



# WE BUILD DIGITAL BUSINESSES

Nordic Innovation Seminar

*15 September 2020*

# AGENDA AND PRESENTERS

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## *Today's Agenda*

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- 1** Overview & Investment Strategy
- 2** Deep Dive in Our Focus Sectors
- 3** Financial Position
- 4** Q&A

## *Today's Presenters*

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**Georgi Ganev**

*Chief Executive Officer*

**Torun Litzén**

*Director Corporate Communications*

SECTION 1

OVERVIEW & INVESTMENT STRATEGY



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

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

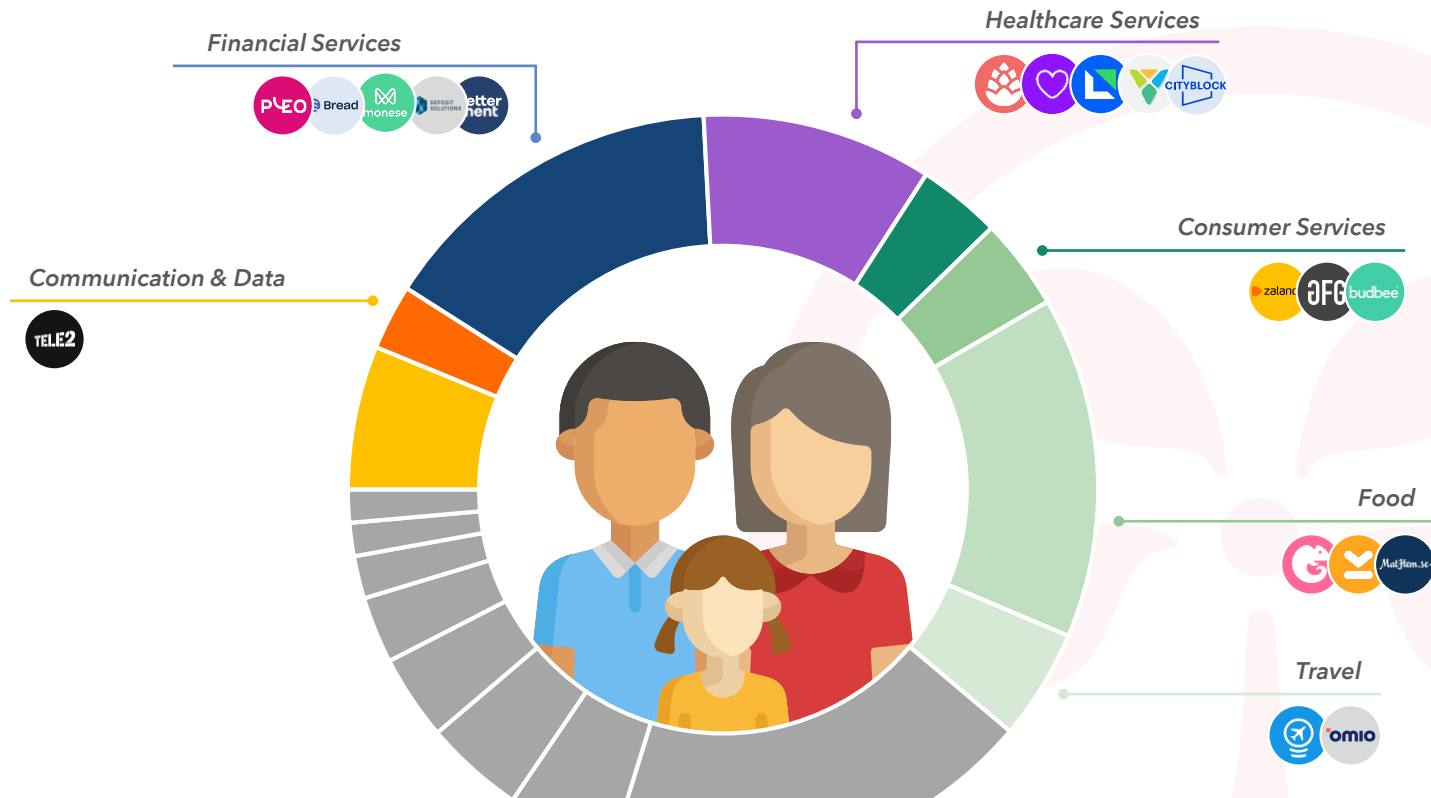
*We believe in the power of technology to make life better for people around the world*

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

# THE ACCELERATING SHIFT TO DIGITAL IS VALIDATING KINNEVIK'S STRATEGY OF BUILDING CHALLENGER BUSINESSES THAT LEVERAGE DISRUPTIVE TECHNOLOGY

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

Illustrative % of Household Expenditures



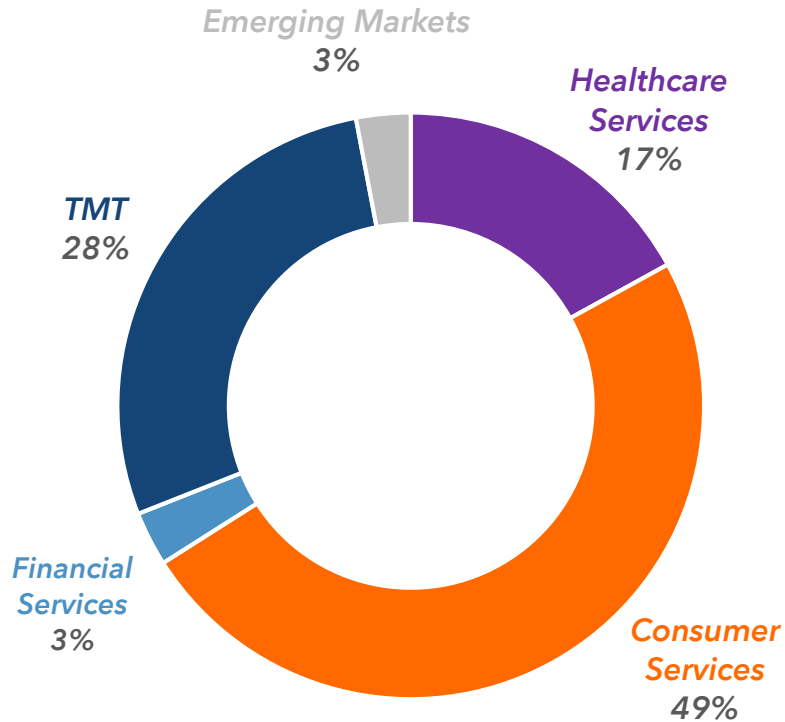
We target **large addressable markets**, and invest in **disruption** to democratize **choice** and build for the **long term**

# WE FOCUS ON LARGE SECTORS WHERE WE CAN CHALLENGE INCUMBENTS THAT ARE UNDERSERVING THEIR CUSTOMERS

## Our Sectors

Ripe for Disruptive Innovation

Portfolio Composition per Q2 2020



Our Three Focus Sectors

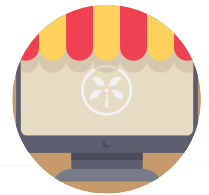


SECTION 2

DEEP DIVE IN OUR FOCUS SECTORS



# CONSUMER RETAIL IS A LARGE EXPENDITURE CATEGORY WHERE WE HAVE DEEP EXPERTISE AND OPPORTUNITY TO EXPAND TO ADJACENT SEGMENTS



## Consumer Services

Continued Rapid Growth



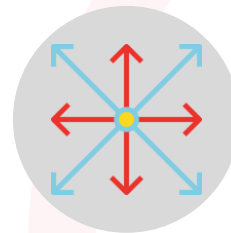
**30% of GDP**  
*Retail Spend Globally*



Lighter regulation than other sectors



**16% Online Share**  
*Overall Retail Globally, Accelerating Post-Covid-19*



Opportunity to apply business model expertise to new verticals

Living, Fitness, On-Demand Delivery, Others



**\$4tn**  
*Overall Travel Spend Globally*



Opportunity to leverage sector know-how and move upstream

Logistics, Payments, Enablement








# WE WORK WITH OUR COMPANIES THROUGH ACTIVE INVOLVEMENT IN THEIR STRATEGIC PRIORITIES AND ARE TRACKING PROGRESS REGULARLY



## Our Consumer Services Portfolio

### Five Assets Across Four Subsectors

	Travel		E-Commerce	E-Commerce Enablement	Food Sustainability
					
	TravelPerk	Omio	Global Fashion Group	Budbee	Karma
Positioning	#1 European business travel management tool	Multi-modal travel booking platform in Europe	The leading fashion and lifestyle retail destination in growth markets	Last-mile delivery solution for e-commerce in Europe	Marketplace for surplus food in France, UK & Nordics
Our Value Creation Priorities	<ul style="list-style-type: none"> <li>Cost reductions</li> <li>Market share gains and marketing channels diversification</li> <li>Increase monetisation with unique product</li> </ul>	<ul style="list-style-type: none"> <li>Cost reductions</li> <li>Improve unit economics</li> <li>Improve marketing efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Accelerate growth</li> <li>Achieve break-even</li> <li>Better highlight regional value</li> </ul>	<ul style="list-style-type: none"> <li>International expansion</li> <li>Increasing density in existing areas</li> <li>Upselling existing merchant base</li> <li>Achieve profitability</li> </ul>	<ul style="list-style-type: none"> <li>Category expansion</li> <li>Increasing density</li> <li>Address food waste upstream in value chain (farms and distributors)</li> </ul>
Our Definition of Success	Opportunity for a consumer-grade platform to replace legacy solutions offered by incumbents in a large and fragmented market	Opportunity to build global platform for personal and unmanaged business travel for mode-agnostic travel	Build strong regional businesses in high margin categories in EMs without strong incumbents, while leveraging global group functions for synergies and to help brands into these markets	The go-to solution for last-mile delivery both from a consumer and merchant perspective, in a rapidly growing market where incumbents have failed to innovate	The leading solution for reducing food waste across the value chain, from wholesalers to retailers, and retailers to consumers
Kinnevik Ownership	15%	6%	41%	31%	20%
Fair Value <small>SEK, 30 June 2020</small>	463m	466m	2.3bn	348m	43m

# 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*



**2-3%**

*Online Penetration in the Nordics*



**90 Minutes**

*Time Saved per Week Shopping Online*

# WE HAVE INVESTED IN TWO OF THE LEADING ONLINE GROCERS IN THE NORDICS



## Our Food Companies

Two Companies in Online Groceries

### MatItem.se

### Kolonial.no

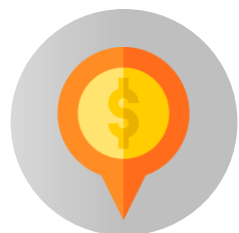
<b>Positioning</b>	Sweden's leading independent online grocery retailer, reaching more than half of all Swedish households	The leading online grocery store in Norway, with the ambition to make grocery shopping an effortless activity
<b>Revenue Growth LTM</b> <i>31 March 2020</i>	13%	27%
<b>Number of Orders LTM</b> <i>31 March 2020</i>	1.3m	1.0m
<b>Our Value Creation Opportunities</b>	<ul style="list-style-type: none"> <li>Continued online penetration</li> <li>Product development</li> <li>Expanding product and service offering</li> <li>Operational efficiency improvements</li> </ul>	<ul style="list-style-type: none"> <li>Continued online penetration</li> <li>Expanding product and service offering</li> <li>Fully proving warehouse operating model</li> <li>International expansion</li> </ul>
<b>Our Definition of Success</b>	A modern online platform with an offering that extends to other categories such as beauty, consumer electronics etc, effectively leveraging its capabilities and size	World-class online grocer with an unrivalled position in Norway and an emerging track record beyond the borders of their home market
<b>Kinnevik Ownership</b>	36%	24%
<b>Fair Value</b> <i>SEK, 30 June 2020</i>	1.1bn	734m

# 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*



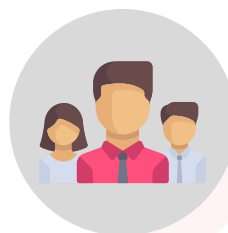
**5.5% Growth**

*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*

# OUR PORTFOLIO IS SPREAD ACROSS OUR FOCUS AREAS AND OFFERS A BALANCE IN STAGE AND RISK PROFILE



## Our Companies

At the Centre of Transformation

Digital Healthcare Delivery

Tech-Enabled Managed Care

Healthcare Infrastructure



Livongo



Babylon



VillageMD



Cityblock



Cedar

Positioning

#1 Digital Chronic Care Manager in the US

Leading Global Digital Health Provider

#1 Independent Primary Care Provider in the US

Leading US Health Provider for populations with complex care needs

Transforming the Patient Financial Experience in the US

Our Value Creation Priorities

- Execute merger with Teladoc
- Penetration of client base
- Drive clinical results
- Cross-sell other conditions
- New sales channels
- International expansion

- US expansion
- Enterprise client delivery
- User engagement
- Downstream value capture
- Partnerships

- Full risk contracts
- Walgreens channel rollout
- Payer mix
- Bolt-on M&A
- Digital frontend
- Market expansion

- Member engagement
- Drive clinical results
- Full risk contracts
- Market expansion

- Client sales
- Client mix optimisation
- EHR integrations
- Product expansion
- Channel partnerships

Our Definition of Success

Leading publicly listed, global chronic care management platform addressing the whole person

Global primary care provider with scalable AI platform and best-in-class clinical operations

Leading advanced primary care provider in US with tens of billions in medical spend under management in value-based contracts

Leading tech-driven provider for populations with complex care needs partnering with payers in the US to manage billions in medical spend in value-based contracts

Leading communication and financial management platform that is central to the US healthcare system

Kinnevik Ownership

13%

16%

9%

8%

11%

Fair Value

SEK, 30 June 2020

8.9bn

2.5bn

2.4bn

233m

632m

# WE MADE OUR FIRST INVESTMENT INTO HEALTHCARE IN 2016, AND THE SECTOR NOW MAKES UP 21% OF OUR PORTFOLIO



## Healthcare Investments & Returns

Development since 2016 Q1, SEKbn



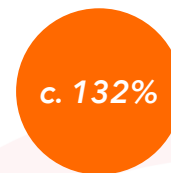
Capital Invested



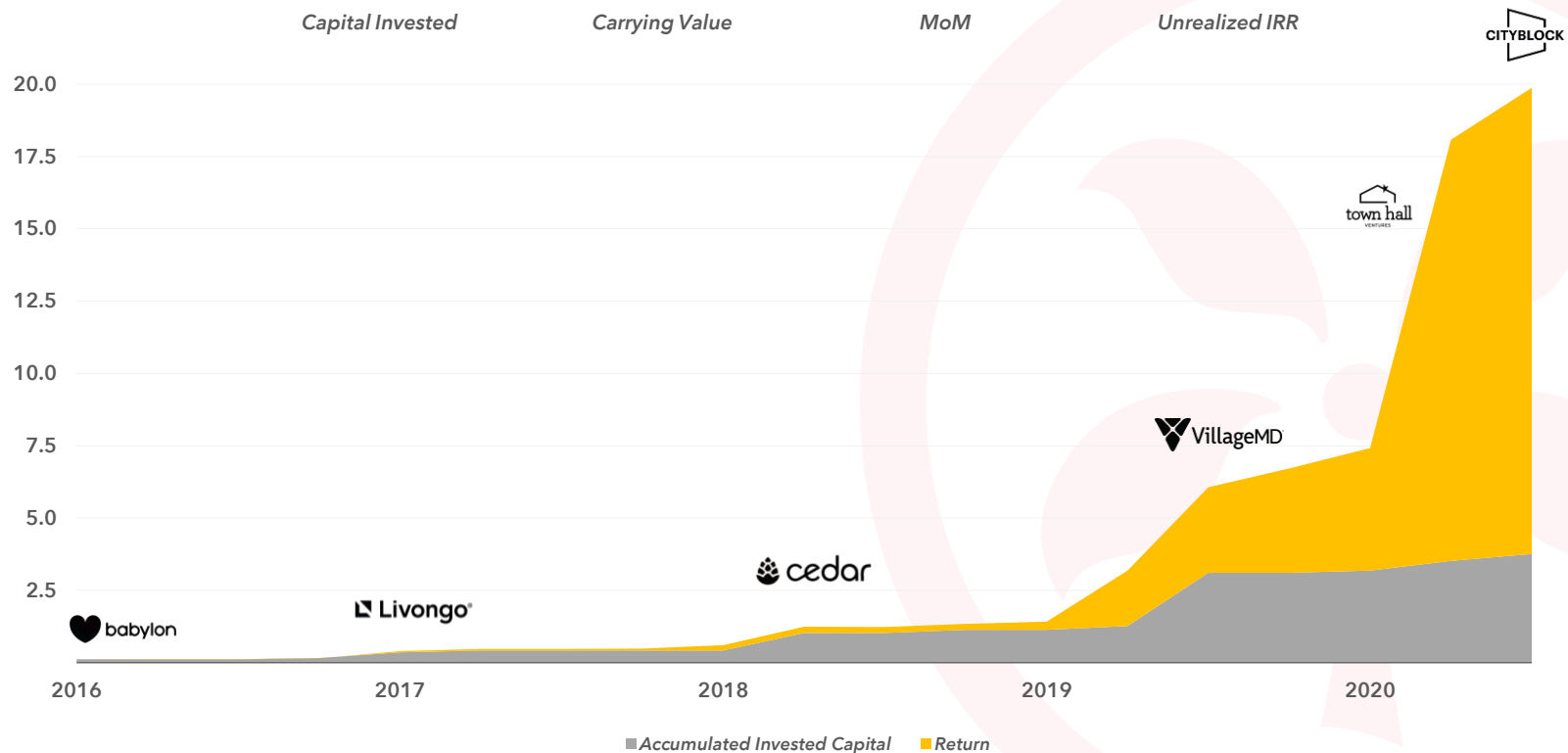
Carrying Value



MoM



Unrealized IRR

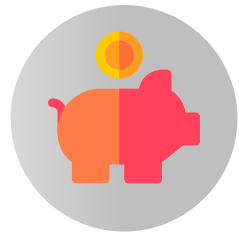


# FINANCIAL SERVICES IS A MULTI-TRILLION DOLLAR MARKET, WHICH IS UNDERSERVED BY LARGE LEGACY INSTITUTIONS



## Financial Services

*A Trillion Dollar Market & Underdelivering Incumbents*



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



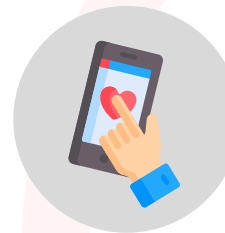
**>USD 60 Trillion**  
*Global Investable Assets*



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



**20-22% of Population**  
*Are Millennials in the US and Europe*



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








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

# OUR PORTFOLIO REFLECTS A BALANCED MIX OF COMPANIES BRINGING DISRUPTION TO OUR FOUR FOCUS AREAS



## Our Financial Services Portfolio

### Five Assets Across Four Subsectors

	Banking	Borrowing	Investing & Saving	Payments	
					
	<b>Monese</b>	<b>Bread</b>	<b>Deposit Solutions</b>	<b>Betterment</b>	<b>Pleo</b>
<b>Positioning</b>	Fully mobile current account in the UK and EU	Offers a white label payment solution to online retailers in the US	Deposits marketplace connecting banks and savers	The largest independent online financial advisor in the United States	Expense management and payment cards for employees
<b>Our Value Creation Priorities</b>	<ul style="list-style-type: none"> <li>▪ Launch of credit product</li> <li>▪ Improved user retention</li> <li>▪ Deeper penetration in European markets</li> </ul>	<ul style="list-style-type: none"> <li>▪ Distribution partnerships</li> <li>▪ Off-balance sheet partner originations</li> <li>▪ Unit economics cost improvements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to growth deposit taking and point of sale banks in Europe</li> <li>▪ Successful launch in the US</li> <li>▪ Develop strategic relationships with leading European banks</li> </ul>	<ul style="list-style-type: none"> <li>▪ Expansion of banking products</li> <li>▪ Successful cross-sell and bundled pricing</li> <li>▪ B4B offering</li> </ul>	<ul style="list-style-type: none"> <li>▪ Expansion in to 4 new markets</li> <li>▪ Further growth in new markets</li> <li>▪ Improved margins through better processor and acquiring relationship</li> <li>▪ Add new services</li> </ul>
<b>Our Definition of Success</b>	Global full service bank for mobile customers with defensible and differentiated customer focus	Third generation payment and instalment payments platform, originating for partners as well as own book with unique white label offering	Global open banking platform for saving products	The world's largest profitable independent wealth manager, complete will a leading banking services offering	Comprehensive business spending software for SMEs, handling card and non-card spending
<b>Kinnevik Ownership</b>	16%	13%	6%	16%	13%
<b>Fair Value</b> <small>SEK, 30 June 2020</small>	413m	377m	257m	1.1bn	342m



SECTION 3

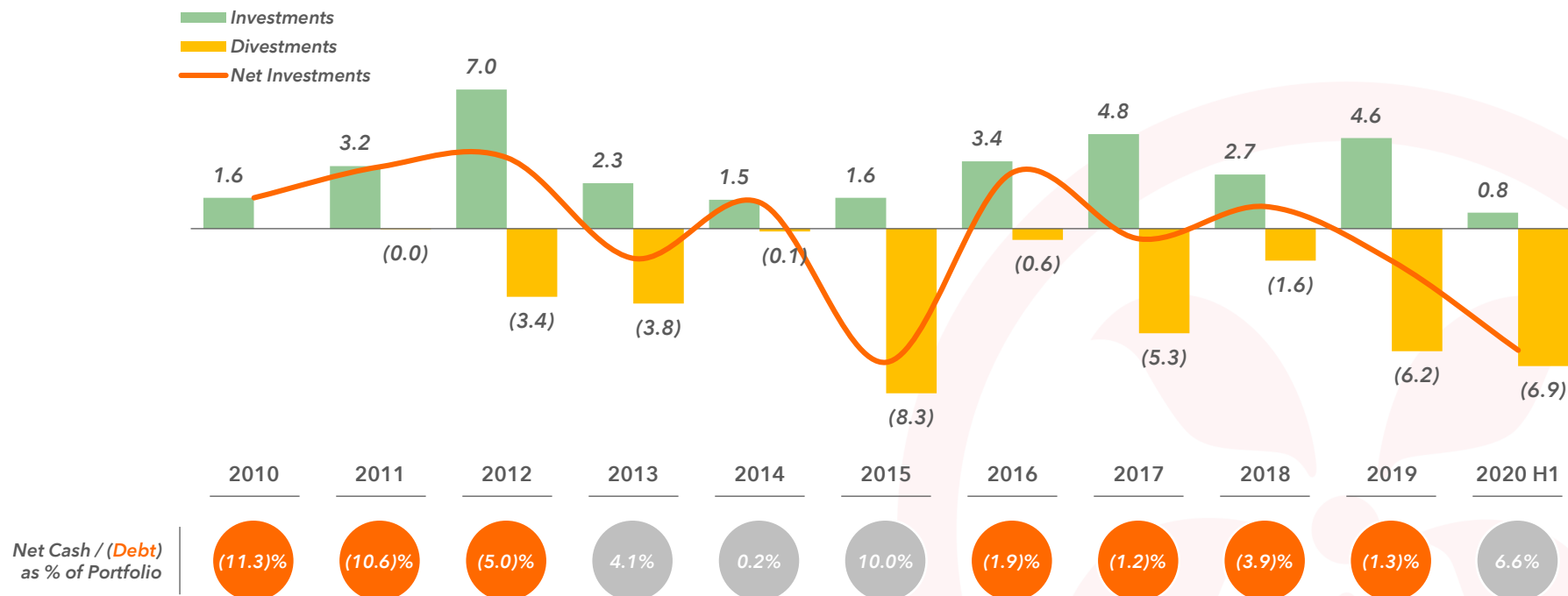
FINANCIAL POSITION



# WE RE-ALLOCATE CAPITAL DYNAMICALLY

## Inflows & Outflows

2013-20, 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**

**Note:** Figures as at 30 June 2020. Net cash position pro forma for the extra dividend of 7 SEK is 4.3%. 2010-11 with Korsnäs at fair value gross of debt.

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

## *Our Capital Allocation Framework 2020-23*

*Sectors, Geographies, Stages & Companies*

### **International Growth**

*Ca. 2 New Investments p.a.  
80% of First Round Capital*

### **Nordic Venture**

*Ca. 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*



BUILDING THE BUSINESSES THAT PROVIDE  
MORE AND BETTER CHOICE