



# KINNEVIK

PRESS RELEASE

8 July 2020

## **KINNEVIK PARTICIPATES IN VILLAGEMD'S USD 275 MILLION EQUITY FUNDING LED BY WALGREENS BOOTS ALLIANCE, INC.**

**Kinnevik AB (publ) ("Kinnevik"), today announced that it has invested a further USD 25m in VillageMD, a leading national provider of primary care in the US, as part of a USD 275m equity funding led by existing investor Walgreens Boots Alliance, Inc ("WBA"). Including this funding round, WBA will in total invest USD 1bn into VillageMD over the next three years to finance a deepened partnership with VillageMD. In consideration of the partnership and its impact on the future outlook for VillageMD, Kinnevik intends to value its VillageMD investment, excluding the new USD 25m investment, at SEK 2.4bn in the upcoming interim report for the second quarter 2020, up SEK 1.4bn - or SEK 5.2 per Kinnevik share - from the assessment in Kinnevik's most recent interim report.**

VillageMD will open 500 to 700 full-service primary care Village Medical clinics co-located with Walgreens stores in more than 30 US markets over the next five years, with the intent to build several hundred more clinics and enter up to 20 more US markets over time. The clinics will be staffed by more than 3,600 primary care providers, who will be recruited by VillageMD. These clinics will allow VillageMD to benefit from WBA's strong footfall and brand, and will provide it with a highly attractive and cost-efficient channel to open new markets, scale its risk-bearing primary care model, and solidify its position as the largest independent primary care practice in the US.

Georgi Ganev, CEO of Kinnevik commented: "We invested in VillageMD last year because we believe in the power of value-based care, the differentiation of VillageMD's technology-enabled care delivery and its mission driven, entrepreneurial culture. This transformative partnership with WBA validates our hypothesis and paves the way for the creation of a truly innovative model at scale combining the best of VillageMD's care delivery with WBA's pharmacy capabilities. This not only supports greater health outcomes and improved medication adherence, but also the reduction of the cost of care for both patients and payers."

To finance the deepened partnership, WBA will invest a total of USD 1bn in equity and convertible debt, including USD 250m of the initial equity funding, into VillageMD over the next three years. Kinnevik will own 10 percent of VillageMD after the initial USD 275m equity funding.

Kinnevik will release its financial results for the second quarter 2020 on 13 July. In consideration of the partnership and its impact on the future outlook for VillageMD, Kinnevik intends to value its VillageMD investment excluding the new USD 25m investment at SEK 2.4bn in this upcoming interim report, up SEK 1.4bn - or SEK 5.2 per Kinnevik share - from the assessment in Kinnevik's most recent interim report.

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Kinnevik led VillageMD's most recent funding in 2019 with a USD 75m investment. Since then, VillageMD has accelerated the number of its primary care providers, managed lives and medical spend under management. VillageMD has continued to invest in its growth, entering new markets, enhancing its proprietary healthcare operating system, docOS, scaling its virtual care offering and opening new, state-of-the-art Village Medical clinics in Houston, Texas.

## **About VillageMD**

VillageMD, through its subsidiary, Village Medical, is a leading, national provider of value-based primary care services. VillageMD partners with physicians to provide the tools, technology, operations, staffing support and industry relationships to deliver high-quality clinical care and better patient outcomes, while reducing the total cost of care. The Village Medical brand provides primary care for patients at traditional free-standing clinics, Village Medical at Walgreens clinics, at home and via virtual visits. VillageMD and Village Medical have grown to include more than 2,800 physicians across nine markets, are responsible for approximately 600,000 lives and manage USD 4 billion in total medical spend in value-based contracts. To learn more, please visit [www.villageMD.com](http://www.villageMD.com).

This information is information that Kinnevik AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 14.15 CET on 8 July 2020.

**For further information, visit [www.kinnevik.com](http://www.kinnevik.com) or contact:**

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Kinnevik is an industry focused investment company with an entrepreneurial spirit. Our purpose is to make people's lives better by providing more and better choice. In partnership with talented founders and management teams we build challenger businesses that use disruptive technology to address material, everyday consumer needs. As active owners, we believe in delivering both shareholder and social value by building long-term sustainable businesses that contribute positively to society. We invest in Europe, with a focus on the Nordics, the US, and selectively in other markets. Kinnevik was founded in 1936 by the Stenbeck, Klingspor and von Horn families. Kinnevik's shares are listed on Nasdaq Stockholm's list for large cap companies under the ticker codes KINV A and KINV B.