



# PRESENTATION OF Q3 2024

16 October 2024

# Agenda

1. Key Events of the Quarter
  - Tripling Down in Spring Health
  - Strong Progress at Aira
2. Financial Update
  - Financial Position
  - Net Asset Value Development
  - Private Company Valuations
3. Upcoming Capital Markets Day
4. Q&A

## Today's Presenters



Georgi Ganev  
CEO



Samuel Sjöström  
CFO



Torun Litzén  
Director Corporate  
Communications

*Section 1*

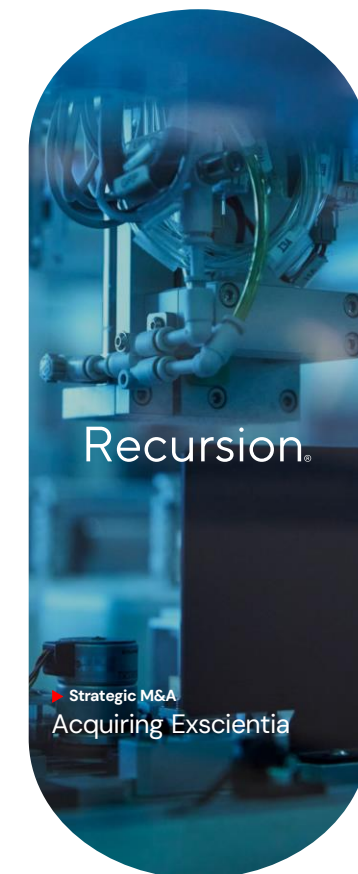
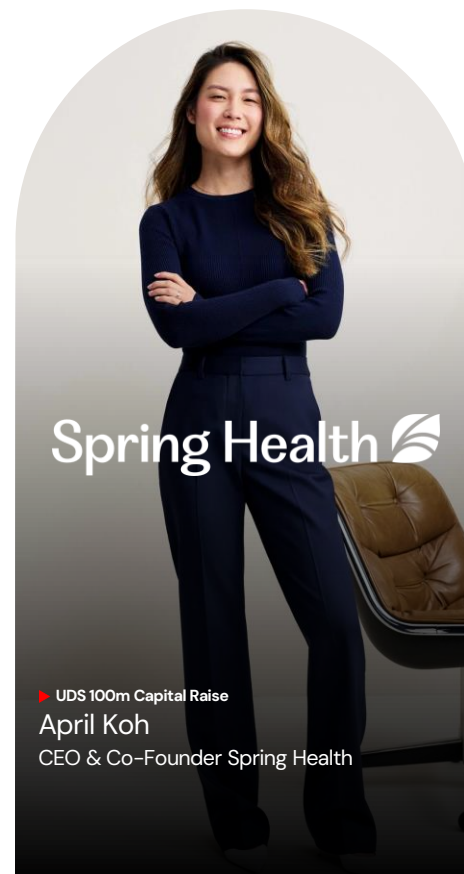
# KEY EVENTS OF THE QUARTER



# We have continued to execute on our strategic priorities, investing in our high conviction companies and supporting exciting strategic developments in our selected ventures

## Key Events of the Quarter

- **NAV of SEK 37.4bn or SEK 132 per share**
  - Private portfolio down 7% driven by a significant write-down of VillageMD reflecting the heightened uncertainty around potential actions of majority owner Walgreens, and a weakening dollar bearing a SEK 0.7bn negative impact on NAV
  - Excluding VillageMD and currency movements, underlying valuations were written up in core companies by 4% and was flat and in the full private portfolio
  - We completed the third and final step of our Tele2 divestment, releasing SEK 0.6bn and ending the quarter with SEK 12.2bn in net cash
- **Core companies delivering on expectations, growing revenues by >60% on average over the last twelve months and progressing towards cash flow profitability in 2025**
  - We invested another USD 80m in Spring Health, participating in the company's USD 100m pre-IPO round and making additional secondary acquisitions
  - Core companies now represent >50% of our growth portfolio, up from 30% at the end of 2022
- **Large positive steps taken in our selected ventures, improving their probability of creating significant long-term outcomes**
  - We invested another EUR 20m in Aira alongside co-investors Temasek and Altor, enabling Aira to expand further within Germany, Italy and the UK. The company is currently run-rating annual sales of EUR 100m, from virtually zero a year ago
  - Recursion announced its acquisition of Exscientia in August, creating the undisputed global technology-enabled drug discovery leader. The company has had one positive clinical phase 2 read-out in the last month with another 10 read-outs expected over the next 18 months



# In July, Spring Health raised a USD 100m pre-IPO funding round in which we participated with a USD 35m investment concurrent with an additional 45m acquisition of secondaries

## Spring Health

- USD 100m funding round led by Generation Investment Management
  - Strengthening the company's balance sheet as it prepares to become a public company
  - Values the business at USD 3.3bn, around 70% above our first investment in Q3 '21 despite 80% multiple contraction
  - We participated in the round with a USD 35m investment
  - Additionally, we acquired USD 45m in secondaries from co-investors, bringing our ownership to 15% and making us the company's largest shareholder
- Consistently surpassing expectations on growth momentum
  - Run-rate revenues >15x higher than at the time of our first investment in late 2021, and 2x higher than at the time of our USD 100m secondary acquisition in mid-2023
  - On track to beat ambitious 2024 expectations on revenue and gross profit
  - We expect continued momentum in 2024 even at current scale with >40% Y/Y growth
- Rapidly improving profitability
  - Overperforming on EBITDA margins in 2024 to date, expected to make a small single-digit loss margin in 2024 with profitability already demonstrated on an occasional monthly basis
  - Expected to be EBITDA and cash flow positive in 2025
- More than 450 directly contracted and 27,000 indirectly contracted groups including Microsoft, Target, J.P. Morgan Chase and Delta Airlines

### 15x

Growth in Run-Rate Revenues Since 2021

### 4,500+

Businesses Covered

### 2.2x

Customer Net ROI on Health Plan Spend

### 12%

Reduced Time Away From Work



[Kinnevik Stories](#)

Kinnevik Invests in Spring Health

[Click Here](#)

# Aira has scaled from zero to EUR 100m in annualized sales during our time as investors, and in the quarter we invested more capital with co-investors Temasek and Altor

## AIRA

- Invested another EUR 20m in Aira alongside co-investors Temasek and Altor
  - The new funds will enable Aira to expand further within Germany, Italy and the UK – building a stronger footprint in all three markets
- Aira has successfully expanded since our first investment in late 2023
  - In a short time-period, Aira has built a vertically integrated clean energy tech company with commercial operations in Germany, Italy and the UK, R&D and product development in Sweden, and a manufacturing facility in Poland
  - The company is currently run-rating annual sales of EUR 100m, from virtually zero one year ago
  - Feedback loop faster and fundraising model more reminiscent of traditional venture capital relative to our other more long-duration climate tech investments, with continued performance set to bear an impact on NAV in 2025
- Disrupting a EUR 1 trillion market accounting for 10% of Europe's CO<sub>2</sub> emissions
  - Aira has a bold vision to drive the adoption of clean energy technology by accelerating the electrification of residential heating, with intelligent heat pumps at the core
  - Residential heating accounts for 10% of Europe's CO<sub>2</sub> emissions, with five countries banning fossil fuel heating equipment to date
  - More than 130 million boilers in Europe need to be replaced with sustainable alternatives
  - Vertical integration provides competitive advantage and draws on successes in other sectors

**EUR 100m**

Run-Rate Sales  
(Annualized)

**11**

Regional Sales &  
Installation Hubs



**SEK 613m**

Fair Value



*Section 2*

# FINANCIAL UPDATE

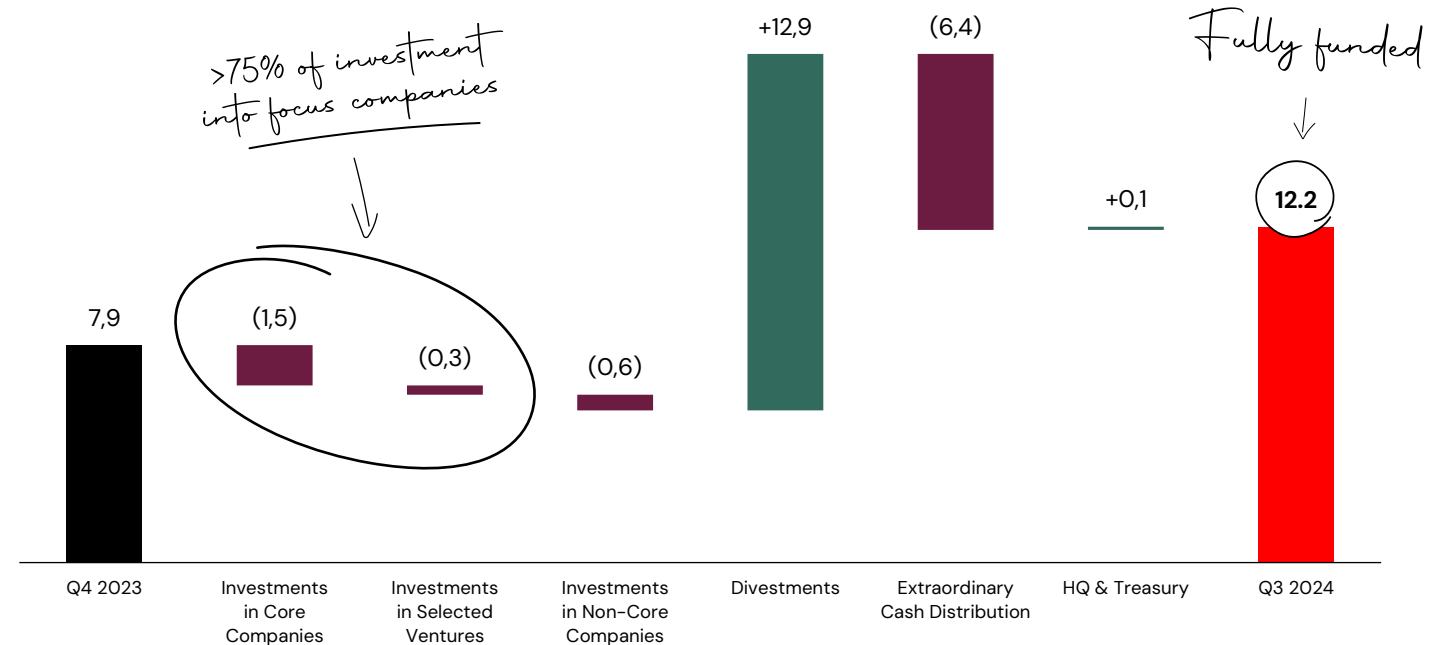


# SEK 12.2bn net cash after completing transformation to growth, >75% of investment directed to focus companies in 2024 to date, expecting SEK 1.0bn in follow-ons into focus companies in Q4

## Financial Position

- SEK 2.4bn invested in '24 to date
  - SEK 1.5bn or 62% into core companies
  - SEK 0.3bn or 14% into our selected ventures
  - SEK 0.6bn into other companies including 0.3bn into Oda, wholly fulfilling our commitment at merger with Mathem
- All steps of **Tele2** transaction completed, transaction's net proceeds amounting to SEK 12.9bn
- Ending Q3 '24 and our transformation to growth with **SEK 12.2bn in net cash** and a stabilized portfolio
  - 43% of private portfolio profitable or reaching full-year profitability in 2025, another 41% funded to break-even with a buffer
  - Positive treasury net exceeding SEK 470m in 2024 to date
- Investment momentum continuing in Q4 '24**, with visibility on deploying around SEK 1.0bn in mix of primary and secondary investments into our focus companies
- Longer-term capital allocation strategy and expectations to be provided at upcoming **2024 Capital Markets Day**

**Change in Net Cash**  
2024 YTD (SEKbn)



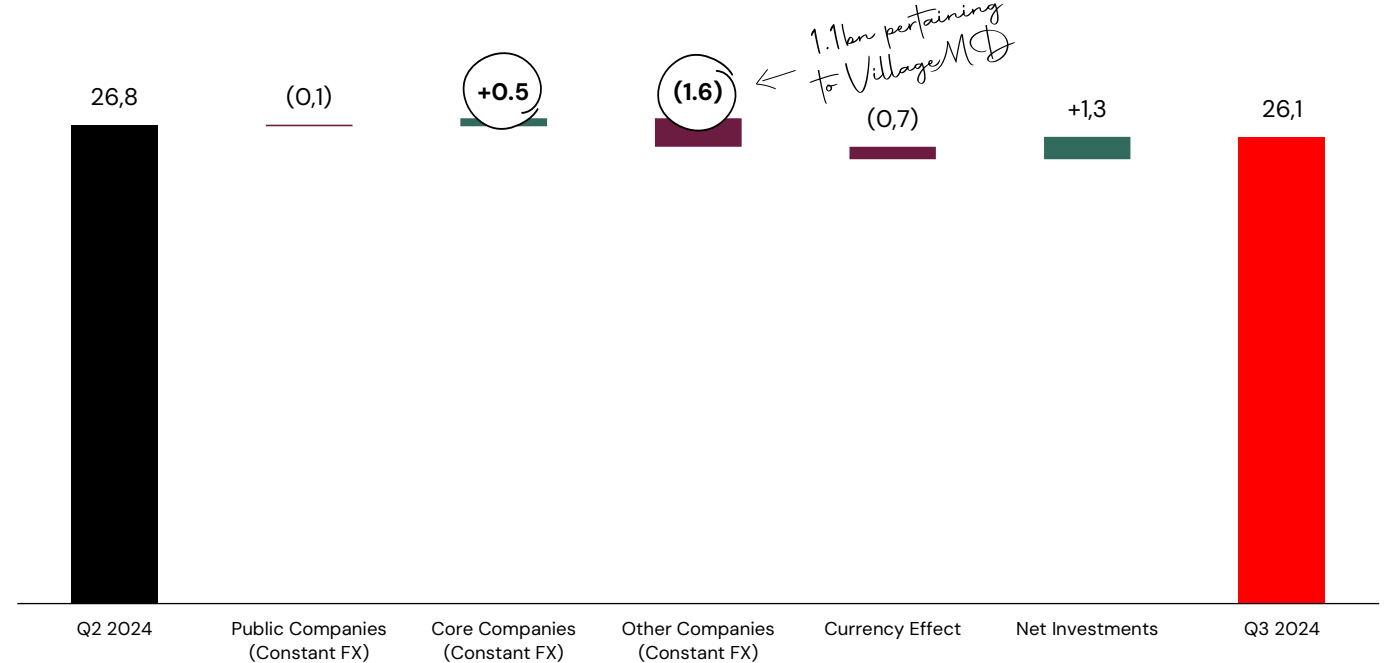


# NAV down 5% driven by significant write-down of VillageMD and currency headwinds, in part offset by positive developments in core companies

## Net Asset Value

- **NAV down 5%** to SEK 37.4bn or 132 per share
- Net cash position of SEK 12.2bn or 43 per share
- Public investments of SEK 985m or 3 per share (down 11% Q/Q excluding Tele2)
- **Unlisted portfolio down 7%** to SEK 25.2bn or 89 per share, flat on an underlying constant currency basis when excluding VillageMD
  - Priced transactions (primary and secondary) in 73% of the private portfolio by value over the last twelve months, on average priced in line with our valuations in each respective preceding quarter
  - Since end of 2022, 79% of the private portfolio transacted in at valuation levels on average 1% above our preceding assessments
- **Core growth companies up 4% in constant currencies**, flat in SEK fair value terms, and up 7% when including in-quarter investments to SEK 13.5bn or 48 per share
  - Now representing more than half of the portfolio
  - Expected to grow portfolio share further through continued operational performance, amplified by continued investment through secondary acquisitions and event-driven financing rounds

**Growth Portfolio Value Change by Category**  
Q/Q (SEKbn)



Multiples in the private portfolio's value-weighted peer benchmarks expanded by 5% while the dollar was down 4% Q/Q and weighed on a large share of our portfolio

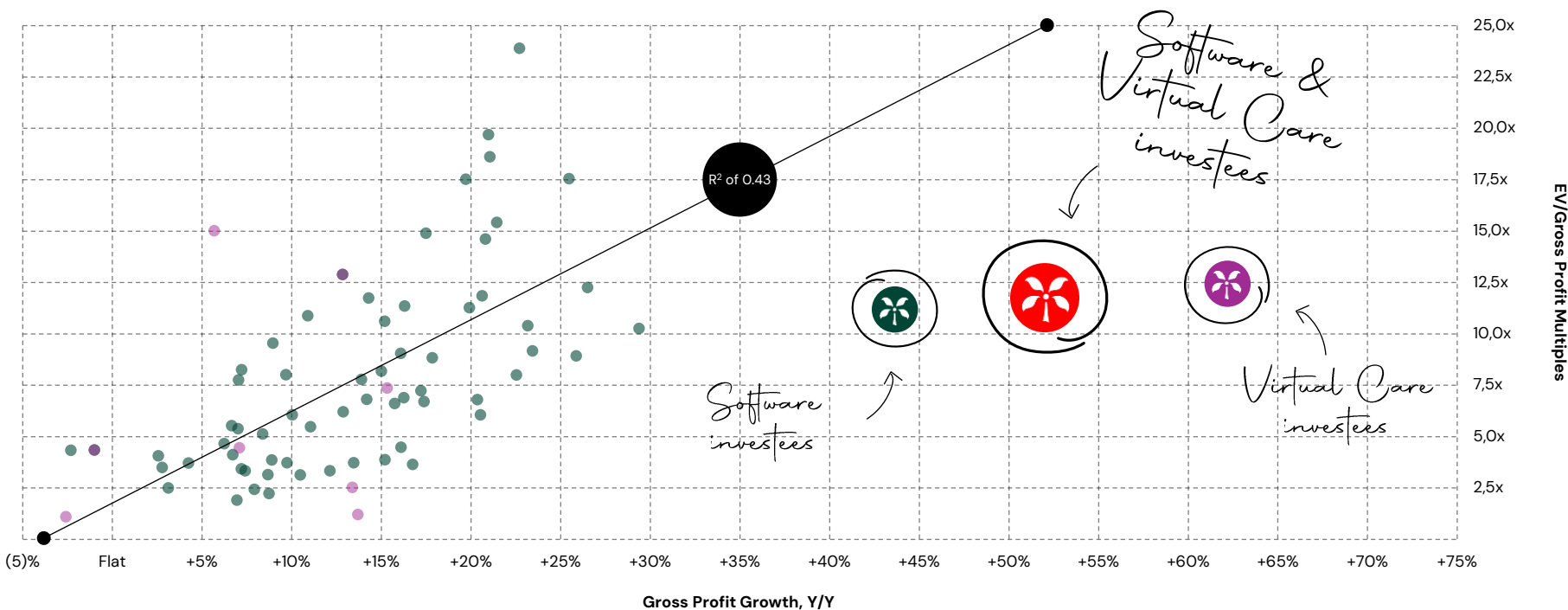
### Net Asset Value: Public Comparables & Currencies Q/Q Movements

Peer Set	Change in Multiple	Change in Share Price	Key Investees	Currency	Change vs SEK	% of Private Portfolio
Healthcare Providers	+6%	+17%	Cityblock & VillageMD	US Dollar	(4)%	62%
Healthcare Technology	+14%	+3%	Cedar, Pelago, Spring & Transcarent	Euro	(0)%	32%
Software	(2)%	+1%	Mews, Pleo, Sure & TravelPerk	British Pound	+2%	3%
e-Commerce Logistics	+2%	+3%	Instabee	Norwegian Krona	(3)%	0%
Marketplaces	+4%	+8%	Job&Talent	Swedish Krona	-	4%
<b>Weighted Peer Universe</b>	<b>+5%</b>	<b>+6%</b>		<b>Weighted Currency Basket</b>	<b>(3)%</b>	<b>100%</b>

**Note:** "Weighted Peer Universe" includes all unlisted assets named in NAV, except Climate Tech investments due to their nascent nature.

# Our Software and Virtual Care companies are valued near market-average gross profit multiples despite growing significantly faster and approaching cash flow profitability

Net Asset Value: Software & Healthcare Technology Gross Profit Multiples  
Gross Profit Growth and EV/Gross Profit Multiples, NTM Basis



Investee valuation multiples are also adjusted for differences in cash flow profitability, scale, financial strength and differences in share of recurring revenues

Valuation deep-dive presentation to be held and made available in connection with upcoming quarterly results

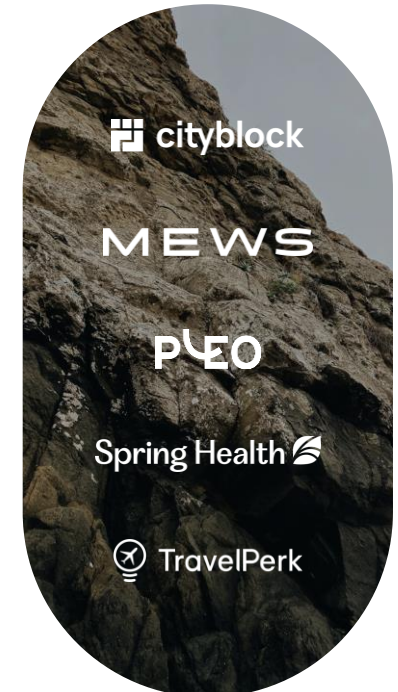
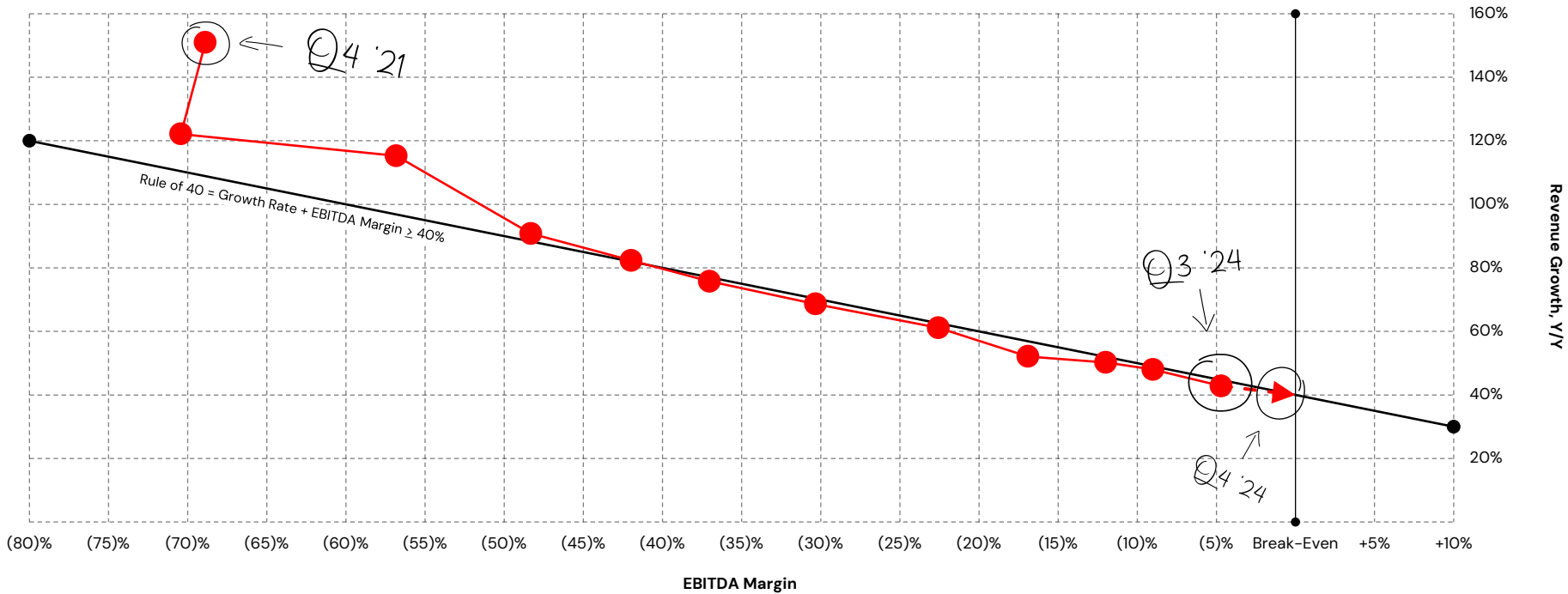
**Note:** All financial metrics are Kinnevik estimates and may be meaningfully lower than company budgets, plans and forecasts. Averages are weighted by fair value.

**Source:** FactSet and Company Reporting.

# Our core companies continue to deliver on expectations, and we expect growth rates to stabilize as they reach their break-even inflection points

## Core Growth Companies

Revenue Growth and EBITDA Margin Since Q4 2021, NTM Actual or Expected Basis



Our core companies have managed the growth-profitability trade-off well over the last 2-3 years, and by end of 2024 we expect them to be EBITDA positive on an average basis while maintaining a growth rate exceeding 40%

**Note:** All financial metrics are Kinnevik estimates and may be meaningfully lower than company budgets, plans and forecasts. Averages are weighted by fair value. Cityblock growth rate pro forma one-off market and contract exits. TravelPerk growth rate pro forma change in revenue recognition to US GAAP standards (does not affect line items below revenue) and acquisition of AmTrav.

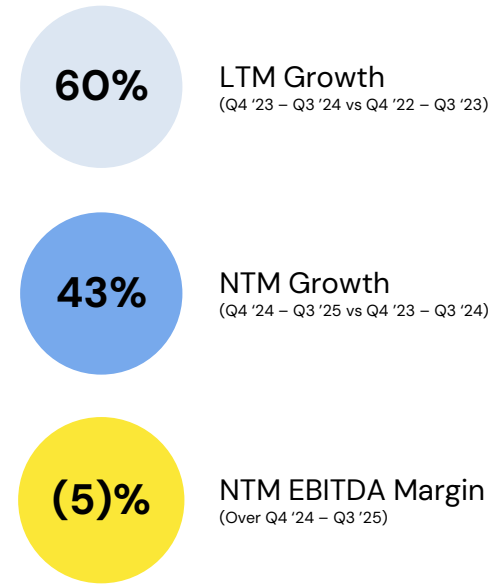


# Strong performance drove value growth in core companies, somewhat held back by pushing our valuation level of Pleo down to public benchmarks' average level

## Core Growth Companies

Key Financial & Valuation Metrics, NTM Basis, Fair Value in SEKm

Company	Fair Value	Change in Multiple	Change in Outlook	Change in Valuation	Change in Fair Value	% of Growth Portfolio
cityblock	2,368	(3)%	+3%	(1)%	(5)%	9%
<b>MEWS</b>	1,064	(6)%	+12%	+2%	+2%	4%
<b>PLEO</b>	2,717	(10)%	+4%	(6)%	(7)%	10%
Spring Health	4,908	1%	+3%	+4%	+5%	19%
TravelPerk	2,410	(1)%	+11%	+11%	+6%	9%
<b>Total / Average</b>	<b>13,467</b>	<b>(3)%</b>	<b>+5%</b>	<b>+4%</b>	<b>+1%</b>	<b>52%</b>



*Now valued in line with public software averages*




*up from 40% in Q4 2023*

**Note:** All financial metrics are Kinnevik estimates and may be meaningfully lower than company budgets, plans and forecasts. Averages are weighted by fair value. "Change in Valuation" on a per-share, local currency basis. "Change in Outlook" is change in NTM revenues on a Q/Q basis (Q4 2024 – Q3 2025 relative to Q3 2024 – Q2 2025). Cityblock growth rate pro forma one-off market and contract exits. TravelPerk growth rate pro forma change in revenue recognition to US GAAP standards (does not affect line items below revenue) and acquisition of AmTrav.

# VillageMD write-down and currency headwind holding back value growth, continued positive movements in Spring Health and TravelPerk

## Full Private Portfolio: Most Impactful Revisions and NAV Categories

Key Financial & Valuation Metrics, NTM Basis, Fair Value in SEKm

Company	Fair Value	Change in Multiple	Change in Outlook	Change in Valuation	Change in Fair Value	% of Growth Portfolio
 VillageMD	-	(63)%	(2)%	(100)%	(100)%	-
Spring Health 	4,098	+1%	+3%	+4%	+5%	19%
 TravelPerk	2,410	(1)%	+11%	+11%	+6%	9%
<b>Health &amp; Bio</b>	<b>8,856</b>	<b>(9)%</b>	<b>+3%</b>	<b>(10)%</b>	<b>(11)%</b>	<b>34%</b>
<b>Software</b>	<b>7,405</b>	<b>(6)%</b>	<b>+8%</b>	<b>+1%</b>	<b>(1)%</b>	<b>28%</b>
<b>Platforms &amp; Marketplaces</b>	<b>4,284</b>	<b>(5)%</b>	<b>+2%</b>	<b>(4)%</b>	<b>(12)%</b>	<b>16%</b>
<b>Climate Tech</b>	<b>2,740</b>	<b>-</b>	<b>-</b>	<b>+1%</b>	<b>+0%</b>	<b>10%</b>
<b>Total Unlisted Portfolio</b>	<b>25,164</b>	<b>(7)%</b>	<b>+4%</b>	<b>(4)%</b>	<b>(7)%</b>	<b>96%</b>

- **VillageMD** written down to a level providing zero residual value to equity holders
  - Walgreens "evaluating potential divestment or restructuring" – significant uncertainty for minority shareholders like Kinnevik
  - We are assessing options to salvage value of our remaining investment, expect more clarity by end of '24
- **Spring Health** valued in line with July funding round's USD 3.3bn valuation, up 4% from Q2 '24
  - Has grown revenues by >2x since our mid-2023 investment and expects cash flow profitability in 2025
- Underlying valuation of **TravelPerk** written up by 11% to reflect significant gross profit growth and profitability improvements
  - Valuation remains at a 25% discount to public high-growth software benchmarks
- Aggregate **currency effect** of negative SEK 0.7bn

**Note:** "% of Growth Portfolio" excludes Tele2. All financial metrics are Kinnevik estimates and may be meaningfully lower than company budgets, plans and forecasts. Averages are weighted by fair value. "Change in Valuation" on a per-share equity, local currency basis. "Change in Outlook" is change in NTM revenues on a Q/Q basis (Q4 2024 – Q3 2025 relative to Q3 2024 – Q2 2025). Cityblock growth rate pro forma one-off market and contract exits. TravelPerk growth rate pro forma change in revenue recognition to US GAAP standards (does not affect line items below revenue) and acquisition of AmTrav.

*Section 3*

# UPCOMING CAPITAL MARKETS DAY

Q3 2024

16 October 2024



# We look forward to welcoming you all to next week's Capital Markets Day

## 2024 Capital Markets Day Agenda

### **Kinnevik as a Leading Growth Investor**

- Georgi Ganev, CEO & Samuel Sjöström, CFO

### **The Heart of Healthcare & The Rise of Mental Wellness**

- Christian Scherrer, Senior Investment Director
- Adam Chekroud, Spring Health Co-Founder

### **Smart Care, Smarter Drugs: Value-Based Healthcare & AI-Driven Drug Discovery**

- Toyin Ajayi, Cityblock Co-Founder & CEO
- Viswa Colluru, Enveda Founder & CEO

### **Building Software Decacorns & The New Era of Hospitality**

- Akhil Chainwala, Senior Investment Director
- Matthijs Welle, Mews CEO
- Fireside chat with Kari Anna Fiskvik, Strawberry CTO & Matthijs Welle, Mews

### **Simpler & Smarter Spending: The Platforms Users Love**

- Avi Meir, TravelPerk Co-Founder & CEO
- Jeppe Rindom, Pleo Co-Founder & CEO

### **Discovering Climate Tech: Innovating for a Greener Tomorrow**

- Natalie Tydeman, Managing Investment Director
- Martin Lewerth, Aira CEO
- Gaurab Chakrabarti, Solugen Co-Founder & CEO

### **Wrap-Up and Q&A**

- Full Kinnevik Leadership Team

