



# K I N N E V I K

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## *Information to the shareholders of Kinnevik AB (publ) concerning the proposal for a share split and automatic share redemption procedure*

**8 October 2019**

During November and December 2019, shareholders of Kinnevik AB (publ) ("Kinnevik") will receive two value transfers from Kinnevik:

- 1) payment of the SEK 4.00 cash dividend per ordinary share resolved upon at the Annual General Meeting in May 2019, and
- 2) an extraordinary value transfer through an automatic share split and redemption procedure (the "Share Redemption Plan") in which Kinnevik will distribute its entire holding in Millicom International Cellular S.A. ("Millicom") in the form of Swedish depository receipts ("SDRs"). The Share Redemption Plan is subject to the approval of the Extraordinary General Meeting to be held on Thursday 7 November 2019 (the "EGM").

If the Share Redemption Plan is approved by the EGM, no action will be required from you as a shareholder in Kinnevik in order to receive the two value transfers.

The dividend will be automatically distributed to the yield account to which your dividends are normally paid. You will also receive Class A and/or Class B redemption shares, depending on how your shareholding in Kinnevik is distributed between Class A and Class B shares, into your securities account. Such redemption shares will be automatically redeemed against repayment of 0.1372 Millicom SDRs for each redemption share distributed to the same securities account as your Kinnevik shares are held (nominee registered shareholdings will be processed in accordance with each nominee's routines). You will also be able to trade in the redemption share during a limited period of time on Nasdaq Stockholm, but such trading is optional. **IT SHOULD BE NOTED THAT FOR SHAREHOLDERS OUTSIDE SWEDEN, NO SWEDISH WITHHOLDING TAX IS NORMALLY IMPOSED IF THE REDEMPTION SHARES ARE SOLD ON NASDAQ STOCKHOLM.**

Please note that the Share Redemption Plan may result in an obligation for you to declare the redemption or sale of redemption shares in your tax return for the income year 2019, see pages 7-8 for more information. This brochure contains further information on how the Share Redemption Plan is carried out and what it means for you as a shareholder. Please save this brochure for your tax return for the income year 2019.

The Board's complete proposal which includes resolutions on (i) a share split, (ii) a reduction of the share capital, and (iii) the restoring of the share capital through a bonus issue, as well as amendments of the Articles of Association necessary to facilitate the Share Redemption Plan, are included in the notice document for the EGM which was disclosed by a press release on 8 October 2019, is incorporated by reference herein and is available on Kinnevik's website [www.kinnevik.com](http://www.kinnevik.com) under the heading "General Meetings" (which can be found under the section "Governance") and will be sent to shareholders upon request. Please refer to the notice document under the heading "Documentation" (which can be found in the section "Information on giving notice, available documentation, and shareholders' right to request information at the extraordinary general meeting" on page 2 in the notice document) for information on how you may have the notice and this information brochure sent to you. Kinnevik's 2018 annual report is incorporated by reference herein and is available on Kinnevik's website [www.kinnevik.com](http://www.kinnevik.com) under the heading "Reports and presentations" (which can be found under the section "Investors"), and will be sent to shareholders upon request using the same procedure.

# INFORMATION TO SHAREHOLDERS

## BRIEF DESCRIPTION OF THE SHARE REDEMPTION PLAN

Kinnevik's Board has convened the EGM to resolve on, among other things, the Share Redemption Plan.

Under the proposed Share Redemption Plan, each ordinary share in Kinnevik will be split into two new shares, one (1) of which will be a redemption share and the other one (1) will be identical to the current ordinary shares that was split, i.e. an ordinary share of Class A or Class B as applicable. In the shareholders' securities accounts, the redemption shares will be referred to as KINV IL A (Class A redemption shares) and KINV IL B (Class B redemption shares).

Redemption shares of Class A and Class B will be traded on Nasdaq Stockholm during 15-29 November 2019.

Thereafter, all redemption shares will automatically be redeemed by Kinnevik, and on or around 5 December 2019 the holders of redemption shares of Class A and Class B will receive 0.1372 Millicom SDRs per such redemption share, corresponding to a value per share of c. SEK 61.05 (based on the closing price of Millicom SDRs as at 4 October 2019). Only whole Millicom SDRs will be distributed to Kinnevik's shareholders, and Kinnevik will provide for any Fractions (see definition on page 6) of Millicom SDRs to be sold following the Share Redemption Plan. Payment of the proceeds from the sale of such Fractions will be distributed on or around 16 December 2019.

## KEY DATES

**7 Nov** The EGM to resolve on the proposed Share Redemption Plan

**12 Nov** Last day of trading in the Kinnevik share before the share split including the right to receive redemption shares

**14 Nov** Record date for the share split and right to redemption shares

**15-29 Nov** Trading in redemption shares on Nasdaq Stockholm

**5 Dec** Distribution of the Millicom SDRs (i.e. repayment of the redemption consideration)  
(on or around)

**16 Dec** Payment of the proceeds from the sale of Fractions  
(on or around)

**2020** Declaration of sale or redemption of redemption shares for calendar year taxpayers (if applicable)  
(in the tax return for the income year 2019)

## TABLE OF CONTENTS

<i>Information to shareholders</i>	1
<i>Background and reasons</i>	2
<i>The Share Redemption Plan step by step</i>	3
<i>Timetable for the Share Redemption Plan</i>	5
<i>Terms, conditions and instructions</i>	6
<i>Tax considerations in Sweden</i>	7
<i>Questions and answers</i>	9
<i>Financial effects</i>	11
<i>U.S. trading; restrictions</i>	12
<i>Information about Millicom</i>	12

## THE SHARE REDEMPTION PLAN REQUIRES THE FOLLOWING RESOLUTIONS BY THE EGM:

- ▶ Split of each Kinnevik share into two new shares (share split 2:1), whereof one (1) share will be a redemption share.
- ▶ Reduction of the share capital through redemption of the redemption shares.
- ▶ Increase of the share capital through a bonus issue.
- ▶ Amendments of the Articles of Association to adjust the number of shares to the Share Redemption Plan.

Redemption shares of Class A or Class B held in treasury as well as redemption shares of Class D-G will be redeemed by Kinnevik, however no Millicom SDRs will be distributed to the holders of such redemption shares, instead an amount corresponding to the quota value of such shares will be transferred to Kinnevik's non-restricted equity.

## SHARE INFORMATION

<i>ISIN code for the redemption shares</i>	Class A SE0013256690 Class B SE0013256708
<i>Ticker for the redemption shares</i>	Class A KINV IL A Class B KINV IL B
<i>New ISIN code for the ordinary shares</i>	Class A SE0013256674 Class B SE0013256682



## BACKGROUND AND REASONS

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Kinnevik owns 37,835,438 Millicom shares, equivalent to c. 37.2 percent of Millicom's total shares outstanding. By distributing its entire shareholding in Millicom (in the form of SDRs listed on Nasdaq Stockholm), Kinnevik will deliver an extraordinary distribution of value to Kinnevik's shareholders of c. SEK 16.8bn in total, corresponding to c. SEK 61.05 per ordinary share in Kinnevik (based on the closing price of Millicom SDRs as at 4 October 2019). The Board has proposed that the EGM resolves on the Share Redemption Plan, where each existing share is split into two new shares (share split 2:1), one of which will automatically be redeemed against 0.1372 Millicom SDRs. To achieve a quick and efficient Share Redemption Plan the Board has further proposed that Kinnevik's share capital is restored to its current amount by means of a bonus issue.

Kinnevik's aim is to make early, middle and, occasionally, late stage investments into disruptive and technology-enabled businesses, with the objective of dedicating a larger share of Kinnevik's portfolio to such

companies. The contribution of these businesses to Kinnevik's portfolio will increase materially through the distribution of Kinnevik's holding in Millicom, whilst retaining the stability of the continued ownership in two key platforms - Tele2, the leading connectivity challenger in the Nordics, and Zalando, Europe's most prominent e-commerce player. Kinnevik's shareholders are also provided the option to directly participate in Millicom's continued shareholder value creation and dividend yield.

Kinnevik's ambition is to be the go-to public company for investors seeking exposure to the best entrepreneurs building leading digital businesses in Europe, the Nordics and the U.S. After the distribution of Kinnevik's shareholding in Millicom, Kinnevik's shareholders will benefit from Kinnevik having a higher share of its capital invested in unlisted, leading consumer businesses of tomorrow.

## THE SHARE REDEMPTION PLAN STEP BY STEP

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### EXAMPLE

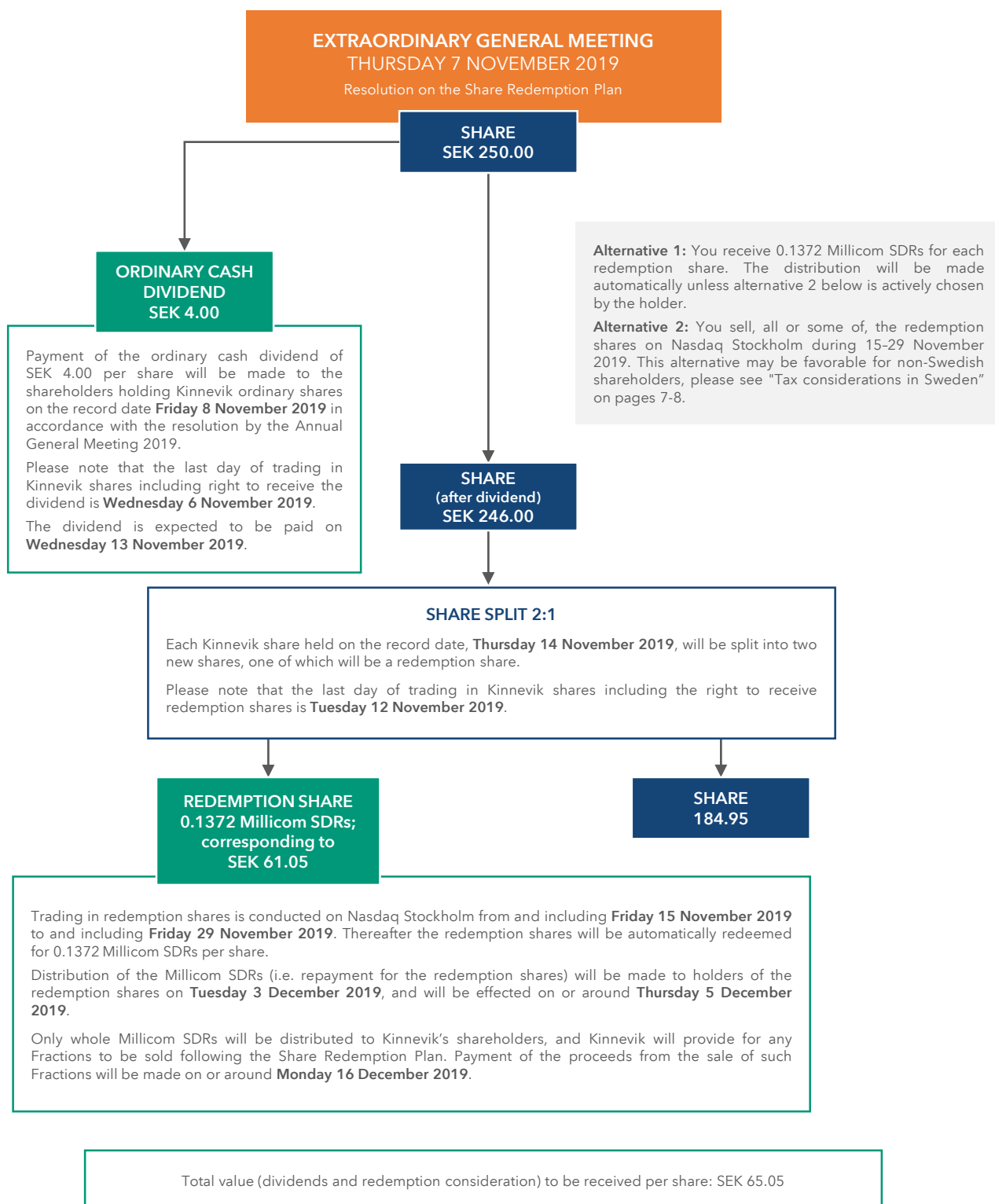
Assume that you own 100 Class B shares in Kinnevik, that the Kinnevik Class B shares trade at SEK 250 on Nasdaq Stockholm and that your holding in Kinnevik consequently is valued at SEK 25,000. First, an ordinary cash dividend of SEK 4.00 is paid on each ordinary share. Second, through the Share Redemption Plan each share is split into two new shares, one of which is a Class B redemption share entitling to 0.1372 Millicom SDRs, corresponding to a value of c. SEK 61.05 (assuming that the Millicom SDRs trade at SEK 445 on Nasdaq Stockholm). The other share is identical to your current Class B share in all respects. After the ordinary cash dividend and the share split, the theoretical price of the Kinnevik Class B share will be SEK 184.95 (250.00 - 4.00 - 61.05). You can either keep the Class B redemption shares until they are automatically redeemed, or sell all or some of your redemption shares on Nasdaq Stockholm during the period 15-29 November 2019. You will eventually:

- own 100 Class B shares in Kinnevik that are identical to your current Class B shares x SEK 184.95 = SEK 18,495
- receive ordinary cash dividend from 100 Class B shares in Kinnevik x SEK 4.00 = SEK 400
- receive redemption consideration for 100 Class B redemption shares x 0.1372 Millicom SDRs = 13 Millicom SDRs corresponding to a value of c. SEK 5,785 and the sales proceeds from 0.72 Millicom SDRs corresponding to a value of c. SEK 320.40 (assuming that you do not sell your redemption shares)

This means that you have the same number of Kinnevik Class B shares before and after the Share Redemption Plan (100), and that you have received value transfers from Kinnevik totaling SEK 6,505 (SEK 4.00 for each share through the ordinary cash dividend and a value corresponding to c. SEK 61.05 for each redemption share).

*This example does not take into account potential tax effects that could arise in connection with the Share Redemption Plan. The effects on the price of the Kinnevik share and Millicom SDRs from the various steps are only theoretical. The actual values and share prices should be expected to deviate from the example.*

# THE SHARE REDEMPTION PLAN STEP BY STEP



# TIMETABLE FOR THE SHARE REDEMPTION PLAN

DATE 2019	ACTION	PLEASE NOTE THAT
7 November	<i>Kinnevik EGM Resolution on the Share Redemption Plan, including resolutions on e.g. share split and redemption of shares</i>	Shareholders must on 31 October 2019 be registered to vote and have notified Kinnevik of their intent to participate at the EGM.  For more information on your participation, see the notice, that is available at <a href="http://www.kinnevik.com">www.kinnevik.com</a> , under the heading "General Meetings" (which can be found under the section "Governance")
12 November	<i>Last day of trading in Kinnevik shares before share split including the right to receive redemption shares</i>	The last day to buy Kinnevik shares with the right to participate in the Share Redemption Plan
13 November	<i>First day of trading in Kinnevik shares following the share split, excluding the right to receive redemption shares</i>	From and including this day, Kinnevik shares are expected to be traded under new ISIN codes
14 November	<i><u>Record date for share split and right to receive redemption shares</u></i>	All shareholders that hold Kinnevik shares on this day, will have their shares split into two new shares, one of which will be a redemption share
15 November	<i>First day of trading in redemption shares</i>	The redemption shares are booked into the shareholders' securities accounts and listed on Nasdaq Stockholm
29 November	<i>Last day of trading in redemption shares</i>	Last day for buying and selling redemption shares on Nasdaq Stockholm
3 December	<i><u>Record date for redemption</u></i>	Shareholders holding redemption shares of Class A and/or and Class B on this day will be entitled to receive Millicom SDRs
<i>On or around 5 December</i>	<i>Distribution of the Millicom SDRs</i>	The Millicom SDRs will be distributed into the securities accounts of shareholders directly registered with Euroclear (nominee registered shareholdings will be processed in accordance with each nominee's routines)
<i>On or around 16 December</i>	<i>Payment of the proceeds from the sale of Fractions</i>	Payment of proceeds from sale of Fractions will be made into the yield accounts linked to the securities accounts of shareholders directly registered with Euroclear (nominee registered shareholdings will be processed in accordance with each nominee's routines)
<i>2020 (in the tax return for the income year 2019)</i>	<i>Declaration of redemption or sale of redemption shares for calendar year taxpayers</i>	Please see "Tax considerations in Sweden" on pages 7-8.



# TERMS, CONDITIONS AND INSTRUCTIONS

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## **Share Redemption Plan**

Each existing ordinary share in Kinnevik (regardless of share class) will be divided into two new shares through a share split. One of these shares will be a redemption share and the other share will be in the same series of shares as the share that was split. Each redemption share (regardless of share class) will be redeemed and the consideration for the redeemed share will be paid out in the form of 0.1372 Millicom SDRs per redemption share.

## **Last day of trading before the share split including the right to redemption shares**

The last day of trading in Kinnevik's Class A and Class B shares before the share split including the right to receive redemption shares will be 12 November 2019. From and including 13 November 2019, Kinnevik's Class A and Class B shares will be traded after the share split and excluding the right to receive redemption shares.

## **Record date for share split**

The record date for the share split and the right to receive redemption shares will be 14 November 2019. The redemption shares will thereafter be booked into the respective shareholders' securities account. The shareholder will receive a VP notice as confirmation of the number of redemption shares received.

## **Trading in redemption shares**

Trading in redemption shares will take place on Nasdaq Stockholm during the period 15-29 November 2019, under ticker KINV IL A and ISIN code SE0013256690 and under ticker KINV IL B and ISIN code SE0013256708, respectively. Banks and other securities companies with the necessary permits may assist with trading in redemption shares.

## **Record date for the share redemption**

The record date for the redemption is 3 December 2019. Distribution of Millicom SDRs to the respective shareholders' securities account is expected to take place on 5 December 2019. In connection with the redemption, the redemption shares will be removed from the respective shareholders' securities account. No VP notice will be issued in connection with the registration of Millicom SDRs or the de-registration of redemption shares.

## **Foreign shareholders**

Foreign shareholders may be obliged to pay withholding tax, see "Tax considerations in Sweden" on pages 7-8 for further information. For those foreign shareholders whose shares are nominee registered, payment of withholding tax is normally handled in accordance with the routines of the respective nominee. For other foreign shareholders, the following applies.

Due to the obligation to retain withholding tax on the value of distributed Millicom SDRs (including Fractions), Millicom SDRs will be transferred to a new blocked securities account (Sw. *appportkonto*), in the name of the foreign shareholder. The foreign directly registered shareholder cannot dispose of the distributed Millicom SDRs until an amount corresponding to the withholding tax has been provided to Nordea Bank Abp, filial i Sverige ("Nordea") for further distribution to the Swedish Tax Agency. If the shareholder pays a higher amount than the withholding tax amount, the exceeding amount will be paid to the shareholder, subject to the amount exceeding SEK 100.

Kinnevik will seek recommendations from the Swedish Tax Agency for determination of the acquisition cost for distributed Millicom SDRs. Information about the acquisition cost per Millicom SDR that the withholding tax shall be calculated upon, will be available on Kinnevik's website as soon as practicable after the distribution of Millicom SDRs. In connection with this, Nordea will inform foreign directly registered Kinnevik shareholders by mail about the withholding tax amount and provide instructions as to how these shareholders shall proceed in order to dispose of the distributed Millicom SDRs.

## **Fractions**

Only whole Millicom SDRs will be paid to Kinnevik's shareholders. Kinnevik will therefore instruct Nordea to aggregate all excess fractions of Millicom SDRs ("Fractions"). The total number of Millicom SDRs calculated as the sum of all Fractions will then be sold by Nordea on Nasdaq Stockholm. The sale will take place as soon as practicable following the distribution of Millicom SDRs to Kinnevik's shareholders. The proceeds from the sale of Fractions will be paid in proportion to the Fractions that each respective shareholder in Kinnevik is entitled to. This payment is expected to take place on 16 December 2019 to the yield account linked to the shareholder's securities account. The sale will be handled by Nordea and no action is required by the shareholders. No commission will be charged for the sale.

## **Shares registered with nominees**

Kinnevik shareholders whose shares are registered with a nominee (for example a bank or other securities company) will receive redemption shares, Millicom SDRs and proceeds for Fractions in accordance with each nominee's routines.

## **Changed ISIN codes for ordinary shares in Kinnevik**

In connection with the Share Redemption Plan, the ISIN code on the original Kinnevik shares will be changed to SE0013256674 for Class A shares and SE0013256682 for Class B shares. The new ISIN codes will be valid from 13 November 2019.



# TAX CONSIDERATIONS IN SWEDEN

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Below is a summary of certain Swedish tax regulations relevant to the Share Redemption Plan

## TAX CONSIDERATIONS FOR SHAREHOLDERS IN SWEDEN

### **Receipt of redemption shares and allocation of acquisition cost**

The receipt of redemption shares in connection with a share split does not as such give rise to any taxation. Instead, the acquisition cost of the original Kinnevik Class A and B shares will be allocated between the redemption shares and the ordinary shares after the redemption. The allocation will be carried out based on the market value of the redemption shares and the ordinary shares, respectively, at the time of the share split and the separation of the redemption shares from the original shares. Kinnevik will seek recommendations from the Swedish Tax Agency on how this allocation should be made. The Swedish Tax Agency's recommendations will then be published on Kinnevik's website [www.kinnevik.com](http://www.kinnevik.com) and the Swedish Tax Agency's website [www.skatteverket.se](http://www.skatteverket.se).

### **Redemption and sale of redemption shares**

Redemption and sale of redemptions shares (e.g. through a sale in the market) will give rise to capital gains taxation. The capital gain or capital loss is calculated as the difference between the received payment (net of any sales costs) and the acquisition cost. The received payment for redemption shares consists of the redemption amount (in the form of Millicom SDRs) and cash proceeds from Fractions sold on behalf of the shareholders. For shares sold in the market, the payment received is the sales price. Kinnevik will ask the Swedish Tax Agency to issue a recommendation on applicable acquisition cost for Millicom SDRs received upon redemption, please see above.

### **Calculation of the acquisition cost**

The tax basis for redemption shares that are received through the share split is calculated by allocating the acquisition cost as described above under the heading "Receipt of redemption shares and allocation of acquisition cost". Please also refer to the example on the following page. The tax basis of shares acquired in the market is the actual acquisition cost for the shares. The tax basis of all shares "of the same series and type" are added together and calculated collectively in accordance with the "average cost method". It should be noted that redemption shares of Class A and B are not considered to be of the same class and type as the original Kinnevik Class A and B shares.

For listed shares, the tax basis may alternatively be determined in accordance with a notional method (Sw. *schablonmetoden*) to 20 percent of the redemption consideration/sales price after deduction of sales costs. The taxpayer may choose which method to apply when determining acquisition cost.

No preliminary tax deduction will be made in relation to the distribution of the SDRs. Furthermore, SDRs are taxed as the underlying shares, in relation to e.g. dividends and capital gains or capital losses.

### **Capital gains taxation for individuals**

For individuals, capital gains are taxed in the capital income category. The tax rate is 30 percent. A capital loss on listed shares is fully deductible against taxable capital gains in the same year on shares and other securities that are taxed as shares, save for units in Swedish investment funds that only contain Swedish receivables (Sw. *räntefonder*). Any excess losses are 70 percent deductible against other income from capital. The deduction should be made in a certain order depending on what the loss relates to. If an overall capital deficit arises, a reduction from tax on income from employment and business operations as well as real estate tax and municipal property charges is granted. A tax reduction of 30 percent is allowed for deficits not exceeding SEK 100,000 and 21 percent for any remaining deficit. Deficits in the capital income category may not be carried forward to future tax years.

### **Capital gains taxation for limited liability companies**

For limited liability companies, capital gains are taxed at a tax rate of 21.4 percent (note that special rules apply to shares covered by the participation exemption regime). The capital gains calculation is the same as described for individuals (please see above). Deductible capital losses on shares and other securities that are taxed as shares may normally be offset only against taxable capital gains on shares and other securities that are taxed as shares. Capital losses may be offset against capital gains within a certain corporate group if group contributions are permitted among the companies and both companies request it for a fiscal year with coinciding corporate income tax filing dates.

Capital losses that cannot be utilized during a certain year may be carried forward and be utilized against capital gains on shares and other securities that are taxed as shares in subsequent fiscal years, without limitation in time.





#### EXAMPLE

Assume that you hold 100 Kinnevik Class B shares as follows:

- you have an average acquisition cost of SEK 200 per share prior to the share split (for example, you bought 50 shares for SEK 190 per share and 50 shares for SEK 210 per share)
- the lowest trading price for Kinnevik's Class B share at the day of the share split is SEK 250
- the lowest trading price the first day of trade of the redemption share is SEK 61.05 ( $445 \times 0.1372$ )

You receive 100 redemption shares in Kinnevik which entitles you to 13.72 SDRs. The Swedish Tax Agency has in its recommendations determined that 24.4 percent ( $61.05/250$ ) of the acquisition cost should be allocated to the redemption share and the remainder to the original share. The acquisition cost per redemption share will then be SEK 48.80 (24.4 percent of SEK 200) and SEK 151.20 per original share.

The value of the SDRs received is assumed to amount to SEK 445 per SDR according to the Swedish Tax Agency's recommendations. The shareholder is also assumed to receive cash proceeds of SEK 320.40 from Fractions sold on behalf of the shareholders (assuming that the Fractions are sold for the value determined by the Swedish Tax Agency, the cash proceed may be calculated as  $445 \times 0.72$  SDRs)

The capital gain would then be SEK 1 225.40 ( $\text{SEK } 445 \times 13 \text{ SDRs} + \text{SEK } 320.40 \text{ in cash proceeds} - (\text{SEK } 48.40 \times 100 \text{ redemption shares})$ ).

This summary is based on Swedish tax regulations and practice currently in force for Swedish shareholders and is intended as general information only. The summary is not exhaustive and does not cover situations where securities are covered by the participation exemption regime or held as current assets in business operations or are held by partnerships. Nor does the summary cover the special rules that may apply to holdings in closely held companies or shares that have been acquired by means of shares in closely held companies, or shares held through a capital insurance (Sw. *kapitalförsäkring*) or investment savings account (Sw. *investeringssparkonto*). Specific rules may also apply to certain categories of shareholders.

The tax implications for each shareholder will depend on the shareholder's specific circumstances, including tax residency. Each shareholder should consult a tax advisor for information on the specific tax consequences arising in relation to the Share Redemption Plan, including in respect of potential tax treaty protection and foreign tax effects.

#### CERTAIN TAX CONSIDERATIONS FOR SHAREHOLDERS OUTSIDE SWEDEN

For shareholders who are not tax residents in Sweden, the redemption of shares is treated as a dividend, which means that Swedish withholding tax is imposed on the received redemption consideration (equal to the value of Millicom SDRs and Fractions received). The withholding tax rate is 30 percent but may be reduced under tax treaties that Sweden has concluded with other countries. Swedish withholding tax is imposed regardless of whether redemption shares have been received through the share split or have been acquired in the market.

Withholding tax referable to the shareholder's acquisition cost for the shares or, provided that the shares are listed, 20 percent of the redemption amount if the taxpayer has opted to apply notional method (Sw. *schablonmetoden*), may be reclaimed if a refund request is filed with the Swedish Tax Agency. The acquisition cost is usually allocated as described on the previous page under the heading "Receipt of redemption shares and allocation of acquisition cost". A refund request must be made in writing and be submitted to the Swedish Tax Agency before the end of the fifth calendar year following the redemption (Sw. *utdelningstillfället*).

The withholding tax will be deducted by Nordea or, in the case of nominee registered shares, by the nominee. All received Millicom SDRs will be withheld, and subsequently released to the shareholders upon the relevant shareholder paying the withholding tax in cash.

Shareholders with limited tax liability in Sweden who are not carrying on business operations from a permanent establishment in Sweden are generally exempted from capital gains taxation in Sweden on disposal of shares. However, shareholders may be liable for capital gains tax in their country of residence. Sweden may, under a specific rule, tax individual shareholders with limited tax liability in Sweden on the sale of Swedish shares, in case the individual has been resident or lived permanently in Sweden at any time during the calendar year in which the shares are sold, or the ten calendar years immediately preceding the sale. The applicability of this rule is in several cases limited by applicable tax treaties that Sweden has concluded with other countries.

Note that no withholding tax is levied if redemption shares are sold in the market. Such a sale would however typically trigger capital gains taxation on a potential capital gain in the jurisdiction where the shareholder is tax resident.



# QUESTIONS & ANSWERS

## CONCERNING THE SHARE REDEMPTION PLAN

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### GENERAL

#### **What are the consequences of the Share Redemption Plan for me as a shareholder?**

If the EGM resolves on the Share Redemption Plan, in accordance with the Board's proposals, each ordinary share will be split into two new shares, one of which will be a redemption share that will be automatically redeemed by Kinnevik for 0.1372 Millicom SDRs per such redemption share.

If you are a calendar year taxpayer, the Share Redemption Plan may result in an obligation for you to declare the sale or redemption of redemption shares in the tax return for the income year 2019 (i.e. in 2020). Please note that if your fiscal year is not the calendar year, the obligation to declare the sale or redemption may arise at a different year.

#### **Do I need to do anything to participate in the Share Redemption Plan?**

If the EGM resolves on the Share Redemption Plan, in accordance with the Board's proposals, participation in the Share Redemption Plan will be fully automatic and requires no action from you as a shareholder. If you take no action you will automatically receive 0.1372 Millicom SDRs per redemption share when the redemption shares are redeemed.

For persons with limited tax liability in Sweden, please also see the section "Tax considerations in Sweden" above regarding withholding tax.

#### **When will I receive the redemption shares?**

The redemption shares will be booked into your securities account after the record date on 15 November 2019. The shareholders will receive a VP-notice as confirmation of the number of redemption shares received. On the shareholders' securities accounts, the Class A redemption shares will be referred to as KINV IL A and the Class B redemption shares will be referred to as KINV IL B.

#### **When will the Millicom SDRs be distributed?**

On or around 5 December 2019, all redemption shares will automatically be redeemed for 0.1372 Millicom SDRs per redemption share. The Millicom SDRs will be distributed to your securities account (i.e. the same account in which you hold your Kinnevik shares today). In connection with the distribution of Millicom SDRs, the redemption shares will be removed from the shareholders' securities accounts (without any specific notification).

Only whole Millicom SDRs can be paid to shareholders in Kinnevik. Fractions will be sold by Nordea on Nasdaq Stockholm as soon as practicable following the distribution of Millicom SDRs to Kinnevik's shareholders. On or around 16 December 2019 the proceeds from the sale of Fractions will be paid in proportion to the Fractions that each respective Kinnevik shareholder is entitled to. No commission will be charged for this sale.

*Please note that Kinnevik shareholders that hold seven Kinnevik shares or less will only receive the proceeds from the sale of Fractions as their holding in Kinnevik do not aggregate to an entire Millicom SDR.*

Shareholders may also choose to sell all or some of their redemption shares on Nasdaq Stockholm during 15-29 November 2019, at the prevailing market price.

#### **What if I have nominee registered shares?**

Nominee registered (Sw. *förvaltarregistrerade*) shareholdings will be processed in accordance with each nominee's routines.

#### **Why does Kinnevik propose the Share Redemption Plan?**

Kinnevik's aim is to make early, middle and, occasionally, late stage investments into disruptive and technology-enabled businesses, with the objective of dedicating a larger share of Kinnevik's portfolio to such companies. The contribution of these businesses to Kinnevik's portfolio will increase materially through the distribution of Kinnevik's holding in Millicom, whilst retaining the stability of the continued ownership in two key platforms - Tele2, the leading connectivity challenger in the Nordics, and Zalando, Europe's most prominent e-commerce player. Kinnevik's shareholders are also provided the option to directly participate in Millicom's continued shareholder value creation and dividend yield.

As regards structure, the Share Redemption Plan may, from a taxation point of view, be more beneficial to certain shareholders compared to a dividend-in-kind.

#### **What are the majority requirements for the EGM's resolutions?**

The resolutions in the Share Redemption Plan must be supported by shareholders holding at least two-thirds of the votes cast and the shares represented at the EGM.

#### **What are my options in connection with the Share Redemption Plan?**

You can choose either to:

- 1) do nothing. You will then automatically receive 0.1372 Millicom SDRs per share for your redemption shares when these are redeemed, or to
- 2) sell all or some of your redemption shares on Nasdaq Stockholm during 15-29 November 2019.

#### **How and when will the Kinnevik share price be affected?**

Theoretically, the price of the Kinnevik share should decrease by SEK 61.05 per share, i.e. corresponding to the market value of 0.1372 Millicom SDRs based on the closing price of the Millicom SDRs on Nasdaq Stockholm as at 4 October 2019.



# QUESTIONS & ANSWERS (CONT'D)

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This share price change should occur one trading day prior to the record date for the share split, i.e. on 13 November 2019. Please note that the value of Millicom SDRs, and therefore the value of the distributed fraction of a Millicom SDR, may fluctuate.

(Note that the share price theoretically also should decrease with SEK 4.00 as a consequence of the payment of the ordinary cash dividend. This share price change should occur on 7 November 2019.)

### **Where can I find more information about Millicom and Millicom SDRs and shares?**

For information regarding Millicom, as well as the Millicom SDRs and shares, please refer to Millicom's website [www.millicom.com](http://www.millicom.com) where Millicom's historical financial reports are available under the heading "Reporting Center" and information regarding Millicom SDRs and shares is available under the heading "Stock Information" (all headings listed in this paragraph can be found under the section "Investors"). Note that Kinnevik did not prepare this information and thus takes no responsibility for its accuracy or completeness.

### **U.S. TRADING**

#### **Can I convert the Millicom SDRs I receive in the Share Redemption Plan into Millicom common shares tradeable at Nasdaq in the U.S.?**

Millicom SDRs are convertible into common shares in Millicom. If you wish to convert the Millicom SDRs you receive in the Share Redemption Plan into common shares tradable on Nasdaq in the U.S., please visit the link:

<https://www.millicom.com/media/3583/info-on-conversion-between-registered-millicom-shares-and-sdrs.pdf>

#### **What do the U.S. transfer restrictions mean?**

The redemption shares that Kinnevik's shareholders receive in the Share Redemption Plan have not been and will not be registered under the US Securities Act (as defined below) and accordingly may not be offered or sold within the United States except pursuant to certain transactions exempt from the registration requirements of the US Securities Act (which are described under the section "U.S. trading; restrictions").

Please note that U.S. transfer restrictions do not apply to the sale, transfer, etc. on Nasdaq Stockholm of the redemption shares you receive following the share split, nor do they apply to the Millicom SDRs you receive as repayment at the end of the Share Redemption Plan.

### **TAX**

#### **What are the tax consequences for me as a Swedish shareholder upon redemption of the redemption shares?**

If you are a tax resident in Sweden, you must report the redemption of the redemption shares. A capital gain or capital loss is calculated based on the value of Millicom

SDRs and Fractions you are entitled to, which means that a shareholder may deduct part of the acquisition cost of the original share from the redemption amount, see "Tax considerations in Sweden" on pages 7-8.

If you represent a legal person that is a Kinnevik shareholder, or a shareholder non-resident in Sweden, you should contact a tax advisor for information on the specific tax consequences triggered by the Share Redemption Plan.

#### **What are the tax consequences for me as a Swedish shareholder upon a disposal of redemption shares?**

The tax consequences are the same as for redemption of shares. Please see the answer to the previous question.

#### **How will the proceeds from sale of Fractions be taxed?**

The sale will trigger capital gains taxation. Assuming the sales price equals the value of the Fractions that you are entitled to no additional tax should be due.

#### **What are the tax consequences if I hold my shares through an ISK?**

The Share Redemption Plan should typically not result in any immediate taxation as ISK holdings are subject to notional taxation.

#### **What are the tax consequences for me as a non-Swedish shareholder upon redemption of redemption shares?**

If you are not a tax resident in Sweden and you participate in the Share Redemption Plan and your shares are redeemed, you are normally subject to Swedish withholding tax, please see "Tax considerations in Sweden" on pages 7-8. Withholding tax will be levied on an amount equal to the value of the SDRs including Fractions distributed to the shareholders (as determined by the Swedish Tax Agency in their recommendation).

#### **Will the proceeds from the sale of Fractions be subject to withholding tax?**

The subsequent sale of Fractions should not be subject to withholding tax.

#### **What are the tax consequences for me as a non-Swedish shareholder upon a sale of the redemption shares?**

No Swedish withholding tax is imposed if the redemption shares are sold on Nasdaq Stockholm during the period 15-29 November, please see "Tax considerations in Sweden" on pages 7-8.

#### **Are there advantages of selling or keeping the redemption shares?**

If you are not a tax resident in Sweden there may be tax related advantages in selling your redemption shares. Please see "Tax considerations in Sweden" on pages 7-8.



# FINANCIAL EFFECTS OF THE SHARE REDEMPTION PLAN

Should the EGM resolve on the Share Redemption Plan, c. SEK 16.8bn will be distributed to the shareholders of Kinnevik.

## Financial effects on Kinnevik:

- ▶ The parent company's shareholders' equity, adjusted for dividends paid of c. SEK 2.3bn, will be reduced from SEK 49bn to SEK 32bn; and
- ▶ Given that only assets are distributed, Kinnevik's net debt position (SEK 2.9bn per 31 December 2018) will not be affected. Based on a distribution of c. SEK 16.8bn, as per 31 December 2018 Kinnevik's leverage will increase from 3.9% to 5.1%.

## Changes in shareholders' equity and number of shares in Kinnevik, per 4 October 2019

Group	As per 2018-12-31	After Share Split 2:1	Effect of Redemption	Effect of Bonus Issue	After Distribution
<b>Portfolio Value (SEK<sub>m</sub>)</b>	73,430	73,430	(16,837) <sup>3</sup>	-	56,593
<b>Net Debt (SEK<sub>m</sub>)</b>	2,887	2,887	-	-	2,887
<b>Shareholders' Equity (SEK<sub>m</sub>)<sup>1</sup></b>	68,231	68,231	(16,837) <sup>3</sup>	-	51,394
<b>Leverage (% of Portfolio Value)</b>	3.9%	3.9%	+1.2pp	-	5.1%
<b>Parent Company</b>					
<b>Shareholders' Equity (SEK<sub>m</sub>)<sup>1</sup></b>	48,883	48,883	(16,837) <sup>3</sup>	-	32,046
<b>Unrestricted Equity (SEK<sub>m</sub>)<sup>1</sup></b>	41,988	41,988	(16,837) <sup>3</sup>	-	25,151
<b>Share Capital (SEK<sub>m</sub>)<sup>2</sup></b>	27.7	27.7	(13.9)	13.9	27.7
<b>Shares Issued<sup>2</sup></b>	276,923,634	553,847,268	(276,923,634)	-	276,923,634
<i>of which Class A</i>	33,755,432	67,510,864	(33,755,432)	-	33,755,432
<i>of which Class B</i>	241,911,206	483,822,412	(241,911,206)	-	241,911,206
<i>of which Classes D-G</i>	1,256,996	2,513,992	(1,256,996)	-	1,256,996

<sup>1</sup> As per 31 December 2018, decreased by dividends paid of SEK 2,272m.

<sup>2</sup> As per 30 September 2019.

<sup>3</sup> Kinnevik's fair value of its Millicom SDRs as per 4 October 2019.



## U.S. TRADING; RESTRICTIONS

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Shareholders are advised that the redemption shares of Class A and Class B distributed in connection with the share split have not been and will not be registered with the U.S. Securities and Exchange Commission ("SEC") under the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "US Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States. The redemption shares may not be offered, sold, resold, delivered, pledged or otherwise transferred in the United States except (i) to a person that the holder or any person acting on its behalf reasonably believes is a qualified institutional buyer within the meaning of Rule 144A under the US Securities Act purchasing for its own account or for the

account of another qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the US Securities Act, or (iii) pursuant to another available exemption from the registration requirements of the US Securities Act and, in each case, in accordance with applicable law.

## INFORMATION ABOUT MILLICOM

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Should the EGM approve the proposed Share Redemption Plan, Kinnevik's shareholders will become direct holders of Millicom SDRs.

Millicom is listed both on Nasdaq Stockholm (SDRs) and Nasdaq in the U.S. (common shares). For information on how to convert the Millicom SDRs you receive into common shares tradable on Nasdaq in the U.S., please visit the link:

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reports are available under the heading "Reporting Center" and information regarding the Millicom SDRs and shares is available under the heading "Stock Information" (all headings listed in this paragraph can be found under the section "Investors"). Note that Kinnevik did not prepare this information and thus takes no responsibility for its accuracy or completeness.



This information brochure does not constitute an offer to acquire or sell shares, but contains information to the shareholders of Kinnevik on the Board's proposal to distribute Kinnevik's holding in Millicom through a Share Redemption Plan. The purpose of this document is to provide the shareholders in Kinnevik with information before the EGM, which is proposed to resolve on the Share Redemption Plan. This document is not a prospectus under Regulation (EU) 2017/1129 or any other laws or regulations.

Please note that the time table for the Share Redemption Plan, and all dates in relation thereto, stated in this information brochure are indicative and based on an expected record date for the share split (14 November 2019) which, among other things, is dependent on timely processing and registration of the share split and the amendments of the Articles of Association, as well as the timely processing in Euroclear's account based system. The figures reported in the information brochure have been rounded as appropriate. This implies that some tables and examples may not sum up correctly.

This information brochure is not intended for shareholders whose participation in the Share Redemption Plan requires additional information or the implementation of registration measures or other measures beyond those required by Swedish law. This document may not be distributed to countries requiring additional information or measures pursuant to the preceding sentence or to countries in which distribution would conflict with applicable laws or regulations. It is the responsibility of each individual to observe the restrictions according to non-Swedish law. The Kinnevik Class A and Class B redemption shares to be distributed following the share split have not been and will not be registered with the SEC under the US Securities Act or any U.S. state securities laws. Neither the SEC nor any U.S. state securities commission has approved or disapproved the redemption shares or passed comment or opinion on the accuracy of this document or any document referred to herein.

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



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