

Investment AB Kinnervik



Annual General Meeting

Stockholm, May 18, 2015

Investment AB Kinnervik



Cristina Stenbeck
CHAIRMAN OF THE BOARD

Kinnevik: Leading Global Entrepreneurial Investment Group

1936

Founded



4

Consumer
sectors

Communications
e-Commerce
Entertainment
Financial Services

~50%

Assets in
emerging markets



~\$10bn

Market capitalisatio



~\$38bn

Aggregate
valuation of group
companies



~23%

5 year total
shareholder
return



40+

Group companies



80+

Countries covered

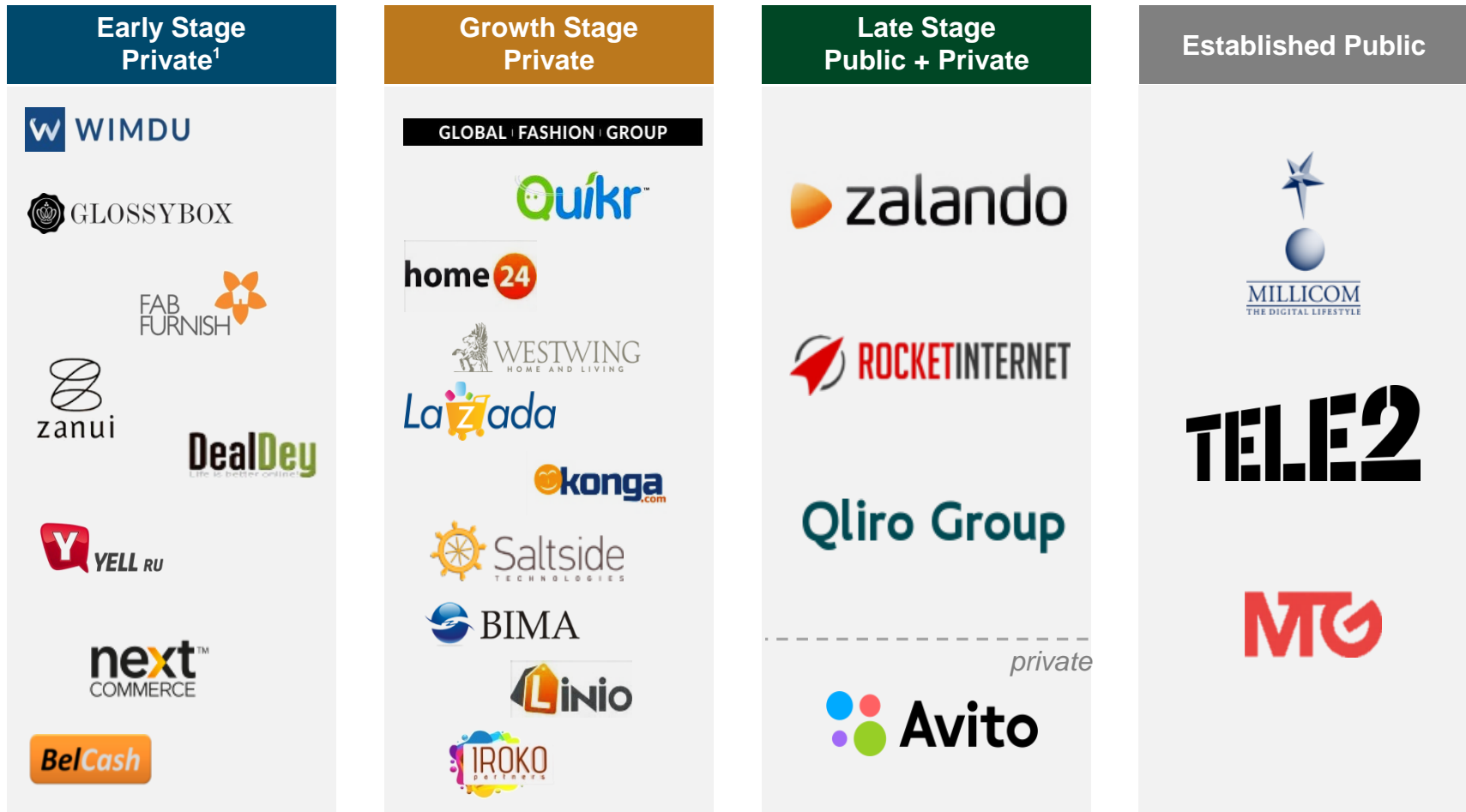


90,000+

Group company
employees



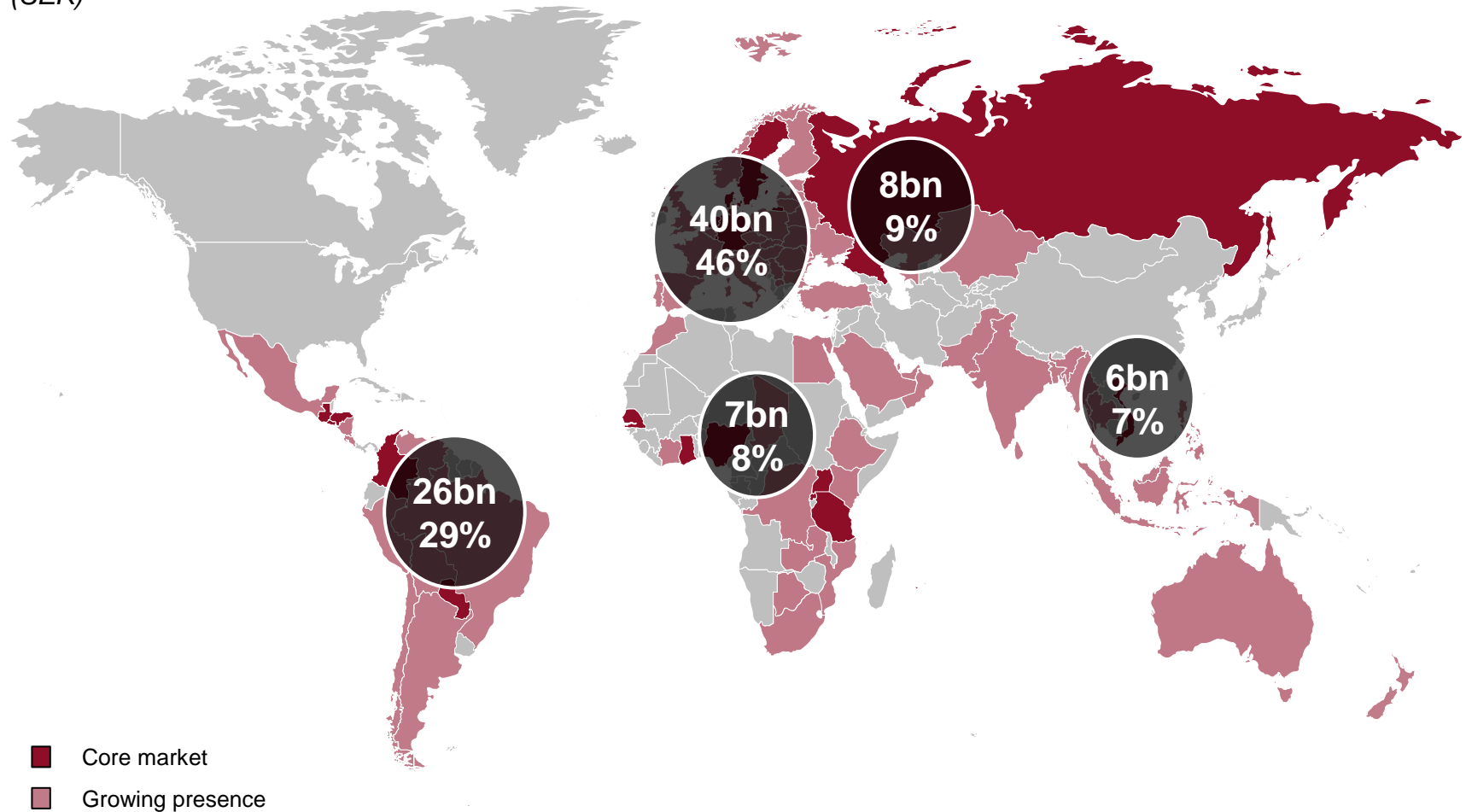
Kinnevik: Unique Set of Investments Across all Stages of Development



¹ Pricepanda merged with GetPrice to form NextCommerce, agreed exit from Foodpanda, Airu and Zocprint

Kinnevik: Balanced Presence Across Developed and Developing Markets

Kinnevik NAV
(SEK)



Kinnevik's Mission: Create, Invest in, Lead and Transform Businesses

Kinnevik Corporate

- Finance, Tax, Legal, IR, GRC, Business Intelligence, HR

Create

- Create new businesses
- Partner with established entrepreneurs
- Build up teams, provide seed funding, engage on strategy and support operational development

Invest

- Invest growth capital
- Partner with founders and other leading investors
- Support new product development, operations and geographical roll-out
- Establish appropriate GRC
- Prepare for listing

Lead

- Long-term lead shareholder in large listed entities
- Select and support Board and Management
- Focus on strategic development and capital allocation

Transform

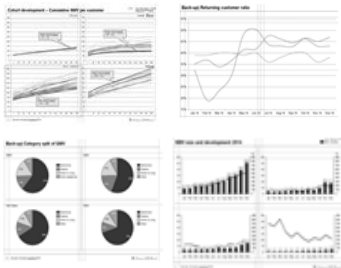
- Reposition existing investments
- Transform team and strategy
- Create new partnerships to accelerate change
- Facilitate strategic M&A and consolidation

Kinnevik's Operating Model: Add Value to Our Investee Companies



Strategy and operational excellence

- Develop strategic roadmaps and expansion strategies
- Introduce KPI and reporting standards
- Add industry experts where necessary



Attract world-class talent

- Leverage global network to find and attract world-class talent
- Lead recruitment, design and implement incentive plans
- Facilitate connections within the Kinnevik network

Mauricio Ramos
CEO, Millicor

Axel Hefer
CFO, Home24
One Equity Partners

Jens Grede
Board Member, GFG
INDUSTRIE

Romain Voog
CEO, GFG
amazon

Stefan Wilke
Board Member, Bima

Alexis Babeau
Board Member, GFG
GUCCI

Develop strategic and operational partnerships

- Drive numerous strategic, industry defining partnerships for investee companies
- Assist in negotiations and support implementation



Partner with leading investors

- Attract industry leading institutional investors in follow-on rounds
- Execute fundraising processes



Kinnevik's Operating Model: Implement Best Practices in GRC



Governance

- Represented on Boards of investments and actively take part in decision making
- Recruit Board Members with adequate competence and relevant experience
- Maintain oversight over operational performance and financial reporting
- Ensure investments have a good internal control environment across operations

Risk Management

- Ensure investments have robust risk management processes
- Improve risk awareness among management teams across investments
- Monitor risks regularly by screening risk registers
- Address cyber risks across investments with assistance from technical experts (namely G3)
- Advocate documentation of key processes and implementation of controls to mitigate internal risks

Compliance

- Ensure investments have processes to identify and comply with laws and regulations
- Verify compliance reporting structures implemented by investments
- Review compliance reports at Board meetings and seek external legal counsel when considered necessary (e.g. regulatory matters)

Corporate Responsibility

- Require investments to create corporate responsibility policies based on international standards (Eg. UN Global Compact)
- Advocate ethical business practices within investments
- Drive compliance with social and environmental laws and regulators
- Oversee implementation of anti-bribery and anti-corruption procedures within investments

Kinnevik: We Build Large and Successful Companies

Company	Sector	Country	Years before reaching \$1bn valuation
Skype	Communication	Sweden	2
Zalando	Fashion Ecommerce	Germany	3
Lazada	Horizontal Ecommerce	Singapore	3
Mobli	Communication	Israel	3
Supercell	Entertainment	Finland	3
Global Fashion Group	Fashion Ecommerce	Emerging Markets	4
Coupang	Ecommerce	Korea	4
DeliveryHero	Food Delivery	Germany	4
Gree	Entertainment	Japan	4
Olacabs	Taxi Booking	India	4
Snapdeal	Horizontal Ecommerce	India	4
Wonga	Financial Services	UK	4
Home24	Home & Living Ecommerce	Germany	5
Rocket Internet	Ecommerce	Germany	5
Colopl	Entertainment	Japan	5
Mojang	Entertainment	Sweden	5
Spotify	Entertainment	Sweden	5
Flipkart	Horizontal Ecommerce	India	6
Vkontakte	Social	Russia	6
Waze	Ride Sharing	Israel	6
Avito	Online Classifieds	Russia	6
Zoopla	Online Classifieds	UK	7
Kakao	Communication	Korea	8
Klarna	Financial Services	Sweden	8
BlaBlaCar	Ride Sharing	France	10
Monitise	Financial Services	UK	10
King.com	Entertainment	Sweden	11

 Kinnevik investee company  Indirect investment via Rocket

Kinnevik: We Make a Real Contribution to Emerging Markets

Area of impact	Kinnevik Contribution
<ul style="list-style-type: none">• New employment: Creating jobs for thousands of people	<ul style="list-style-type: none">• The number of full-time employees in Kinnevik's General e-Commerce companies is 2,300 in Latin America, 3,800 in Southeast Asia and 3,300 in Africa
<ul style="list-style-type: none">• Financial inclusion: Access to key financial products and services	<ul style="list-style-type: none">• BIMA offers financial protection to 7 million customers, Millicom Mobile Financial Services offers bank services to 8 million customers
<ul style="list-style-type: none">• Enabling SMEs: Create opportunities for SMEs and individuals to buy and sell	<ul style="list-style-type: none">• Gross Merchandise Value for Avito and Quikr represents 2.5% of GDP in Russia and India
<ul style="list-style-type: none">• Improved assortment and pricing: Greater assortment, more affordable pricing, easier access	<ul style="list-style-type: none">• Global Fashion Group offers 400,000 SKUs and give customers in remote areas access to fashion through proprietary last mile delivery services
<ul style="list-style-type: none">• Better GRC: Implement best in class governance structures, risk management processes, compliance procedures and corporate responsibility standards	<ul style="list-style-type: none">• Improving labour standards and protecting children by implementing ethical supply chain practises across our e-Commerce businesses

Kinnevik's Approach to Shareholder Remuneration and 2014 Dividend Proposal

- Kinnevik's business objective is to create long-term value for shareholders, and to have that value reflected in the total return on our share.
- Going forward the aim is to continue delivering growing annual cash returns over the long term but also introduce share buy-backs as a tool to enhance returns.
- We shall track NAV per share as a key metric for measuring performance

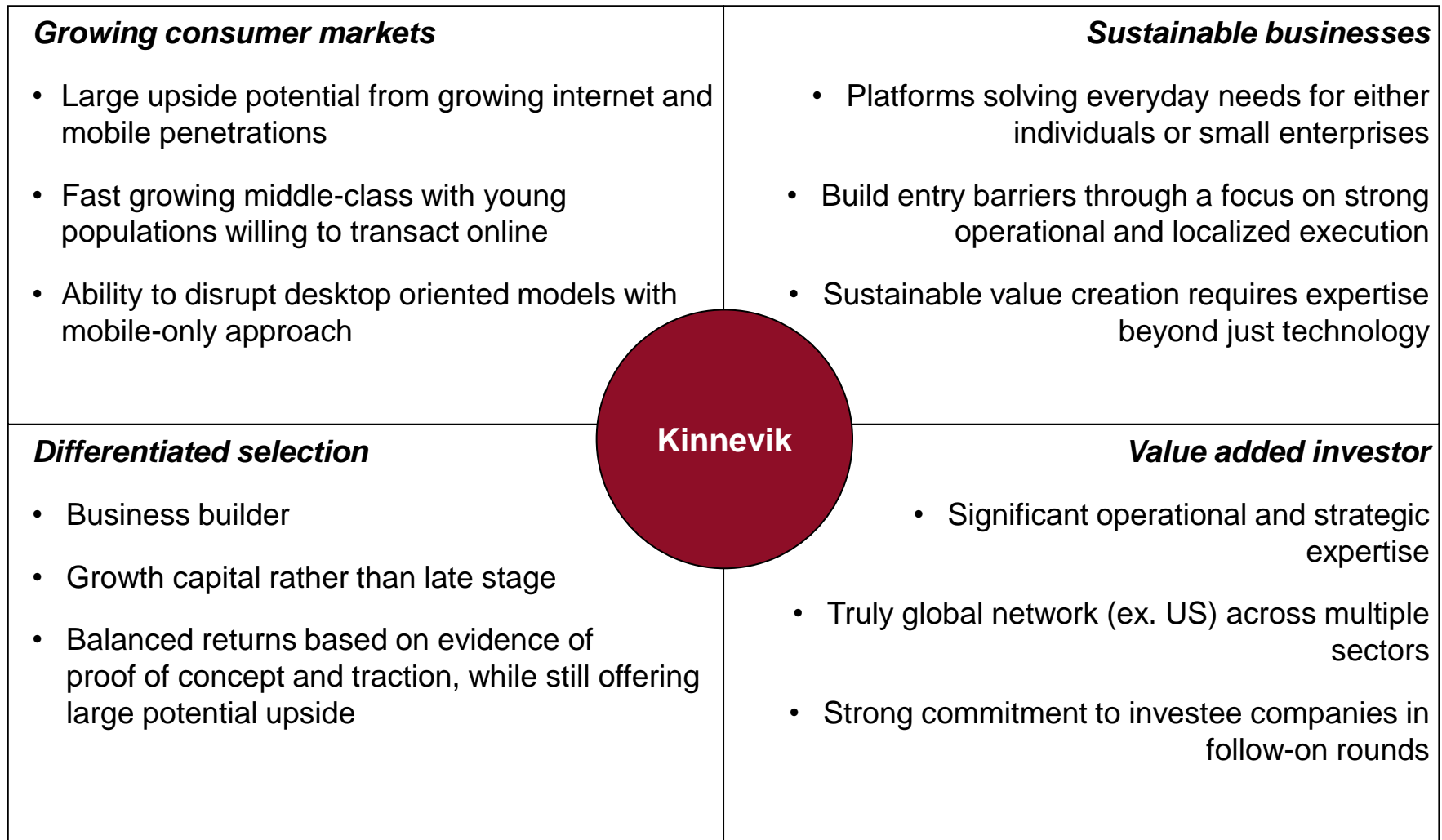
Leverage and dividend policy

- Given the nature of our new investments, our goal is to have little or no net leverage at the parent company
- Kinnevik aims to pay an annual dividend growing in line with dividends received from investee companies and the cash flow generated from investment activities
- Buy-back mandate will be executed going forward when in a net cash position

Dividend Proposal 2014

- For 2014, the Kinnevik Board proposes a dividend of SEK 7.25 per share
 - Attractive level (2.8% yield)
 - 100% financed from dividends received today
 - Over time we expect that dividends received will grow to cover dividends paid
 - Given liquidity of our portfolio, credit facilities can be used to manage cash flow mismatch between dividends, corporate costs shortfall and divestitures

Kinnevik: Well Positioned to Capture Future Opportunities



Investment AB Kinnervik



Lorenzo Grabau
PRESIDENT AND CEO

REVIEW OF 2014

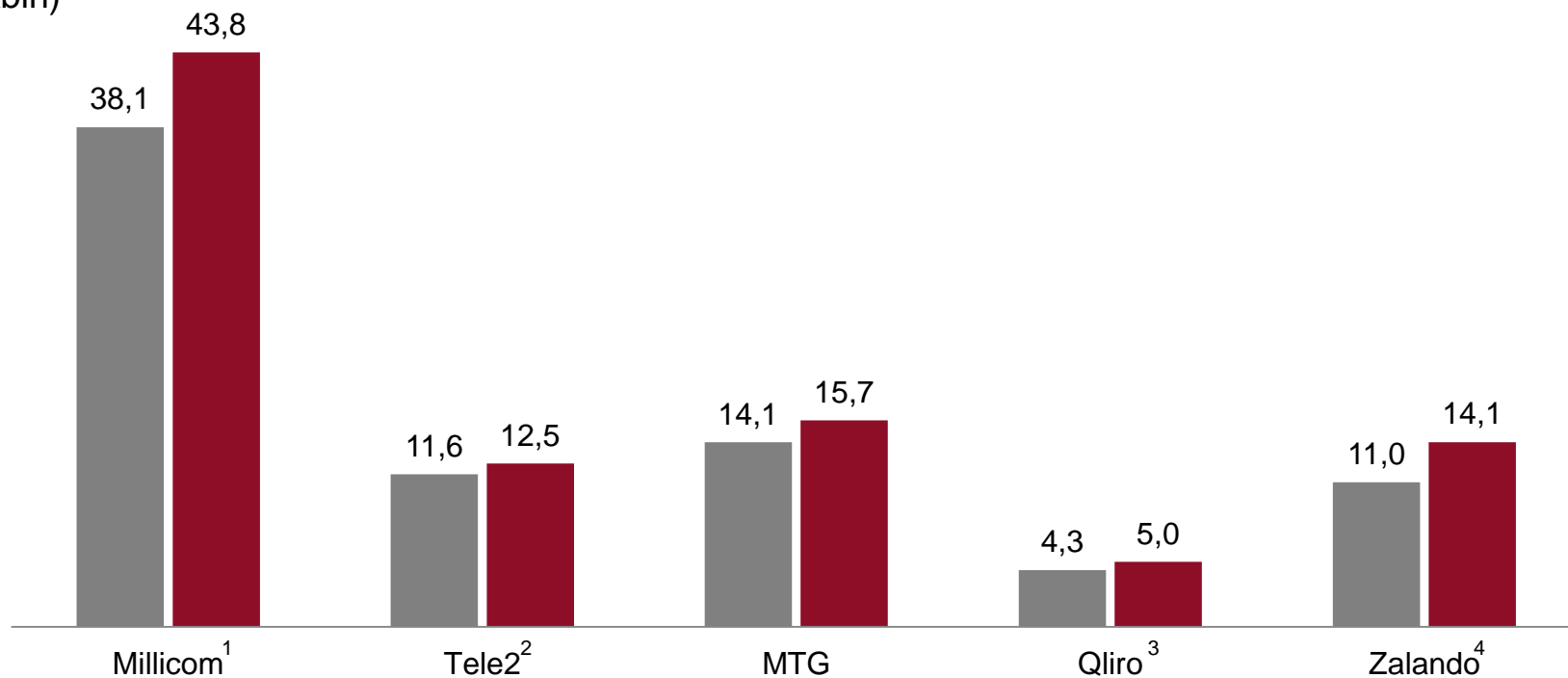
The Kinnevik Team Had Clear Objectives for 2014

- 1 Drive the growth of our large public companies**
- 2 Focus resources on the most promising private companies**
- 3 Implement operational excellence within existing investee companies**
- 4 Create value through consolidation**
- 5 Develop strong strategic and operational partnerships**
- 6 Attract other leading International institutional investors**
- 7 Build a new business building and investing pipeline**
- 8 Strengthen Kinnevik's value-creating platform**
- 9 Crystallize the value of our investments, deliver NAV growth**
- 10 Maintain a strong balance sheet and broaden investor base**

1 During 2014, Our Large Public Companies Delivered Solid Growth

Reported revenue
(SEKbln)

■ 2013 ■ 2014



Organic growth
YoY:



Margin

	2013		2014		2013		2014		2013		2014		
EBITD A	36%	33%	23%	23%	EBIT ⁵	9.3%	8.1%	EBIT	0.0%	0.2%	EBIT ⁶	-10%	1.0%
			A	%			%			%		%	

Note: 2014 yearly average FX rates used to convert Millicom and Zalando revenues to SEK. ¹Including UNE from August 2014.

16 ²Mobile end-user service revenue. ³Excluding divested operations and non-recurring items. ⁴Jan-Sep figures only. ⁵EBIT before associated company income and nonrecurring items. ⁶EBIT margin excludes equity-settled share-based compensation expenses.

2 We Focused Our Resources on Our Most Promising Private Companies

Consolidated position in key companies

GLOBAL | FASHION | GROUP

- GFG merger of five entities
- Kinnevik stake increase from **25.1% to 26.1%**



- Kinnevik stake increase from **30.8% to 31.7%**



- Kinnevik stake increase from **14.7% to 16.5%**

Significant new investment



- Largest cross category classifieds business in India with presence in 1,000 cities
- Largest user base, traffic and # listings in the industry
- >30m U MVs and top 20 website/app in India

Swapped or exited small investments



3 We Supported Key Initiatives and Strengthened Operational Excellence

Operational initiatives



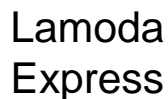
- Merger with UNE to become a full service player in the largest and fastest growing market



- Challenger program launched to become # 1 in effectiveness and efficiency



- Dedicated real-estate vertical to further improve customer experience



- Lamoda uniformed staff brings clothes, offers advice, takes returns, and processes payment on the spot



- Messaging functionality to ease communication between buyers and sellers



- New Personal Accident product launched with Tigo Tanzania

Governance Risk Compliance

- Kinnevik established a Governance Risk Compliance (GRC) function in 2014
- Improved risk management across the businesses
- Robust compliance processes focussing on local and international regulations
- Adopting internationally recognised standards – UN Global Compact and OECD Guidelines for Multinational Companies

New talent both on Management and Board level



Peter Kimpel
CFO,
Rocket
Internet



Alison Kirkby
CFO, Tele2



Tim Pennington
CFO,
Millicom



Tomas Eliasson
Board Member,
Millicom



Irina Hemmers
Board Member,
Tele2



Axel Hefer
CFO,
Home24



Michelle Guthrie
Board Member,
MTG



Alexis Babeau
Board Member,
GFG



Stefan Wilke
Board Member,
Bima



Dan Mytnik
Board Member,
Qliro Group



Marco Sodi
Chairman,
Metro



Jens Grede
Board member,
GFG



4 We Created Value Through Consolidation



Millicom Colombia merged with leading cable and fixed line operator “UNE”

- Larger scale and broader offering
- Wider geographic footprint
- Significant revenue enhancements and cost savings
- Long term local partner



Millicom partner Helios Towers acquired 3,100 telecoms towers from Bharti Towers in four countries across Africa

- Reducing operating cost
- Improving uptime
- Higher quality through infrastructure sharing
- Expanded network coverage and capacity to meet demand



Dafiti, Lamoda, Namshi, Zalora and Jabong merged into Global Fashion Group. Kinnevik largest shareholder

- Enhanced economies of scale
- Broader product offering of own and 3rd party brands
- Global best practise sharing across functional areas



Tele2 divested its Norwegian business to TeliaSonera

- Strategic divestiture at attractive valuation
- Enhancing opportunities to take new steps on other markets
- Improving 4G rollout and operational performance

5 We Developed Strong Strategic and Operational Partnerships



+



- Joint initiative with Facebook's internet.org to provide free access to select basic Internet services for everyone
-



+



- Offer Viaplay to 3.7m Tele2 subscribers
 - Increase consumer access to Viaplay
 - Helps Tele2 meet increasing demand for streaming services
-



+



- Partnerships to create a regional platform for Internet businesses
 - Ooredoo partnership spanning 15 countries across Asia Pacific
 - In August 2014, Rocket and PLDT launched strategic partnership
 - In January 2015, the partnership was further strengthened by the launch of a joint venture for mobile-first payment services in emerging markets
-



+



- Leading e-commerce investor with sector and regional expertise taken on board as strategic partner
-


















+



- Partnership with Digicel in August 2014 to roll out Bima in Digicel's markets
 - Launched operations with Bima in Papua New Guinea and Haiti
-

6 We Partnered with Other Leading International Institutional Investors

Company	Kinnevik positions	Investors joining Kinnevik	Date
 zalando	Chairman & 1 board seat	  	Oct 2014
 ROCKETINTERNET	Chairman & 1 board seat	 J.P.Morgan	Oct 2014
 Lazada	2 board seats		Nov 2014
 Quikr	2 board seats		Sep 2014
 Saltside TECHNOLOGIES	Chairman & 3 board seats	 	January 2015
 YELL RU	Chairman & 3 board seats		June 2014

7 We Built Our New Business Building and Investing Pipeline

New business building

Millicom



Rocket Internet



Qliro



New investment pipeline

2014 Priority

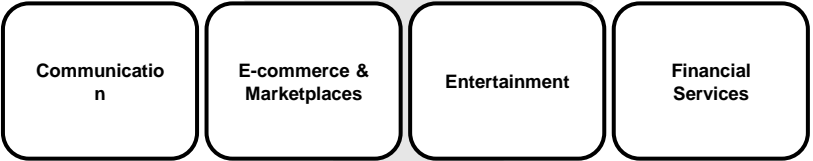
SEK 1.5bn invested

SEK **0.4bn** in new companies
SEK **1.1bn** in existing portfolio

Existing portfolio has offered better value proposition in 2014

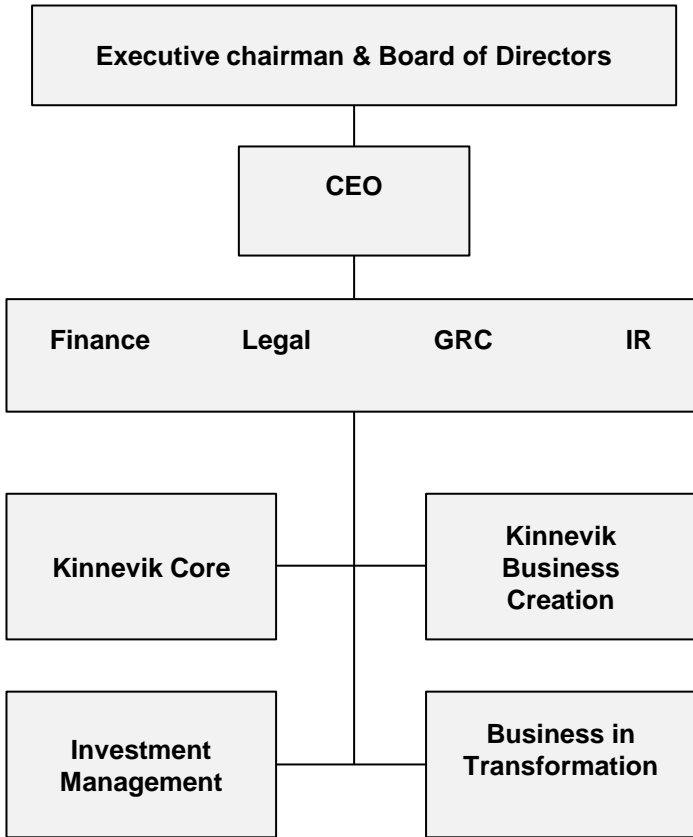
2015 Priority

Sources



8 We Strengthened Kinnevik's Value-creating Platform

A strong team

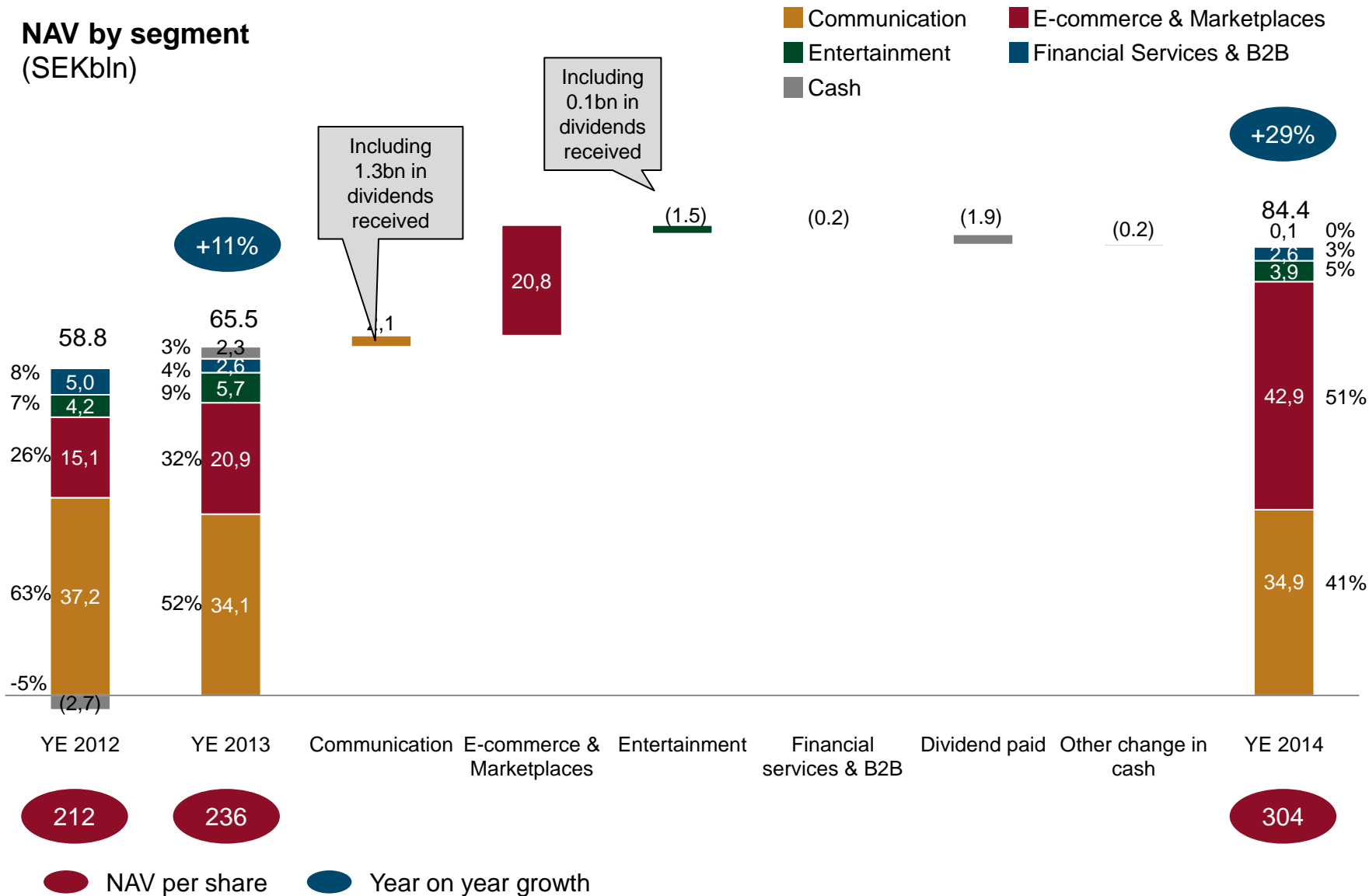


Rigorous investment reviews



9 We Delivered 29% growth in NAV

NAV by segment (SEKbn)



10 We Maintained a Strong Balance Sheet and Broadened our Investor Base

Balance sheet

- Prudent investment policy
- Renewed credit facility (SEK 6.0bn)
- More liquid portfolio
- Net cash positive at year end (SEK 0.1bn)

Entry into OMX30

- OMX 30 index covers the 30 most liquid stocks on the Stockholm Stock Exchange
- Kinnevik was included on 1 July 2014 replacing Scania

Shareholder interaction

- Kinnevik Rocket Day in Berlin – May 2014
- Visit to Zalando warehouse in Erfurt – May 2014
- Kinnevik Capital Markets Day in Stockholm – September 2014
- Investor meetings and conferences in Stockholm, London, New York, Barcelona

New Research Analysts across the portfolio

- 11 analysts covering Kinnevik – migration to TMT focus
- 11 analysts initiated coverage on Zalando post IPO
- 8 analysts initiated coverage on Rocket Internet post IPO

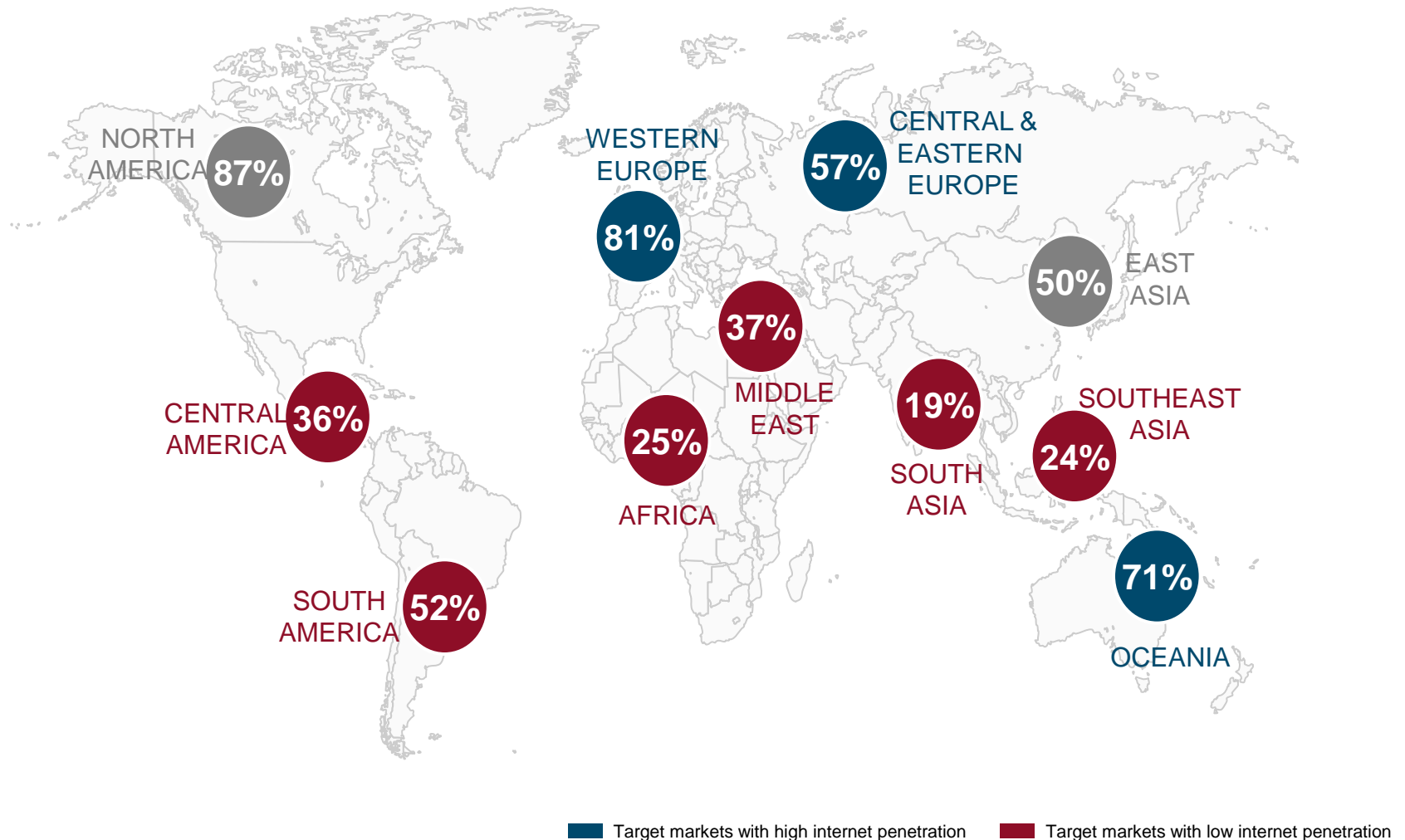
In Summary, 2014 Was a Successful Year During Which We Made Significant Progress Towards Achieving our Key Objectives

- 1 Build a select number of leading digital consumer brands ✓
- 2 Implement operational excellence within existing investee companies ✓
- 3 Create value through consolidation ✓
- 4 Develop strong strategic and operational partnerships ✓
- 5 Maintain balanced presence across regions and focus on extending the franchise ✓
- 6 Attract other leading International institutional investors ✓
- 7 Build a unique new business building and investing pipeline ✓
- 8 Progress in transforming Kinnevik into a value-creating platform ✓
- 9 Crystallize the value of our investments ✓
- 10 Maintain a strong balance sheet and broad investor base ✓

OUTLOOK FOR 2015

Our Target Markets Continue to Have Significant Upside in Internet Penetration

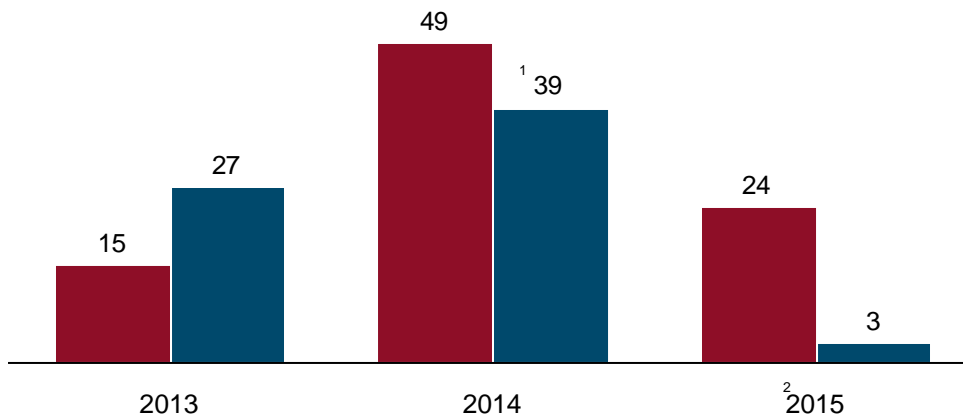
Internet penetration by region, Feb 2015



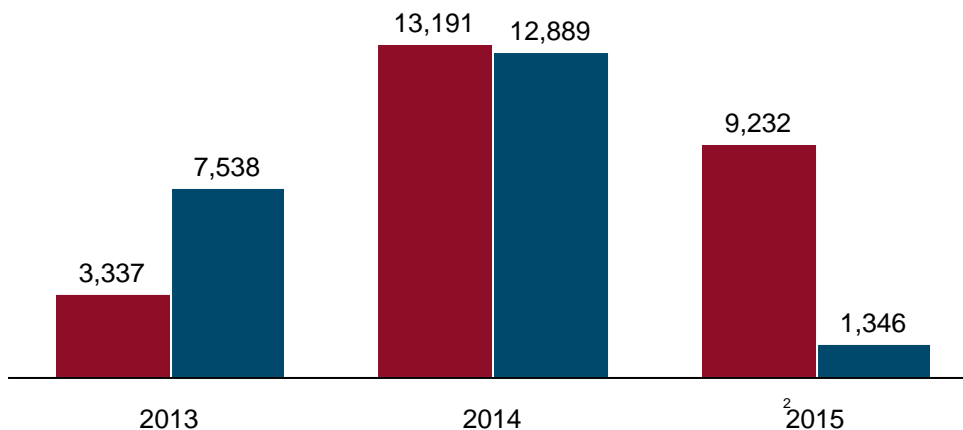
Source: Internetlivestats (weighted average by internet population)

Many Digital Companies Are Choosing to Stay Private Longer

of USD 100m+ transactions



Deal Volume (USDm) of USD 100m+ transactions



Legend:

■ \$100m+ Private Tech Transactions ■ \$100m+ Private Tech IPOs

Key Considerations

- Fast growing digital consumer businesses raising private capital for an extended period of time
- IPOs deferred until later stage development
- New capital in part coming from public market investors and largely invested in proven winners
- Our existing large private companies have benefited from access to greater capital and new partners
- Early and growth stage investing has also been impacted by this new supply of capital
- Hence, we have been cautious in terms of new investment activity with capital invested in Q1 allocated to three existing companies

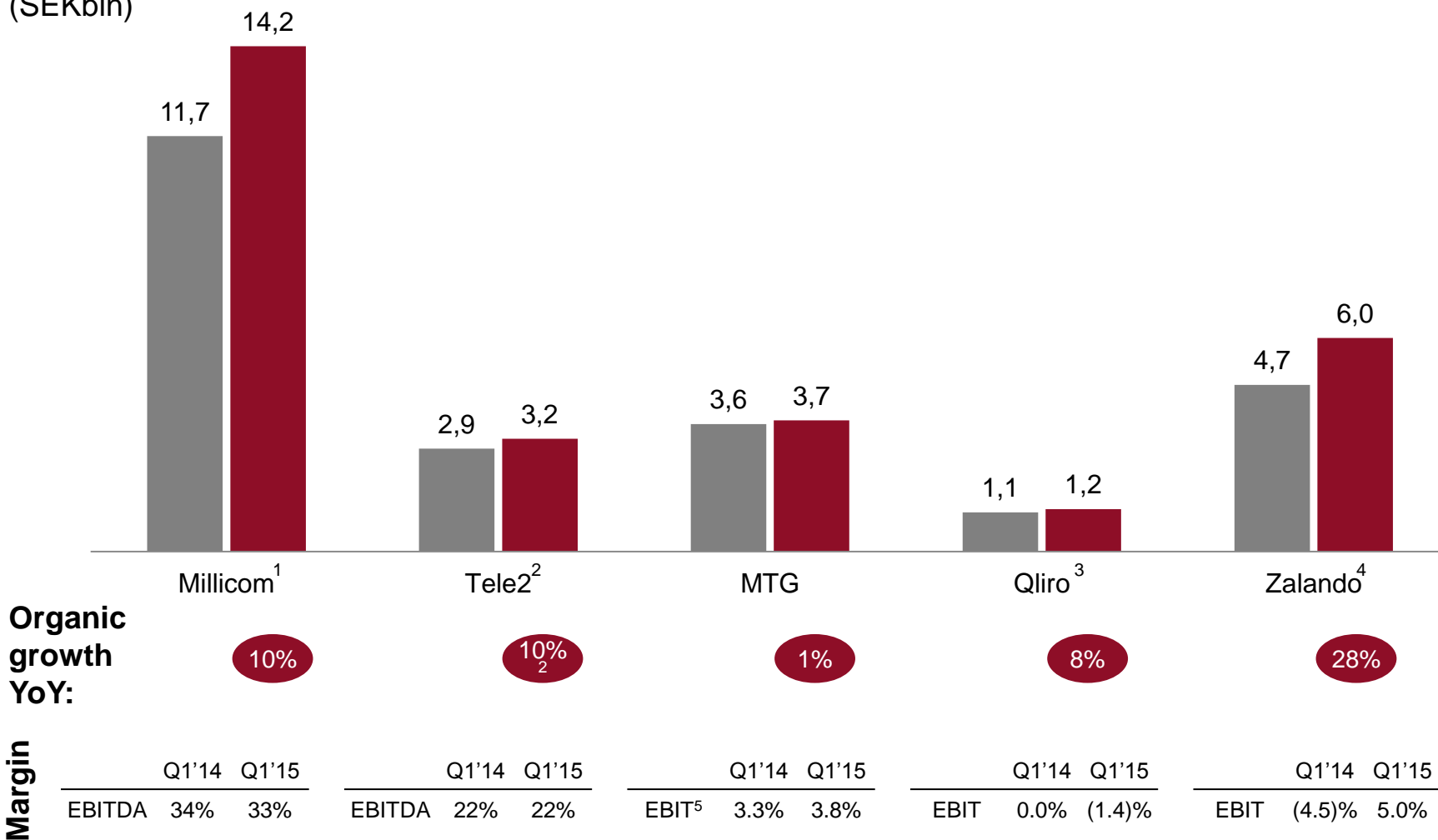
Source: Goldman Sachs, Capital IQ, Techcrunch

¹ 2014 IPO-figure excludes the Alibaba IPO which contributed \$25bn in deal volume; ² As of 15 Apr 2015

Our Public Companies Have Had a Strong Start in 2015

Reported revenue (SEKbn)

■ Q1 2014 ■ Q1 2015

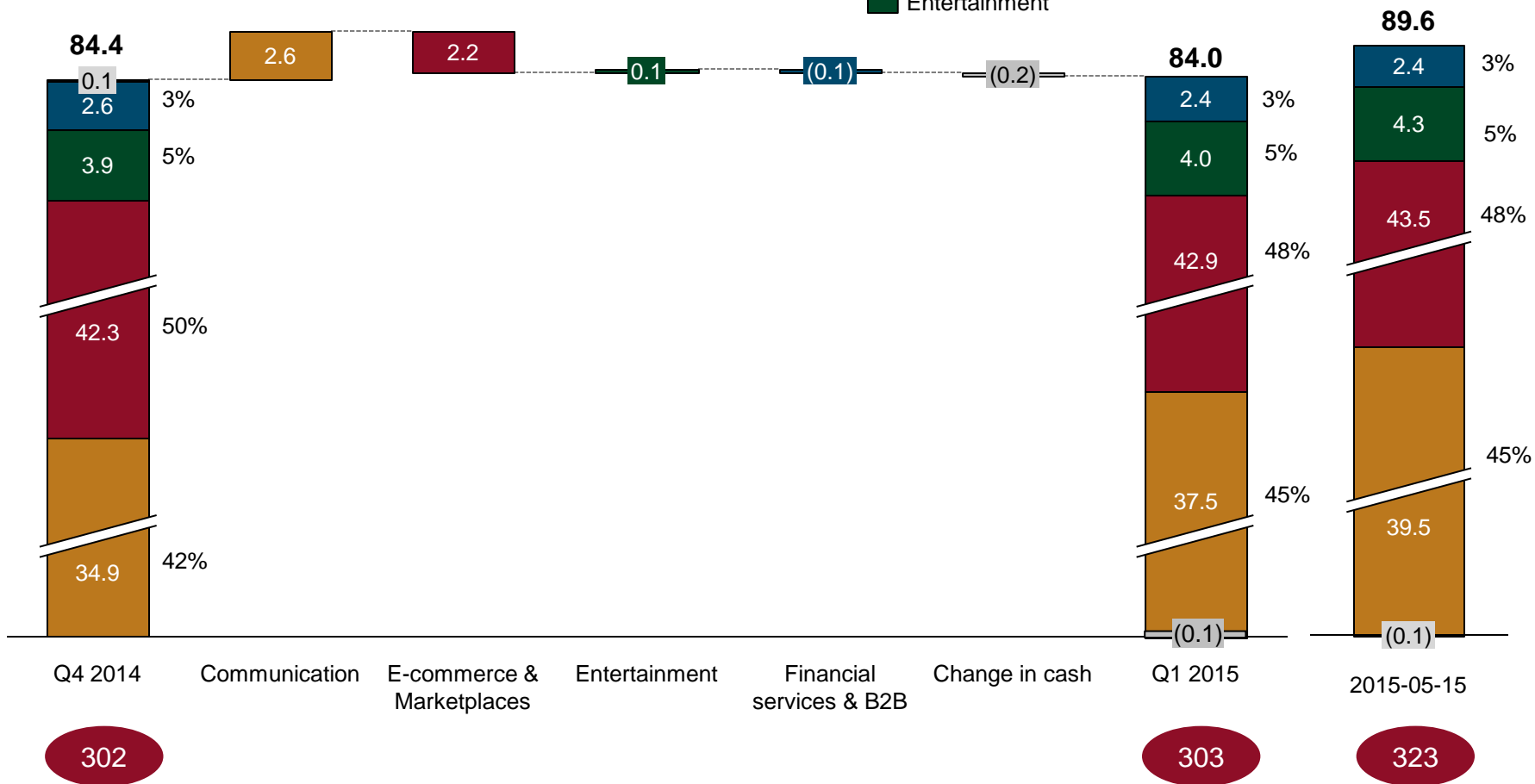


Note: 2015-01-01 to 2015-03-31 average daily FX rates used to convert Millicom and Zalando revenues to SEK. ¹Q1 2015 includes UNE. ²Mobile end-user service revenue including positive FX effects. ³Excluding divested operations and non-recurring items. ⁴Estimate based on trading update as of April 2015. ⁵EBIT before associated company income and nonrecurring items.

Our Net Asset Value is Continuing to Grow, up 7% on a YTD basis

NAV by segment (SEKbln)

- Net cash in Parer
- Financial services & other
- Entertainment
- E-commerce & Marketplaces
- Communication



We Are Maintaining a Strong Financial Position

1 Q1 Investment Activity (SEK m)

Investments	
Existing Companies	
Quikr	-346 ¹
Westwing	-186 ¹
Saltside	-41
Other	-23
Total	-596
Divestments ²	
Transcom	421
Other	2
Total	423
Net Investment Activity	-173

2 Financial Position (SEK m)

Gross Cash Parent Company	1 330	
Outstanding bond	-1 200	
Net Cash Parent Company (2014-12-31)	130	
Net Investments	411	
Operating Expenses	-47	
Other cash flow from operations	-65	
Net Financial Expenses	-9	
Increased debt for unpaid investments	-532	
Net Debt Parent Company (2015-03-31)	-112	
Financing Parent Company		
	Amount	Utilized
Revolving credit facility	5 800	0
Bond	1 200	1 200
Other credit facilities	200	0
Total	7 200	1 200

¹ Paid in April

² Foodpanda sold in April for a total consideration of EUR 8.5m

For 2015 We Will Continue to Drive Value from our Existing Digital Investments

Swedish large listed companies



- Focus on strategy, footprint, capital structure and talent to **improve operating efficiency and financial performance**

Two new



- Support further fast **growth and seasoning as public companies**

Next four

GLOBAL | FASHION | GROUP



- **Establish as even stronger leaders** in their respective markets

Rising ten



- **Accelerate growth** even further across territories

We Will Also Continue To Look For New Transformational Models

	Established Models	Emerging Models
e-tailing	<ul style="list-style-type: none">• Moving from inventory-based to marketplace platforms• Increasing share of private label and exclusive brands• Owning last-mile delivery networks to control consumer experience	<ul style="list-style-type: none">• Social commerce – communities with deep engagement• Discovery commerce – “meta” aggregation to improve experience• Hyperlocal commerce – enabling long tail of offline merchants
Marketplaces	<ul style="list-style-type: none">• Offering end-to-end solutions by integrating across value chain• Focusing on categories and verticals to offer deep and customised experience	<ul style="list-style-type: none">• Mobile-only marketplaces – curated experience focused on individuals• Sharing economy – new categories including services and workspaces• Non-transactional platforms – fulfilling basic needs of large, engaged user base
Financial Services	<ul style="list-style-type: none">• Inclusion and empowerment through provision of micro-lending and insurance	<ul style="list-style-type: none">• Social trading and investing – strong network effects• Peer-to-peer services – extending into new realms including foreign exchange

We Have Great Opportunities to Invest Within Our Existing Private Portfolio

10 category leaders in growth markets valued at \$7.2bn in aggregate (latest external funding rounds) where Kinnevik is one of the lead shareholders with an average stake of 20% across the portfolio

Vertical e-Commerce


GLOBAL FASHION GROUP
Pan-EM
Fashion e-Commerce
LTV \$2,940m

 Furniture e-Commerce
LTV \$937m

 Home & living shopping club
LTV \$516m

Horizontal e-Commerce


LAZADA
South-East Asia
General Merchandise
LTV \$1,132m


LINIO
Latin America
General Merchandise
LTV \$307m


KONGA.com
General Merchandise
LTV \$240m

Marketplaces & Services


QUIKR
Argentina
Horizontal classifieds
LTV \$900m


SALTSIDE TECHNOLOGIES
Argentina
Horizontal classifieds
LTV \$129m

Financial


BIMA
Pan-EM
Mobile insurance
LTV \$65m

Content


IROKO
Pan-Africa
Subscription Video-on-Demand
LTV \$48m

And Clear Parameters For Our New Investments

- 1** Market opportunity – does the business address a material, everyday consumer need?
- 2** User engagement – do historical cohorts suggest the business is valued by repeat customers?
- 3** Technology – does the company place innovation and product development at its core?
- 4** Competition – how is the business positioned relative to peers and what are the barriers to entry?
- 5** Path to profitability – are the unit economics positive and sustainable?
- 6** Entrepreneurs – is this the right team?
- 7** Returns – with realistic exit and burn assumptions, does the entry price allow for a 3-5x return in 5 years?

We Are Making Significant Progress Towards our Ambition of Becoming the Leading European-based Global Entrepreneurial Investment Group

Characteristics of a Passive HoldingCo

- Control Structure
- Diversified
- National
- Portfolio Manager
- Monitoring Positions
- Static Portfolio
- Unpredictable
- Opaque
- Expensive
- Low Returns



NAV Discount

Kinnevik: An Entrepreneurial Investment Group

- Return Generator
- Specialised
- Global
- Lead Shareholder
- Driving Value Creation Whilst Managing Risk
- Ready to move on
- Predictable
- Transparent
- Lean
- Solid track record of returns



NAV Premium

Investment AB Kinnervik

