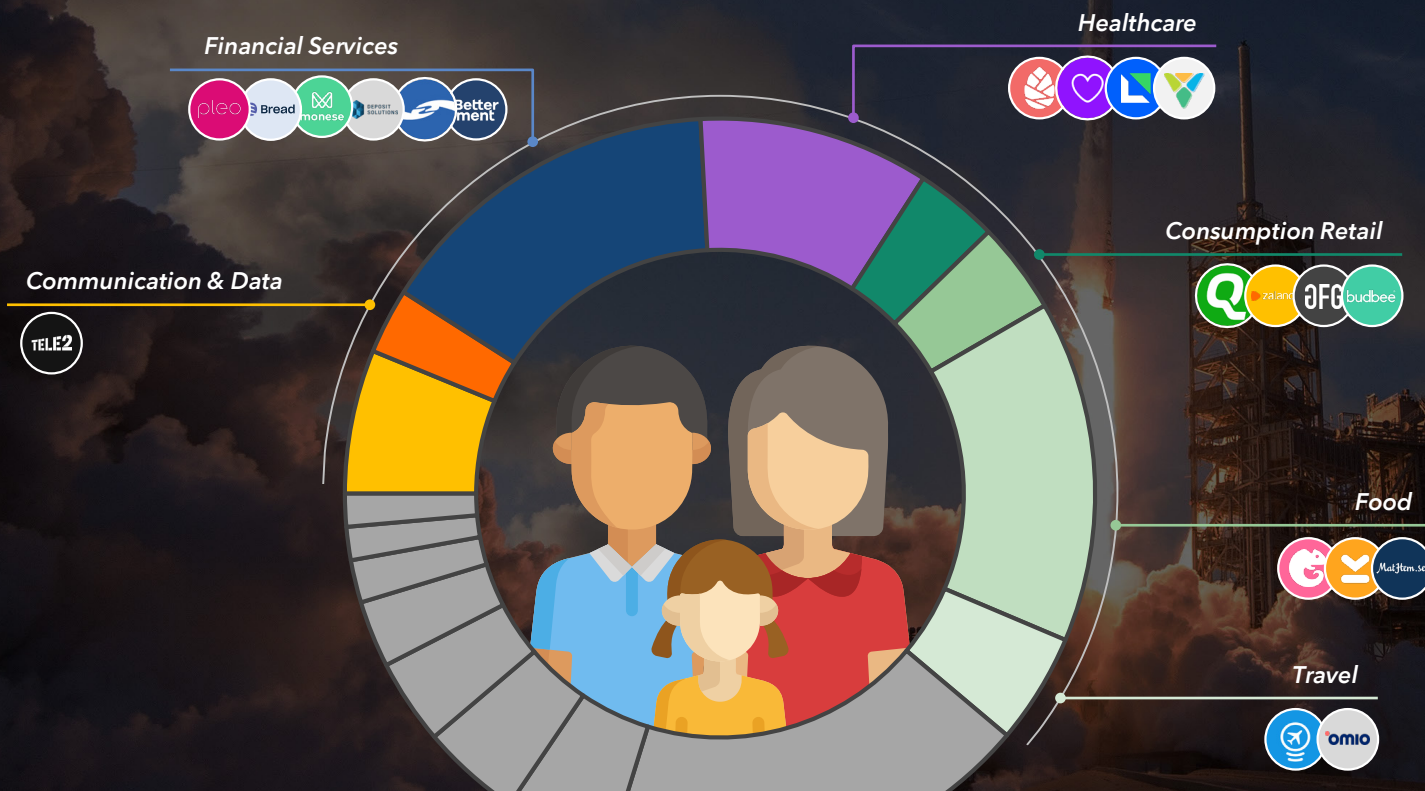


**Financial  
Services**

# WE SERVICE MORE THAN HALF OF THE HOUSEHOLD'S CONSUMPTION BY BACKING CHALLENGER BUSINESSES THAT LEVERAGE DISRUPTIVE TECHNOLOGY

## Investing in the Power of Technology to Make Life Better

Illustrative % of Household Expenditures



We target **large addressable markets**, and invest in **disruption** to democratize **choice** and build for the **long term**

# WE HAVE INTRODUCED A DIVERSITY & INCLUSION FRAMEWORK TO ENABLE AND DRIVE THE CHANGE WE WANT TO SEE IN OUR INDUSTRY

## Diversity & Inclusion

Our Framework to Drive Change



Capital Allocation

10%

of Annual Budget Earmarked for Female-Founded or -Led Companies

Composition of Teams

40/60

Gender Split Across all Kinnevik Teams by 2022

Follow-On Investments

None

in Companies not Making Progress in Relation to Diversity & Inclusion

We are convinced that diversity and inclusion are **key drivers** of transformation and that this initiative will ensure that we build **stronger and better companies**

# OUR PORTFOLIO IS BASED AROUND TWO CENTRAL PLATFORMS

## Our Two Platforms

Tele2 and Zalando

Baltic Sea Connectivity Challenger

European Starting Point for Fashion

TELE2

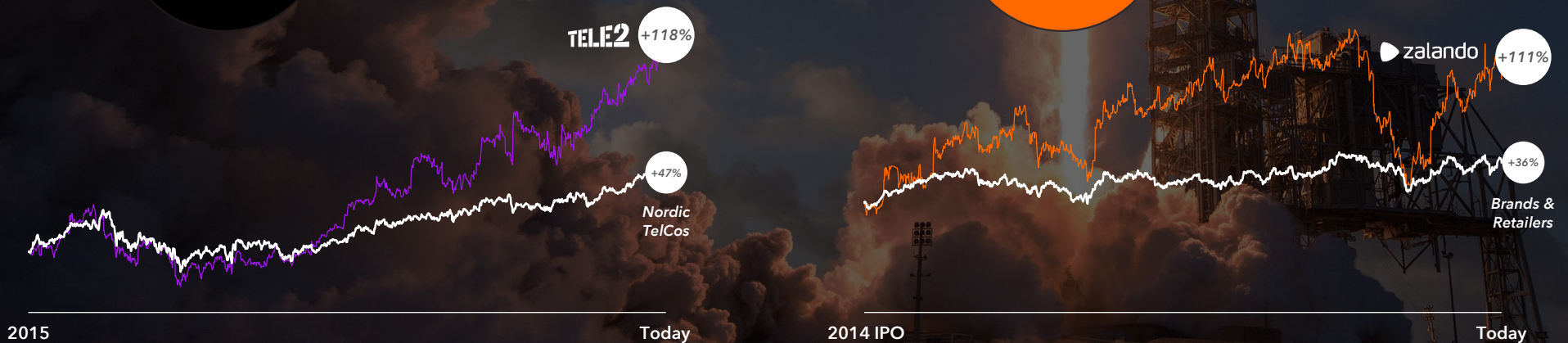
12.6m

Revenue Generating Units



28m

Active Customers



# TELE2 IS THE LEADING CONNECTIVITY OPERATOR IN SWEDEN, WITH FULL FIXED-MOBILE CAPABILITIES AFTER THE MERGER WITH COM HEM

## Tele2

### Sweden's Leading Connectivity Operator

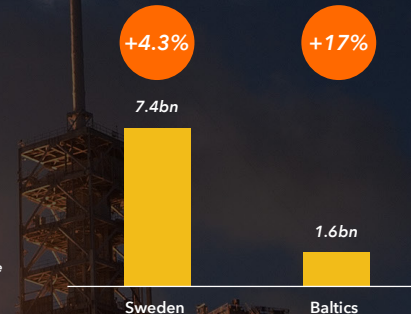
#### Strong Market Position Sweden Market Share Ranking



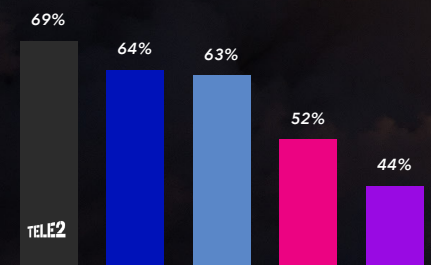
#### Superior Customer Offering Ubiquitous Connectivity



#### Growing Operating Profits Underlying EBITDA & Growth, SEK



#### Superior Cash Conversion Nordic Operators, 2018



#### Increased Synergy Target Com Hem Merger, SEK



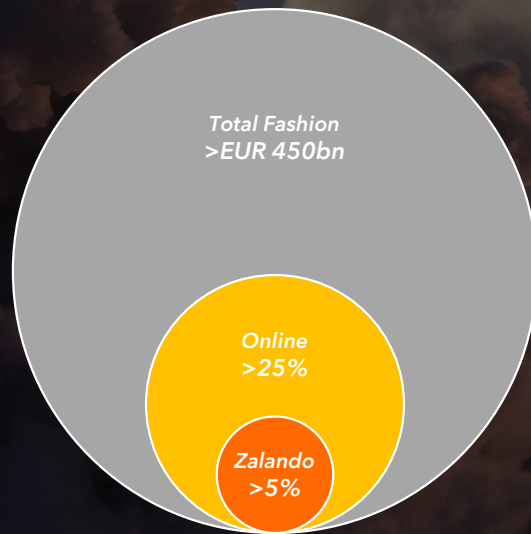
# ZALANDO IS A PLATFORM SERVING AS THE STARTING POINT FOR EUROPEAN ONLINE FASHION, AND CONTINUES ITS STRONG GROWTH

## Zalando

### The Starting Point for European Fashion Online

#### A Massive Opportunity

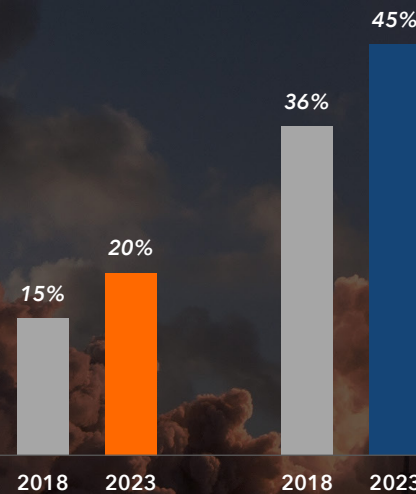
European Fashion Market in 5-10 Years



#### Relatively Low Online Share

European Online Penetration

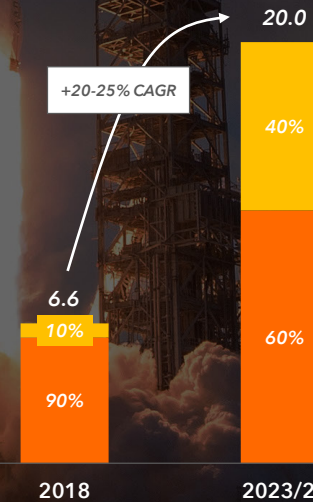
■ Fashion ■ Consumer Electronics



#### Driving Continued Growth

GMV Mix, EURbn

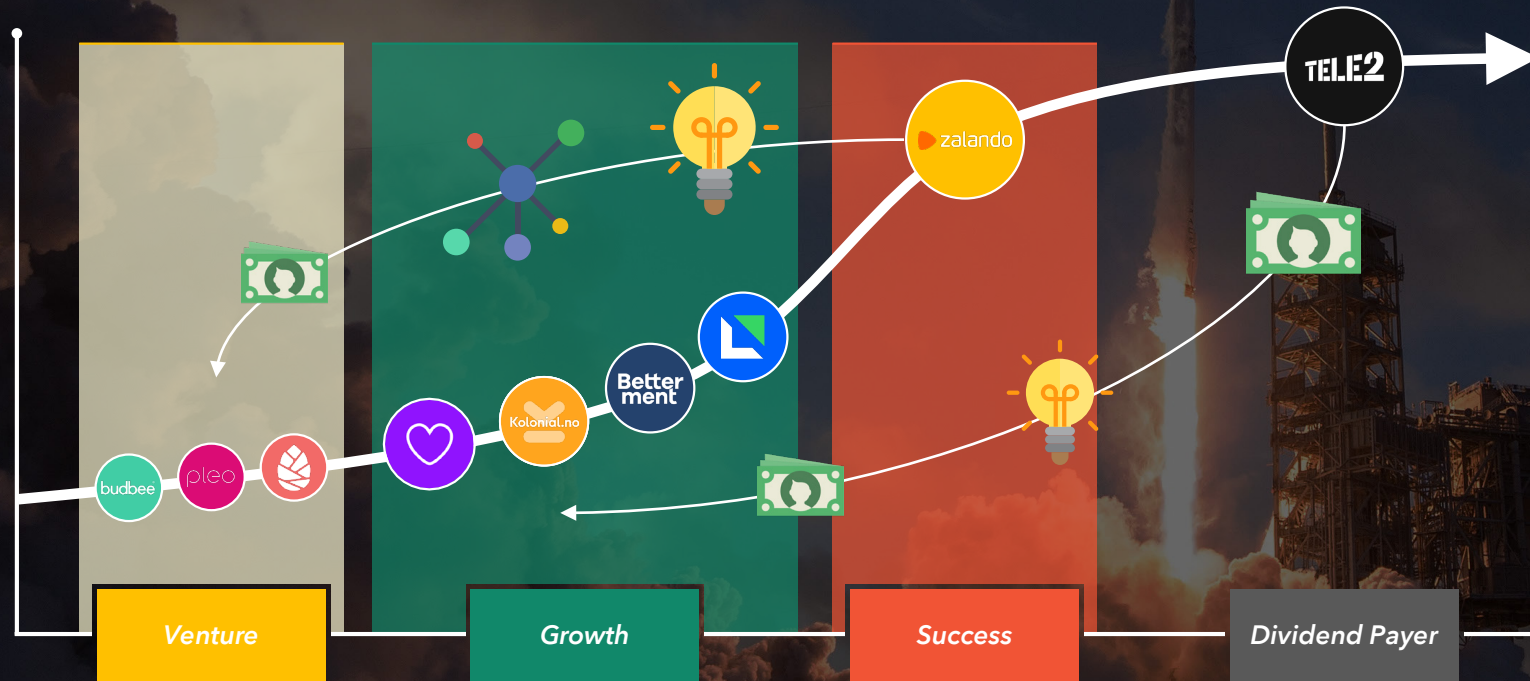
■ Wholesale ■ Partner Program



# OUR SYSTEM IS SELF-SUSTAINABLE, AND DELIVERS SOFT SYNERGIES BY SHARING IDEAS AND NETWORKS BETWEEN SUCCESSFUL GIANTS AND YOUNGER VENTURES

## Our System

Return Generator



We can hold on to our performing assets *indefinitely*, and sell only when we do not perceive the risk-return profile as sufficiently rewarding or not wholly resonating with our strategy

# OVER THE NEXT YEARS WE WILL MAINTAIN OUR PACE AND INVEST OUR CAPITAL SYSTEMATICALLY INTO THE LEADING BUSINESSES OF TOMORROW

## *Our Allocation of Capital 2020-23*

*Sectors, Geographies, Stages & Companies*

### **International Growth**

1-2 New Investments p.a.  
80% of First Round Capital

### **Nordic Venture**

1-2 New Investments p.a.  
20% of **First Round Capital**

### **Three Focus Sectors**

Evenly Distributed Capital  
Sector Heads & Operating Partners

### **New & Follow-Ons**

1/3 in First Round Investments  
2/3 in Follow-On Investments

### **Target of 30 Companies**

More Even Distribution of Value  
Recurring Exits at Attractive Terms

### **Aim for 15-25% Stakes**

Not Looking for Illiquid Control  
Looking for Influence Over Outcomes



## KINNEVIK HAS THREE PRIORITIES GOING FORWARD

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*1*  
Continue to Evolve the  
Portfolio Towards a  
Higher Proportion of  
Growth Companies

*2*  
Strengthen Our  
Portfolio Balance  
Across Sectors, Stages  
and Time to Liquidity

*3*  
Re-Allocate Capital  
More Dynamically  
Through Attractive  
Exits as Our Young  
Portfolio Matures

JOAKIM ANDERSSON, CHIEF FINANCIAL OFFICER

# FINANCIAL OVERVIEW & DISCLOSURE

# WE ARE LOOKING TO PIVOT THE MAKE-UP OF OUR PORTFOLIO OVER 2020-23, REBALANCING ACROSS FOUR KEY PARAMETERS

## Pivoting our Portfolio Balance

Key Parameters, Illustrative

### Public / Private

*We are looking to increase the share of private companies because...*

- Private markets continue to grow, with later stage money investing earlier to capture opportunities not coming to the public market as quickly
- As a result, we believe much of future value creation will take place in private markets



### Sectors

*We want to balance our portfolio across our focus sectors because...*

- It mitigates part of the risk inherent in focusing more on private growth assets by diversifying within our niche and avoiding significant correlation within the portfolio
- It broadens our offering to investors, who may be particularly attracted by certain sectors



### Geographies

*We want to allocate capital to investments the Nordics, Europe and the US because...*

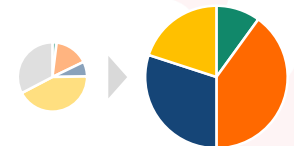
- They have a great degree of innovation, low macro risk and we are better placed to add value
- However, we will selectively invest in emerging markets where we see an attractive risk/return profile



### Stages & Tenures

*We want to focus on growth and maintain an even investment tempo because...*

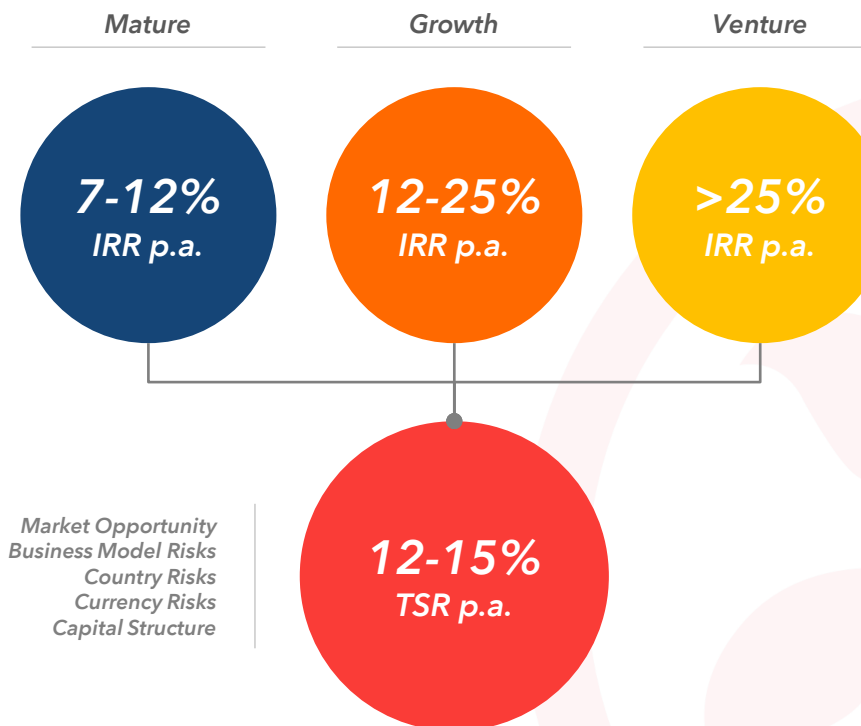
- Growth investing resonates with our identity as a business builder
- An even investment tempo avoids step-changes in our portfolio composition...
- ...and provides an evenly distributed liquidity profile, allowing for more dynamic capital re-allocation



# WE ARE COMMITTED TO DELIVER A 12-15% ANNUAL TSR OVER THE CYCLE, AND OUR CONTINUED EVOLUTION WILL PUSH THIS TARGET UPWARDS

## Attractive Returns

Our Return Target



Our total shareholder return target will resonate with the envisaged evolution of our portfolio's risk profile,  
and we will **continue to aim for returns in excess of our portfolio's assessed aggregate required return**

# WE WILL CEASE TO PAY ORDINARY DIVIDENDS AND INSTEAD RE-INVEST IN OUR PRIVATE PORTFOLIO TO GENERATE SIGNIFICANT CASH RETURNS OVER TIME

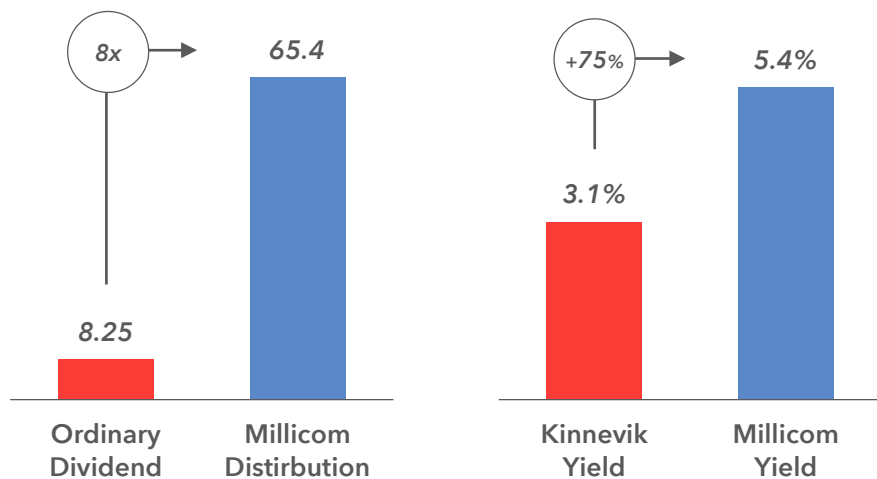
## Shareholder Remuneration

Our Amended Policy

*“Kinnevik generates shareholder returns primarily through capital appreciation, and will seek to **return excess capital** generated by its investments to shareholders through extra dividends”*

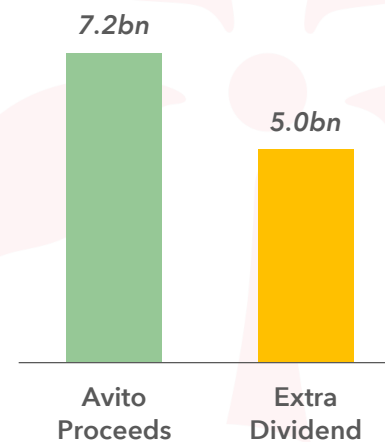
### Rationale

The distribution of Millicom corresponds to almost 8x our dividend paid in 2019, and shareholders may elect to retain Millicom shares with a high dividend yield



### Excess Capital

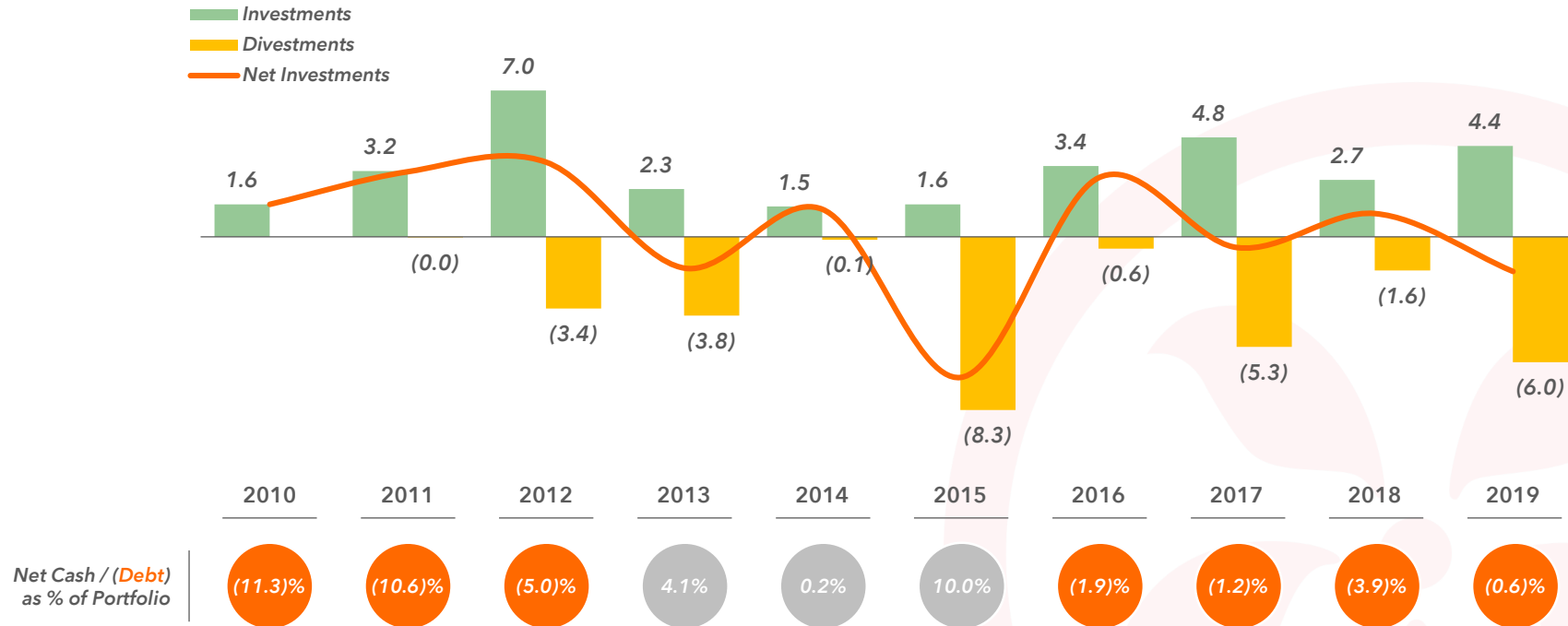
Prudent capital re-allocation & Efficient and optimized capital structure  
Financial position and net investment forecasts evaluated at liquidity events to determine cash distributions



# WE WILL RE-ALLOCATE CAPITAL MORE DYNAMICALLY GOING FORWARD, ENTAILING LIGHTER BUT MORE FREQUENT MOVEMENTS IN LEVERAGE

## Inflows & Outflows

2013-19, SEKbn



We **remain committed to our 10% leverage maximum over the coming years' evolution** towards a more balanced and growth-focused portfolio, during which we will allocate our capital in a more distributed and dynamic manner

As our portfolio distribution improves - we will **exit businesses with discipline at attractive terms** on a recurring basis

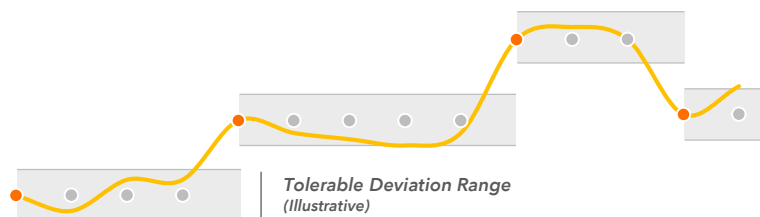
# OUR VALUATION FRAMEWORK FOR OUR UNLISTED INVESTMENTS FOLLOWS MARKET PRACTICES, INCLUDING IFRS 13 AND IPEV GUIDELINES

## Valuations & Disclosure

### Methodology and Guidelines

#### Valuations

- Our unlisted holdings are valued using **IFRS 13** and the **International Private Equity and Venture Capital Valuation Guidelines**
- Fair values are typically based on **trading multiples** of relevant peer groups - and in some cases on **discounted cash flows**
- Valuations applied in **recent transactions** are used to calibrate inputs to our valuation models
- Valuation performance is **monitored regularly**, and not insignificant changes in business performance or equity markets are translated into **revised assessments** of fair values

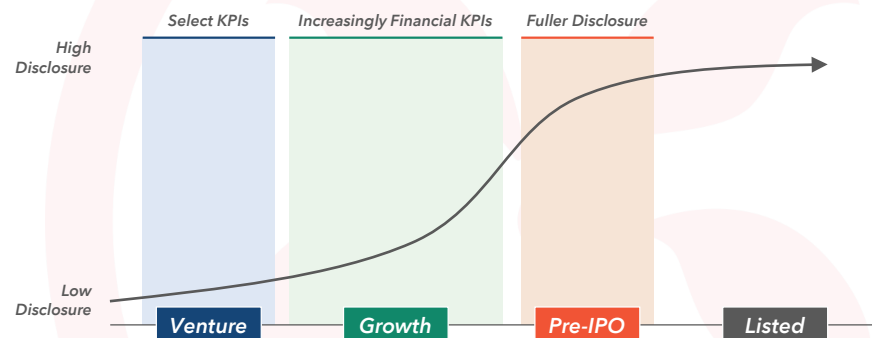


— Modelled Value

● Fair Value

#### Disclosure

- Squaring unlisted, growth-focused companies operating in highly dynamic environments with **public equity market disclosure standards** poses challenges
- Kinnevik is actively working with our companies to **improve how we report their performance** to our investors
- Going forward, we will seek to both increase our **disclosure level** and improve our **disclosure methodology** - and will provide more information as our companies grow and mature

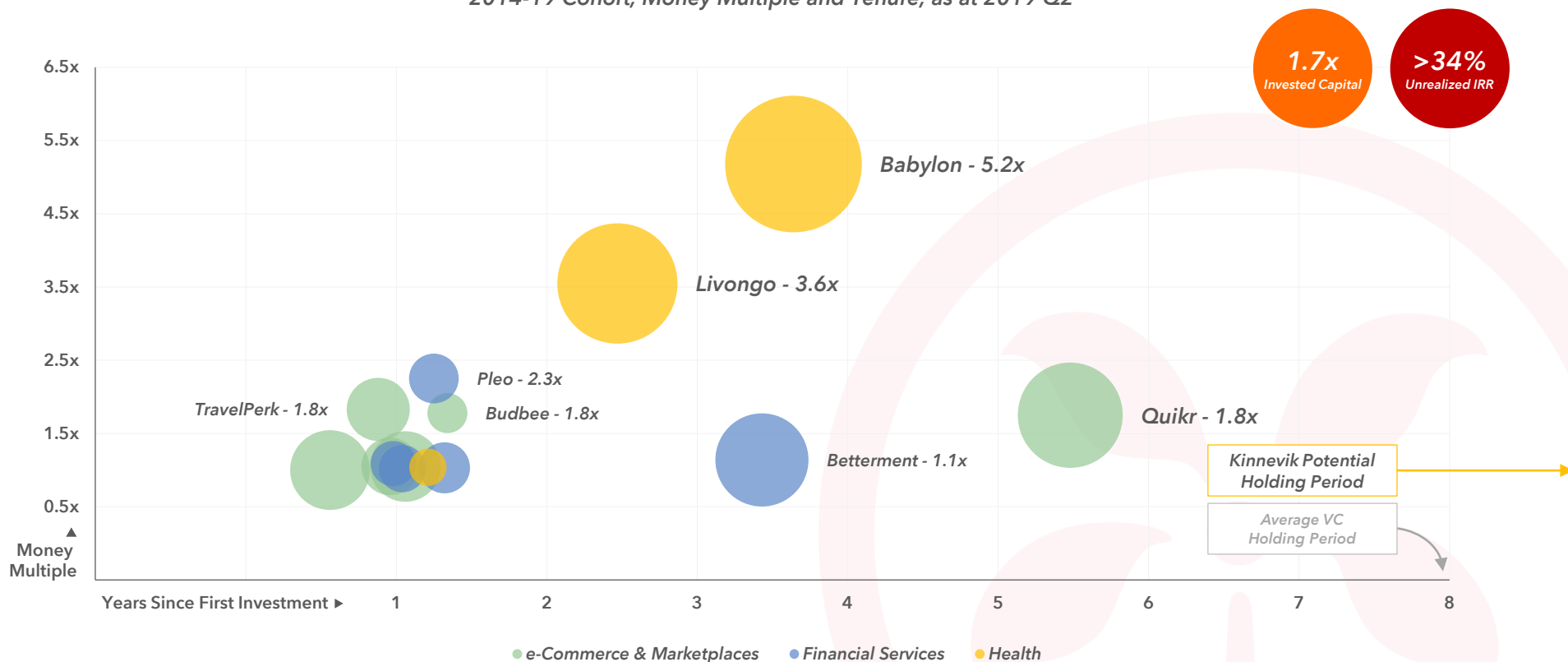


As our portfolio evolves into a higher share of unlisted companies, we will be **more dynamic and transparent** in our assessments of fair values, and will proactively work to **improve how we report the performance of our companies**

# WE ADDED 16 CO'S DURING 2014-19, AND ARE LOOKING TO ADD SLIGHTLY FEWER OVER 2020-23, WHILE DOUBLING DOWN IN OUR PROVEN WINNERS

## Current Returns of Our Newer Companies

2014-19 Cohort, Money Multiple and Tenure, as at 2019 Q2



Our recently added companies are **performing strongly**, and as we continue adding new companies in an evenly distributed tempo, we will ensure **continued and significant growth return opportunities** in our aggregate portfolio

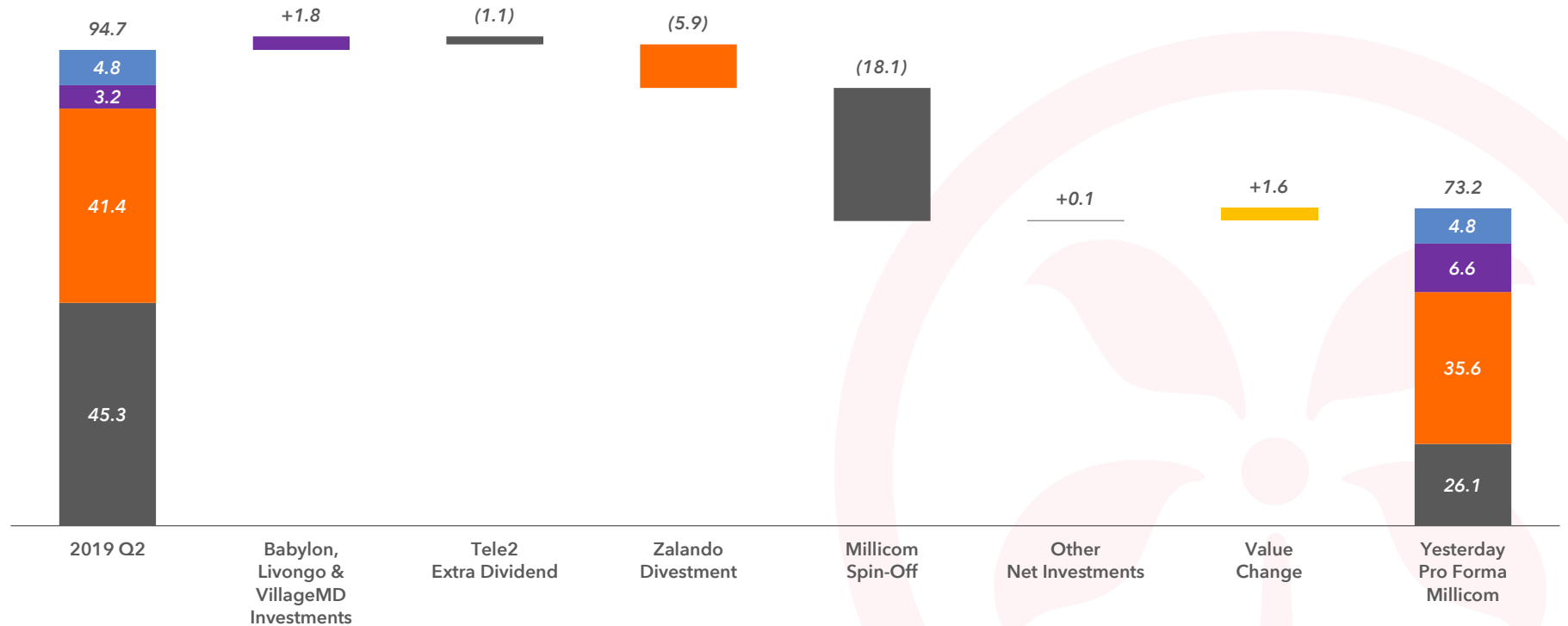


# FOLLOWING THE RECENTLY ANNOUNCED TRANSACTIONS, OUR PORTFOLIO WILL HAVE A HIGHER SHARE OF PRIVATE ASSETS AND SIGNIFICANTLY LOWER LEVERAGE

## Portfolio Value

Post Q2 Development, SEKbn

■ TMT ■ e-Commerce ■ Healthcare ■ Financial Services



% Private 11.6% Post GFG and Livongo IPOs

18.4%

% Leverage 6.0%

0.8%

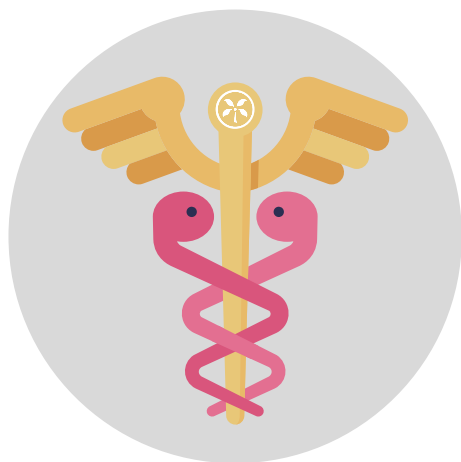
CHRIS BISCHOFF, SENIOR INVESTMENT DIRECTOR  
ANDREAS BERNSTRÖM, INVESTMENT DIRECTOR

# INVESTMENT STRATEGY & FOCUS SECTORS

AS WE DID IN TELECOM AND TELEVISION, WE FOCUS ON LARGE SECTORS WHERE WE CAN CHALLENGE INCUMBENTS THAT ARE UNDERSERVING THEIR CUSTOMERS

## *Our Focus Sectors*

*Ripe for Disruptive Innovation*



***Healthcare***



***e-Commerce &  
Marketplaces***



***Financial  
Services***

A stylized medical symbol centered within a light gray circle. It features a central vertical gold staff with a circular emblem at the top containing a white caduceus. Two gold hands are positioned on either side of the staff, appearing to hold it. A pink, stylized human figure is superimposed behind the staff, with a pink snake-like element winding around the lower part of the staff. The word "Healthcare" is written across the center in a bold, italicized, dark gray font.

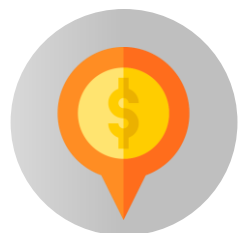
# *Healthcare*

# HEALTHCARE IS ONE OF THE LARGEST SECTORS OF OUR GLOBAL ECONOMY, AND INCUMBENTS LACK CONSUMER DNA



## Healthcare

*Still at the Very Beginning of Digital Adoption*



**10-18% of GDP**

*Healthcare Spend in Europe and the US*



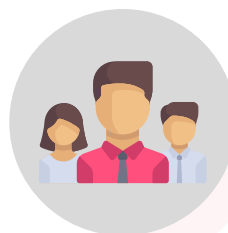
**5.5% Growth**

*In US Healthcare Spend to 2027*



**USD 1 Trillion**

*Estimated Waste in the US Healthcare System*



**180 Million**

*People in the US with a Chronic Disease*



**20% of Population**

*Aged Over 65 in the US by 2029*



**NPS of 12**

*Average of US Health Insurers in 2019*

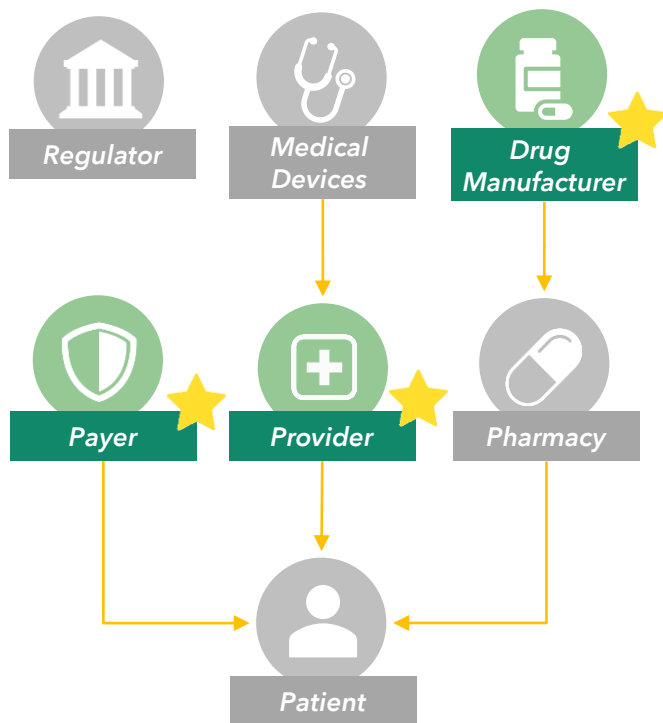
# WE ARE FOCUSED ON INNOVATORS THAT PUT THE CONSUMER BACK IN CHARGE, AND ENABLE PREVENTIVE RATHER THAN ACUTE CARE



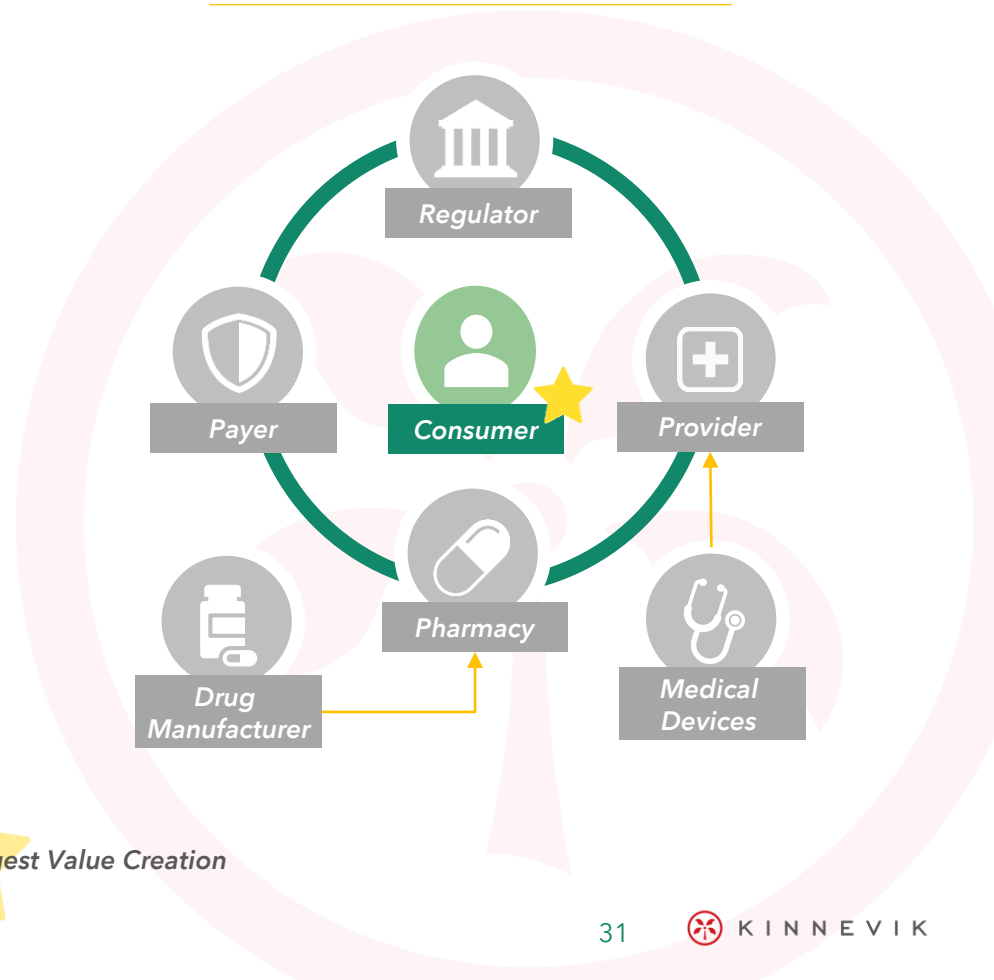
## Changing the Ecosystem

Putting the Consumer Back in Charge

### Past Acute Care Health Ecosystem



### Future Preventive Health Ecosystem



Largest Companies / Largest Value Creation

# THERE ARE FOUR KEY DEVELOPMENTS WITHIN THE SECTOR THAT LEAD US TO BELIEVE THAT A CHANGE IS COMING



## Key Developments

*Drivers of Change*



**Consumerism**

*Greater share of financial burden*

*More focus on choice,  
convenience and value*

*Willingness to 'shop'*



**Technological  
Change**

*New devices and more data*

*Standardized APIs  
Machine Learning &  
Artificial Intelligence*



**Payer Reform**

*Policy momentum*

*Demographic shifts  
New payment models*



**Provider  
Innovation**

*Emerging access points*

*New full stack verticals  
Better Care Models*



## Our Focus Areas

*Transformation of Healthcare Delivery*

# Current Acute Care Infrastructure

### Broadening Access

- *Self-Service Triage*
- *Telemedicine*
- *Care Navigation*
- *Retail Clinics & Home Care*
- *Digital Care Management*

### Improving Care Experience

- *Vertical Care Programs*
- *Fully Integrated Providers*
- *Integrated Data Systems*
- *Passive Data Collection*
- *Automation*

### Better Financial Experience

- *Payments*
- *Flexible Financing Solutions*
- *Novel Insurance Products*
- *Prior Authorization*
- *Automated Adjudication*



# OUR COMPANIES ARE AT THE CENTRE OF THIS TRANSFORMATION



## Our Companies

At the Centre of Transformation



	<b>Livongo®</b>	<b>babylon</b>	<b>Cedar</b>	<b>VillageMD</b>
<b>Positioning</b>	#1 Digital Chronic Care Manager in the US	Leading Global Telemedicine Provider	Transforming the Patient Financial Experience in the US	#1 Independent Primary Care Provider in the US
<b>Lives Covered</b>	190,000	4 million	> 1 million	500,000
<b>ROI</b>	> USD 2,000 per year	Reduced A&E Visits	> 30% Collections	(20)% Cost of Care
<b>Growth</b>	> 125%	> 200%	> 600%	> 75%
<b>Kinnevik Ownership</b>	14%	16%	10%	10%
<b>Equity Value (SEK)</b>	> 20bn	19.4bn	2.0bn	< 10bn

**Note:** ROI means clinically proven ability to reduce cost and hence generate a return over and above the investment (i.e. price of product)

A stylized illustration of a storefront. It features a striped awning with alternating red and yellow vertical stripes. Below the awning is a light brown facade with a central circular window containing a white floral or citrus-like pattern. The storefront is supported by a grey base.

# *e-Commerce & Marketplaces*

# CONSUMER RETAIL IS A LARGE EXPENDITURE CATEGORY WITH RAPID ONLINE GROWTH, WHERE WE HAVE DEEP EXPERTISE

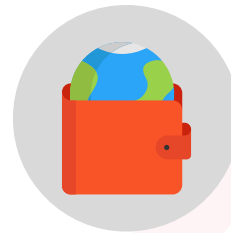


## e-Commerce & Marketplaces

Continued Rapid Growth



**28% of GDP**  
*Retail Spend Globally*



**> USD 5 Trillion**  
*Global Spend Across our Key Sectors<sup>1</sup>*



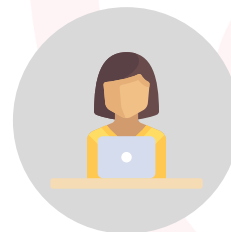
**21% Growth**  
*Online Retail Globally p.a.*



**>60% Mobile Share**  
*Total e-Commerce Globally*



**14% Online Share**  
*Overall Retail Globally*



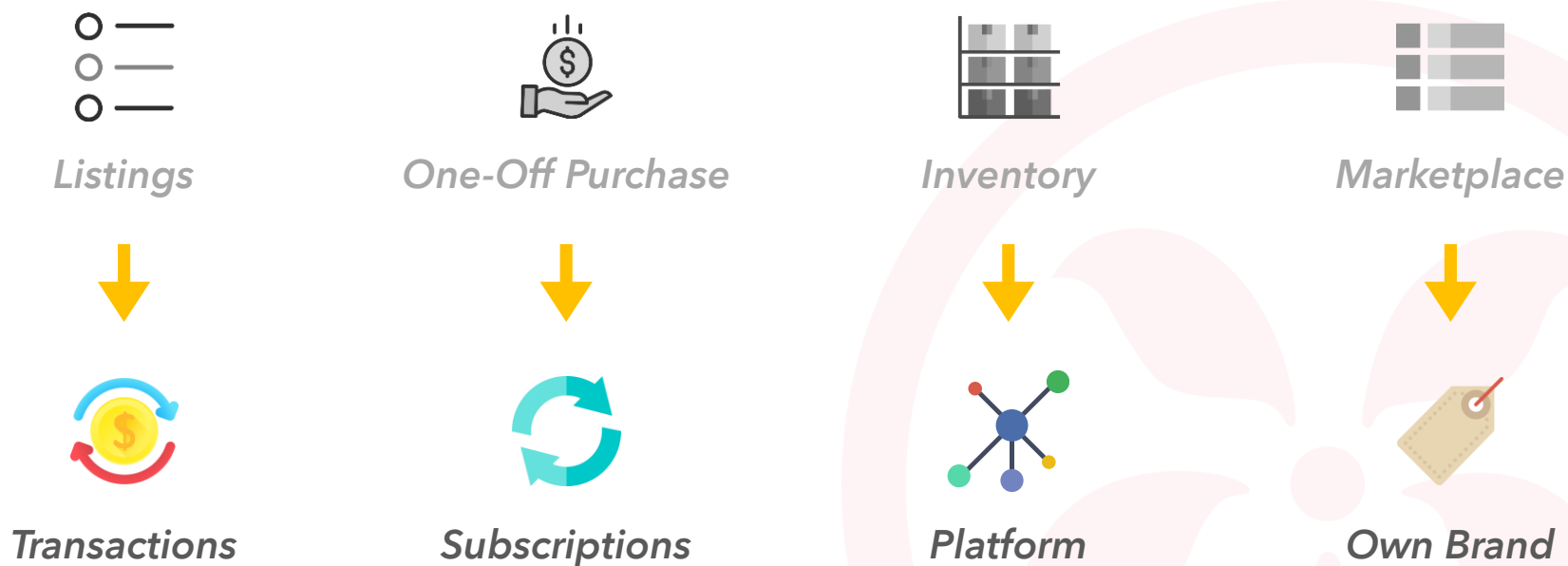
**72% of US Population**  
*Users of On-Demand Services*

# WE ARE FOCUSING ON BUSINESS MODEL TRANSITIONS, TO REFLECT CONSUMER AND BROADER MARKET TRENDS



## *Business Model Transitions*

*e-Commerce & Marketplaces*



*Future upside in our key sectors will stem from building on the existing moderate penetration, as well as business model transitions enabling deeper revenue pools and margin expansion*

# IN ADDITION, WE ARE EVALUATING SEGMENTS THAT ARE CURRENTLY UNDERPENETRATED OR UNDERSERVED



## New Segments

e-Commerce & Marketplaces

Physical Goods

Services & Experiences

2010-14

2018 & Onward

**Fashion**

**Classifieds**

**Home & Living**

**e-Commerce Enablers**

**Travel**

**Fitness**

**Real Estate**

**Transportation**

**On-Demand Delivery**

We have a strong understanding of...

*Marketplace business models*

*Cohorts and unit economics*

*The shift to transactional and subscription offerings*

...and will leverage this into services and experiences

*High share of wallet*

*High frequency*







*Strong user engagement*

# OUR PORTFOLIO IS WELL-DIVERSIFIED, AND REFLECTS A CHANGING MIX TOWARDS ATTRACTIVE SEGMENTS AND BUSINESS MODELS



## Our Companies

Pivoting Our Focus

						
<b>Positioning</b>	#1 Fashion Platform in Europe	#1 Fashion Platform in Emerging Markets	#1 Classifieds Platform in India	#1 Multi-Modal Travel Booking Platform in Europe	#1 Business Travel Booking Platform in Europe	Last-mile Delivery Solution for e-Commerce in Europe
<b>Customers</b>	> 25m	> 10m	> 20m	> 25m	B2B	B2B2C
<b>Growth</b>	> 20%	> 20%	> 75%	> 50%	> 200%	> 150%
<b>Kinnevik Ownership</b>	26%	40%	17%	6%	15%	24%
<b>Equity Value (SEK)</b>	> 100bn	< 5bn	9.8bn	8.2bn	3.2bn	0.9bn



# FOOD IS THE LARGEST SHARE OF THE CONSUMER WALLET, AND IN THE NORDICS GROCERIES' TRANSITION TO ONLINE HAS JUST BEGUN



## Food

### Early Stages of Online Penetration



**1/3**

*Share of Discretionary Spend*



**20-30x Orders p.a.**

*Allowing Regular Access to Consumers*



**SEK 750bn**

*Nordic Food Market*



**0% Returns**

*Enabling Proprietary Delivery Network*



**1-2%**

*Online Penetration in the Nordics*



**90 Minutes**

*Time Saved per Week Shopping Online*



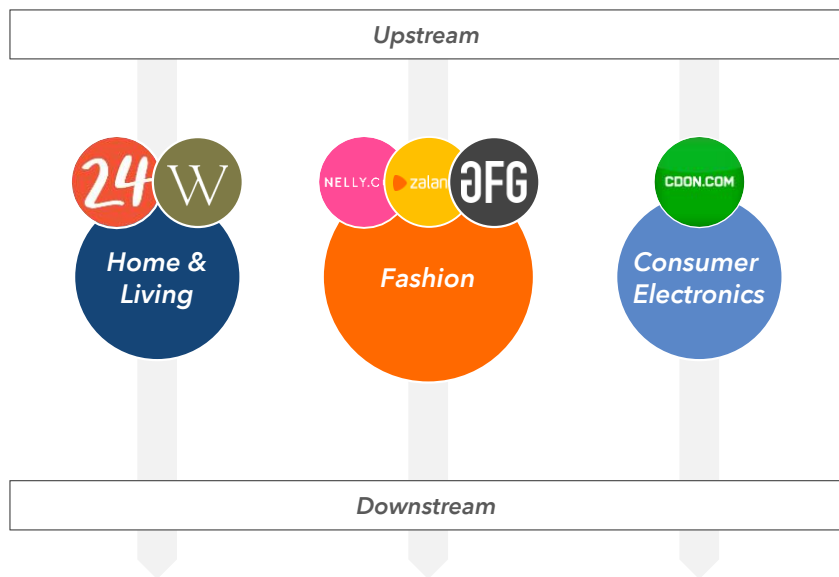
# WE ARE TAKING A HOLISTIC APPROACH TO THE FOOD SECTOR, INVESTING ACROSS AN ECOSYSTEM RATHER THAN IN VERTICALS



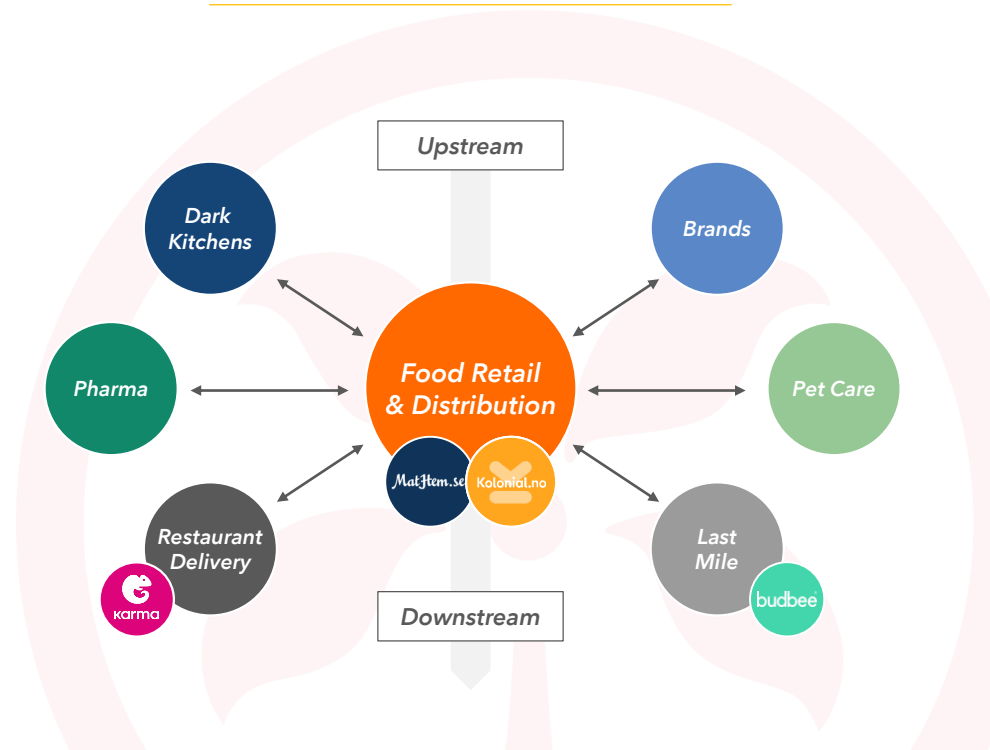
## Our Approach to the Food Space

Illustrative

### Investing in Verticals Across Geographies



### Investing Across an Ecosystem



The high purchase frequency and consequent proprietary warehouse and last mile networks warrant a different approach to the sector

# AFTER YEARS OF STAGNATION, THE FOOD SPACE IS CHANGING TO THE BENEFIT OF THE CONSUMER AND TO THE DETRIMENT OF INCUMBENTS



## Factors Driving Change

Illustrative

### Consumer Driven

#### Preferences

*Vegetarianism, Humanitarianism, & Environmentalism are on the rise*



#### Consumption Patterns

*Food is increasingly consumed away from home*



#### Health

*Increasing awareness of how food relates to health*



### Industry Driven

#### Top of The Funnel Shifting

*Efficient customer acquisition and engagement in a digital world*



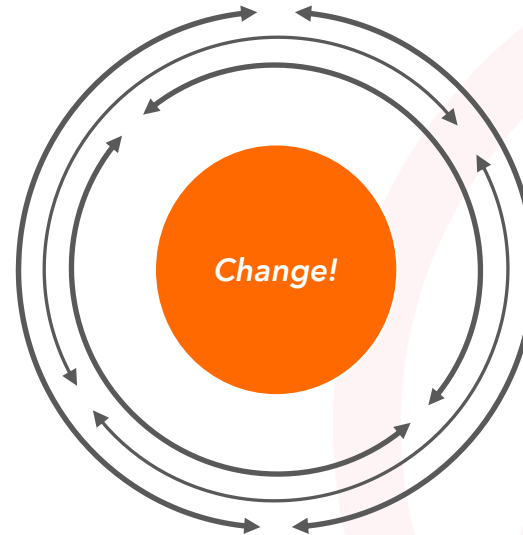
#### Distribution Models

*Differentiated services tailored to meet specific demand*



#### Sustainability

*Resource efficiency throughout the entire value chain*



*The ongoing disruption of the food space creates exciting new businesses that provide consumers with more and better choice*

# WE HAVE STARTED WITH ONLINE GROCERS AS THEY COULD SERVE AS PLATFORMS FOR FURTHER INVESTMENTS WITHIN THE FOOD SECTOR



## Online Groceries as a Platform

Expanding from a Core Offering



### 1 Full Assortment Groceries

Full assortment providers delivering groceries to consumers' homes are **the logical starting point for a broader food play**

### 2 Category Expansion

Owning the online grocery space entails a significant advantage as this gives **regular access to people's homes**, allowing for expansion into categories beyond the core offering of groceries

### 3 Up & Downstream Opportunities

Exploring new business models up and downstream from the core groceries offering would allow for **considerable margin expansion**

# WE HAVE INVESTED IN TWO OF THE LEADING ONLINE GROCERS IN THE NORDICS AND A PIONEER IN FOOD WASTE REDUCTION



## Our Companies

Online Groceries & Food Waste

**MatItem.se**

**Kolonial.no**

**karma**

**Positioning**

Sweden's Leading Online Grocer

Norway's Leading Online Grocer

Rescuing Unsold Food From Being Wasted in France, UK & Nordics

**Customers**

c. 1,300,000 orders per year

c. 1,000,000 orders per year

> 500,000 users

**Growth**

c. 20%

c. 30%

> 250%

**Kinnevik Ownership**

38%

24%

20%

**Equity Value (SEK)**

2.4bn

2.2bn

300m



# *Financial Services*

# FINANCIAL SERVICES IS A MULTI-TRILLION DOLLAR MARKET, WHICH IS UNDERSERVED BY LARGE LEGACY INSTITUTIONS



## Financial Services

A Trillion Dollar Market & Underdelivering Incumbents



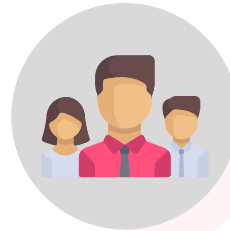
**>USD 50 Trillion**  
*Global Deposit Savings*



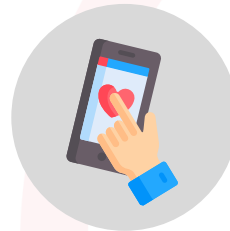
**>USD 60 Trillion**  
*Global Investable Assets*



**>USD 4 Trillion**  
*Global Insurance Premiums*



**20-22%**  
*Millennials in the US and Europe*



**54% of Population**  
*Trust Tech Companies More Than Banks*



**NPS of -2**  
*Average of UK Banks*

# KINNEVIK IS PARTNERING WITH DISRUPTIVE COMPANIES THAT ARE ADDRESSING THE CONSUMERS' EVERYDAY PAIN POINTS



## Consumer Pain Points

### Five Focus Areas



#### Investing & Saving

- High fees
- Underserved segments
- Non-fiduciary advice



#### Payments

- Long lead times
- Poor integration
- Expensive credit



#### Borrowing

- Lack of data
- Underserved segments
- Poor digital UX and distribution



#### Insurance

- Opaque product and pricing
- Underserved segments
- Offline experience
- Painful claims and switch processes



#### Banking

- Poor digital experience
- Generic and non-relevant products
- Hidden fees

# OUR COMPANIES ARE SOLVING THE CHALLENGES WITHIN FINANCIAL SERVICES IN A NEW, TECH-ENABLED AND CONSUMER-CENTRIC WAY



## Solving the Challenges

The New Breed of Financial Services

### Positioning



Clear Communication

Solving One Problem at a Time

Simple Onboarding and  
Delightful User Experience

Mobile First

### Low Prices



Remove Barriers

Transparency

Subscriptions-Relatable

Understanding Customer  
Value Comes Over Time

### Superior Tech



Scalable & Simple

Leverage PSD2 and  
Open Banking

APIs to Integrate 3<sup>rd</sup> Parties

No Legacy Systems

### Customer Service



CAAT & Voice

Speed - 60 Seconds Less

NPS

Word of Mouth

Tech to Solve Issues



# OUR FINANCIAL SERVICES PORTFOLIO COVERS A BROAD RANGE OF ATTRACTIVE SEGMENTS AND BUSINESS MODELS



## Our Companies

Next Generation Financial Services



**Betterment**



pleo



	monese	Betterment	DEPOSIT SOLUTIONS	pleo	Bread
<b>Positioning</b>	Leading European Neobank	Leading US Digital Wealth Advisor	Global Marketplace for Retail Deposits	New Generation Business Spending Solution for SMEs	Next Generation POS Financing in the US
<b>Customers</b>	1,000,000	440,000	190,000	4,000	280
<b>Growth</b>	> 140%	> 20%	> 50%	> 200%	> 40%
<b>Kinnevik Ownership</b>	16%	16%	7%	13%	14%
<b>Equity Value (SEK)</b>	1.4bn	7.4bn	4.2bn	2.6bn	2.3bn

CHRIS BISCHOFF, SENIOR INVESTMENT DIRECTOR  
ANDREAS BERNSTRÖM, INVESTMENT DIRECTOR

# UNDER THE HOOD: KINNEVIK AS AN INVESTOR

# WE START OUR SYSTEMATIC APPROACH TO SOURCING NEW INVESTMENTS BY IDENTIFYING LARGE, CONSUMER-FACING SECTORS RIPE FOR DISRUPTION

## *Ripe for Disruption*

### *Consumer-Facing Sectors in Target Markets*



**"Food** is the largest share of the consumer's wallet, and the shift to online has only started"

- A SEK 750bn p.a. market in the Nordics with an online penetration below 2%
- Awareness of food and its effects on health and wellness is increasing
- Food is very personal and localized, and therefore requires local application
- Digitalization and innovation create an opportunity to reduce waste and limit the burden on our planet



**"Healthcare** is an essential human need but efficiency is lacking and costs are spiralling"

- USD 18 trillion p.a. global market that is growing rapidly with an ageing population and a rise in chronic disease
- In the US alone, 180 million people have one or more chronic conditions
- There is an opportunity to put the consumer in charge, and enable preventive rather than acute care
- Digital access points increase convenience, widen access and have a large potential to reduce costs



**"Financial Services** is a multi-trillion dollar market with significant gaps in its digital offering"

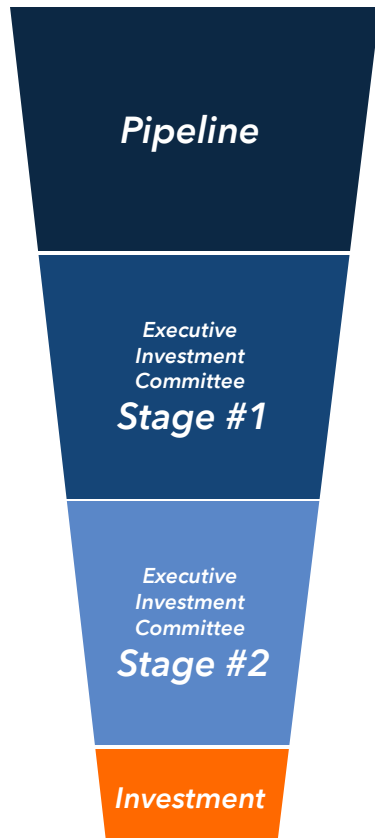
- A global market of >USD 50 trillion in deposits, >USD 60 trillion in investable assets and >USD 4 trillion in insurance premiums
- Financial technology has taken off, disrupting all core verticals: banking, borrowing, payments, insurance and investing
- A large millennial population is expecting better, more convenient and cost-efficient digital solutions
- Financial services are ubiquitous over the course of a person's lifetime

# ALL INVESTMENT OPPORTUNITIES ARE ASSESSED BY OUR EXECUTIVE INVESTMENT COMMITTEE, CHAIRED BY KINNEVIK'S CHIEF EXECUTIVE OFFICER

## Executive Investment Committee

Our Investment Assessment Process

### The Process



#### Pipeline Discussion Meetings

- Management and Investment Team
- Bi-Weekly Discussions on New Opportunities Across Sectors and Stages
- ▶ *Decision to Move to EIC Stage #1*

#### Initial Investment Proposal

- Determination of "Kinnevik Fit" versus Investment Criteria, Product-Market Fit and Scalability
- EIC 1 Checklist
- ▶ *Decision to Explore an Offer*

#### Investment Proposal / Term Sheet

- Refined Understanding of Business Potential, Market and Return Opportunity
- EIC 2 Checklist and Follow-On EIC Checklist
- ▶ *Decision to Proceed to Term Sheet and Execution*

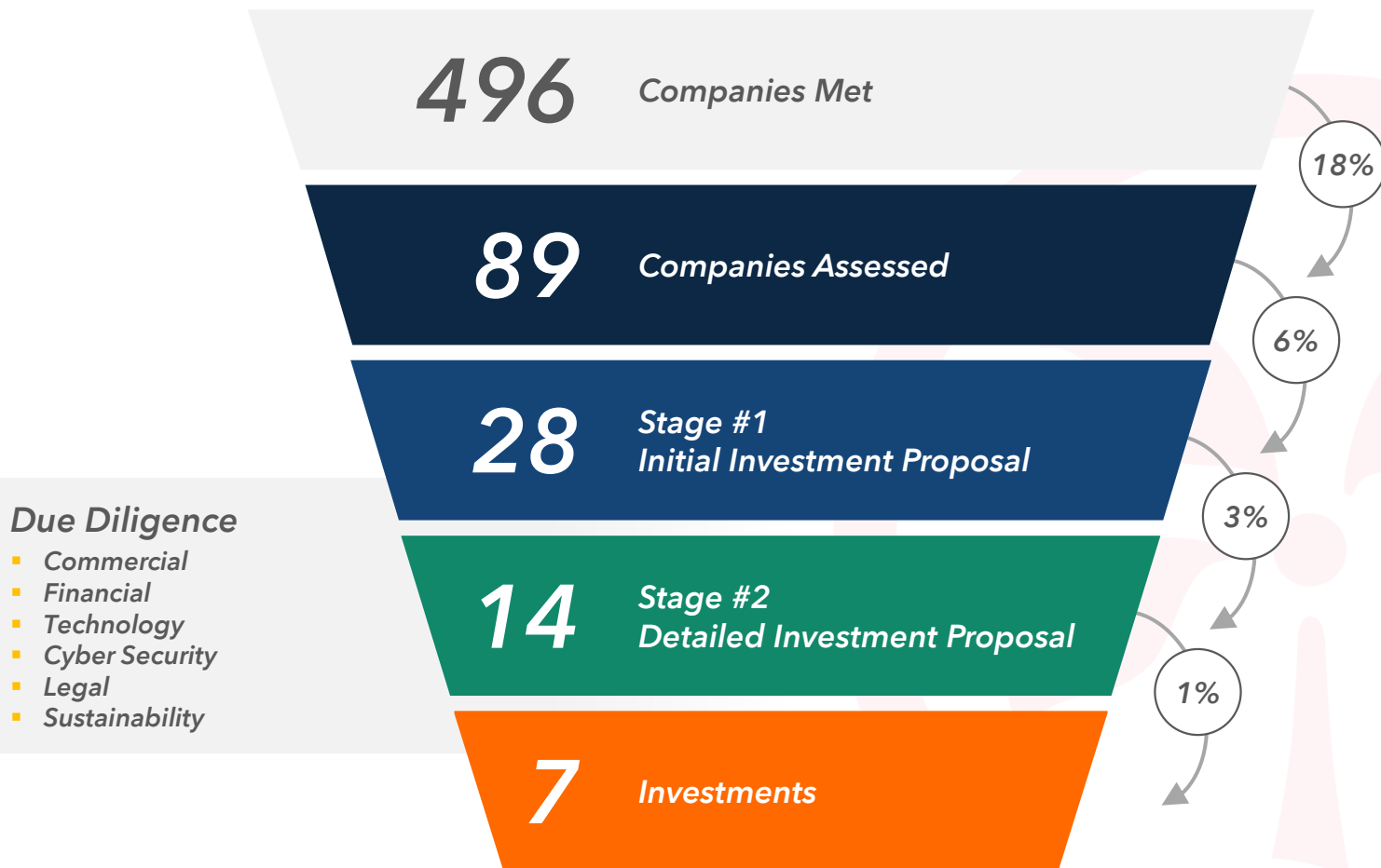
### The Organization



# IN THE LAST 12 MONTHS, WE MET WITH C. 500 COMPANIES WHICH, AFTER A RIGOROUS ASSESSMENT PROCESS, RESULTED IN SEVEN NEW INVESTMENTS

## Investment Funnel

Last 12 Months



# POST INVESTMENT, WE HAVE A STRUCTURED FRAMEWORK TO TRACK AND EVALUATE OUR COMPANIES, AND TO SUPPORT FUTURE VALUE CREATION

## Evaluation Framework

Post Investment



### KPI Dashboard

- Monthly
- Covers key performance drivers for each company
- Focuses on what's on track, what's off track and current priorities



### Investment Reviews

- Twice per annum
- Review of each company across thirteen parameters
- Findings discussed with full team in full-day session, with refinement of key priorities and strategic agenda



### Sustainability Progress

- Yearly
- Assessment of all companies based on a set of 64 sustainability standards
- Each company is scored on their fulfillment of each standard. The aggregate scores are tracked over time



### Sector Deep-Dives

- Aim for two-three per year
- Goes in-depth on a sector, covering key trends and how we can capture them
- Covers companies we are invested in as well as potential new investments

# WE ARE COMMITTED FOR THE LONG TERM, WELL BEYOND TRADITIONAL FUND LIFE CYCLES, FOCUSED ON THE CONTINUOUS DEVELOPMENT OF OUR COMPANIES

## *What We Are, Do and Bring*

### *Long-Term Business Builder*



#### *Hands-On*

- We roll up our sleeves and get involved as and when needed, in particular at inflection points (c. 50% of the investment team has worked within a portfolio company)



#### *Long-Term*

- A willingness to invest over multiple rounds offers visibility and certainty to founders
- Ability to hold (while private or public) for well beyond the life cycle of typical funds



#### *Analytical*

- We go deep, are highly analytical, and are comfortable with complexity
- A track record in supporting value creation across M&A, strategy, finance, marketing and HR



#### *Sustainability Focused*

- Thought leader in putting sustainability on the agenda at Board level
- Help companies put a sustainability roadmap in place and execute on it
- Industry-leading focus on introducing diversity targets



#### *Brand & Network*

- Ability to attract high quality advisers and leverage network of current and former investees
- International presence and scale provides insight and relevance



#### *Holistic*

- A single system across sectors, functions and geographies
- We take a holistic view, and are uniquely positioned to understand and assist companies that operate at the intersection of two or more sectors

# BUILDING COMPANIES THAT ARE SUSTAINABLE OVER THE LONG TERM IS CORE TO OUR BUSINESS MODEL AND OUR INVESTMENT ETHOS

## Sustainability

Integrated Into Every Stage of the Investment Process

### Sustainability Fit is Assessed Throughout the Sourcing Phase...

- **Kinnevik's investment team only brings companies that fit our investment ethos to be considered** at pipeline meetings and at the Executive Investment Committee
- **All new investments are subject to due diligence to assess its maturity and culture**, serving as a basis for the company's Sustainability Roadmap

### ...and Performance is Expected to Improve Once in the Portfolio

- **Visit all companies annually** to review sustainability progress
- **Implement Sustainability Roadmap** with targets and priorities
- **Annual scoring** based on Kinnevik's Sustainability Standards
- **Partner with leaders** to support sustainable business development

Tone at the Top

Influence Through Network

Investment Team Accountability

Conditional Follow-Ons

64 Sustainability Standards

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



# WE ARE IN THE BUSINESS OF CREATING VALUE THROUGH FOCUSING ON THE SPECIFIC NEEDS OF EACH OF OUR INVESTEE COMPANIES



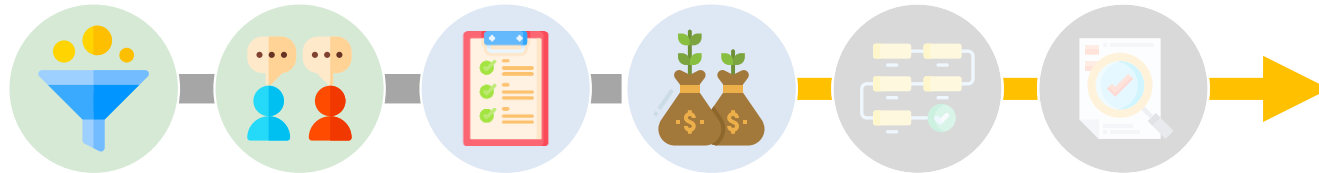
## Case Studies

### MatHem

- Sweden's leading independent pure-play online grocery retailer
- Sourced through our Nordic network, catalyzed by Kinnevik's investment in Kolonial
- After a six-month DD process, Kinnevik and MatHem agreed on a business plan together

### Livongo

- Leading US-based consumer digital health company
- Sourced by Kinnevik based on sector thesis and market mapping, and leveraged network to get in
- After a small initial investment, Kinnevik provided capital to fuel growth up until IPO



*We See a Significant Opportunity in the Nordic Food Industry*

- Food is a > SEK 750bn market in the Nordics and the shift to digital will accelerate in the coming years
- Awareness of food and its effects on health and wellness is increasing, and food is becoming an integrated part of one's identity, beliefs and desires
- Food is very personal and requires local application, creating strong barriers to entry
- Digitalization and innovation have dramatically changed the way we grow, package, ship and consume food, e.g. creating an opportunity to reduce waste and limit the burden on our planet
- Time is a scarce resource, and the potential time savings associated with the online value chain thus becomes an increasingly powerful argument

*MatHem Fit Squarely Into Our Investment Thesis*

- Kinnevik started looking into the food space in early 2018, resulting in the investment in Norwegian Kolonial in August 2018
- On the back of that investment, a thorough Nordic food strategy was formulated highlighting MatHem as the best platform in the Swedish space, and an evaluation of MatHem as the clear next step
- As part of the evaluation and DD process, a new business plan aimed at accelerating growth was jointly created between Kinnevik, management and other key shareholders
- Kinnevik invested SEK 900m in February 2019, making us the largest shareholder in the company, reflecting our willingness to engage and spend time with the company to truly add value



*We Have Taken a Hands-On Operational and Strategic Approach*

- Technology and data at the core of what we build
- New CEO and several additions to the C-Suite, as well as strengthening of a number of other key positions
- Added new INEDs to the Board with specific areas of expertise
- Improved way of working and a more data-driven and analytical approach to decision making
- First wave of best practice sharing within our Nordic food ecosystem conducted

*The Company Has Made Significant Improvements According to Plan*

- Accelerated growth trajectory with continuous healthy customer acquisition
- Continued development of the service, pioneering Same-Day Deliveries in the Swedish space
- Organizational developments through e.g. implementing a new product function as well as a new category organization
- Improvements towards a more professional organization with cutting edge operations



## *Saw Significant Opportunity in Chronic Care in the US*

- Rise in chronic disease particularly in the US
- Spiraling costs associated with acute care solutions
- Clear gap in care for ongoing chronic conditions which are 24/7/365
- Core belief in power for technology tied to data and clinical support to provide real time, contextual advice to improve outcomes
- Urgency of problem for self-insured employer, for whom bottom line matters
- Ecosystem opportunity to build a leader in digital chronic care alongside digital primary care investment in Babylon

## *Identified Livongo in a Crowded Field and Leveraged Network to Invest*

- Tracked startups across condition specific verticals from 2016
- Determined diabetes care the optimal entry point due to size, growth and condition specific factors
- Livongo stood out due to full stack offering, route to market, and expertise of team
- Approached via our network of leading US venture capital firms
- Thorough DD process including management meetings, product demos, site visits, and third-party advisory
- First investment of USD 12.5m in March 2017 resulting in a 3.5% stake



### *Supported the Company in its Strategic Direction and in Going Public*

- Accelerated focus on data science and personalization
- Advocated for shift to multi-chronic given high level of co-morbidities and buy vs. build platform strategy
- Introduced GRC processes and framework
- Explored international market rollout
- Fueled aggressive growth trajectory through several follow-on investments, accreting our stake to 9%
- Bought in the IPO, accreting our stake to 11%, strengthening the register and sending a strong signal to the market

### *Livongo Has Grown Significantly Since Initial Investment*

- Number of clients have increased from 110 to over 720
- Member base has grown from 20,000 to over 200,000
- Revenues have grown from less than USD 10m in 2016 to over USD 150m in 2019E based on consensus estimates
- Product suite has grown from 1 condition to 5 conditions
- Analytics has grown from 1 person to over 20 people
- Developed longitudinal study showing that Livongo for diabetes saves clients up to USD 2,000 per participant per year
- Kinnevik IRR/MoM of 141% / 3.6x excluding our investment in the July IPO, and 109% / 2.1x including our investment in the IPO

GEORGI GANEV, CHIEF EXECUTIVE OFFICER

# WRAP-UP

# KINNEVIK IS A UNIQUE INVESTMENT OPPORTUNITY IRRESPECTIVE OF INVESTORS' DIRECT OR INDIRECT ACCESS TO PRIVATE MARKETS

## *A Leading Growth Investor*

*The Go-To Public Growth-Focused Investment Company*

*Traditional  
Holding  
Companies*

*Family Office Control Structure*

*Accumulating Power*

*Diversified*

*National*

*Monitoring Positions*

*Static Portfolio*

*Downside Focus*

*Venture  
& Growth  
Funds*

*Third Party Capital*

*Investment Constraints*

*High Fees*

*Illiquid*

*Kinnevik*

*Entrepreneurial Owners*

*Generating Returns*

*Specialized*

*Global*

*Driving Value Creation*

*Dynamic Portfolio*

*Upside Focus*

*Permanent Capital*

*Full Flexibility*

*Low Fees*

*Liquid*

# OVER THE NEXT YEARS WE WILL MAINTAIN OUR PACE AND INVEST OUR CAPITAL SYSTEMATICALLY INTO THE LEADING BUSINESSES OF TOMORROW

## *Our Allocation of Capital 2020-23*

*Sectors, Geographies, Stages & Companies*

### **International Growth**

1-2 New Investments p.a.  
80% of First Round Capital

### **Nordic Venture**

1-2 New Investments p.a.  
20% of **First Round Capital**

### **Three Focus Sectors**

Evenly Distributed Capital  
Sector Heads & Operating Partners

### **New & Follow-Ons**

1/3 in First Round Investments  
2/3 in Follow-On Investments

### **Target of 30 Companies**

More Even Distribution of Value  
Recurring Exits at Attractive Terms

### **Aim for 15-25% Stakes**

Not Looking for Illiquid Control  
Looking for Influence Over Outcomes



## WE HAVE THREE PRIORITIES GOING FORWARD

---

**1**  
*Continue to Evolve the  
Portfolio Towards a  
Higher Proportion of  
Growth Companies*

**2**  
*Strengthen Our  
Portfolio Balance  
Across Sectors, Stages  
and Time to Liquidity*

**3**  
*Re-Allocate Capital  
More Dynamically  
Through Attractive  
Exits as Our Young  
Portfolio Matures*

