

## THE BOARD'S REMUNERATION REPORT FOR 2022

---

### INTRODUCTION

This remuneration report describes how the guidelines for executive remuneration of Kinnevik AB, adopted by the Annual General Meeting 2020, were implemented during 2022. The report also provides information on remuneration paid to Kinnevik's Chief Executive Officer (the "CEO") and Board members (in addition to ordinary Board remuneration, if any), as well as a summary description of Kinnevik's outstanding share incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Stock Market Self-Regulation Committee's *Rules on Remuneration of the Board and Executive management and on Incentive Programmes*.

### KEY DEVELOPMENTS 2022

The CEO summarizes Kinnevik's overall performance in his statement on pages 4-5 in the 2022 Annual Report, which can be found on Kinnevik's website at [www.kinnevik.com](http://www.kinnevik.com) under the heading "Reports and presentations" (which can be found under the section "Investors").

### OVERVIEW OF THE APPLICATION OF THE REMUNERATION GUIDELINES DURING 2022

A prerequisite for the sustainable and successful implementation of Kinnevik's business strategy and safeguarding of its long-term interests, is that Kinnevik is able to attract, motivate and retain the best talent in Sweden and globally. To achieve this, it is necessary that Kinnevik offers competitive and cost efficient remuneration packages to create incentives to execute strategic plans, deliver excellent operating results and to align incentives with the interests of Kinnevik's shareholders. The guidelines should enable Kinnevik to offer a competitive remuneration package.

Under Kinnevik's current remuneration guidelines, the remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration (a portion of which is conditional upon being invested in Kinnevik shares), pension benefits and other customary benefits. Additionally, the General Meeting may resolve on, among other things, long-term incentive plans.

The People & Remuneration Committee monitors and evaluates programmes for variable remuneration of the CEO as well as for Kinnevik's organization as a whole, both ongoing and those that have ended during the year. The actual and expected outcomes of these remuneration programmes have been reported to the Board and discussed at Board meetings.

Based on the People & Remuneration Committee's evaluation of the CEO's remuneration package, the Board has determined that the current structure and levels of remuneration are appropriate, reflect good practice, remain competitive and promote Kinnevik's business strategy, long-term interests and sustainability. Both the People & Remuneration Committee's evaluation and the Auditor's review have concluded that Kinnevik has complied with the applicable remuneration guidelines. This conclusion also encompasses the requirement to re-invest a portion of variable cash remuneration in Kinnevik shares until the CEO has a shareholding in Kinnevik corresponding to his fixed annual cash salary, net after taxes, and that no derogations or deviations have been made to the guidelines during 2022.

Based on the conclusions drawn from its monitoring and evaluation of programmes for variable remuneration, how the guidelines for remuneration have been applied, as well as the overall evaluation of the current structures and levels of remuneration at Kinnevik, the Board has decided that the remuneration guidelines shall remain unchanged until the 2024 Annual General Meeting.

### OUTLOOK FOR REMUNERATION PROGRAMMES IN KINNEVIK GOING FORWARD

In evaluating the structure and levels of Kinnevik's compensation programs ahead of the 2024 Annual General Meeting, the People & Remuneration Committee has resolved to undertake an in-depth review of Kinnevik's compensation framework and processes during 2023. The objective of this in-depth review is to ensure that remuneration programmes offered are even more in line with the interests of long-term shareholders. All while promoting a culture of long-term sustainable value creation, to a greater extent further ensuring cost efficiency and retaining the competitiveness of Kinnevik's offering to the best talent in Sweden and globally. The conclusions from this review will be reflected in the updated remuneration guidelines to be proposed to the 2024 Annual General Meeting.

## TOTAL 2022 REMUNERATION FOR THE CEO GEORGI GANEV (excluding share incentive plans)<sup>1</sup>

	Fixed Remuneration		One-Year Variable Remuneration	Extraordinary Items	Pension Expense	Total Remuneration	Proportion of Fixed/Variable Remuneration
	Base Salary	Other Benefits					
Georgi Ganev, CEO 2022 Financial Year	SEK 8,000,000	SEK 138,000	SEK 5,920,000	None	SEK 2,435,000	SEK 16,493,000	49.3% / 50.7%

### APPLICATION OF PERFORMANCE CRITERIA

The performance criteria for the CEO's variable cash remuneration are determined at the beginning of the year and are tied to specific and measurable objectives and performance metrics. The majority of the targets are directly linked to objectively quantifiable results, whereas a subset of targets requires the Board and its People & Remuneration Committee to make a more qualitative assessment of a wide variety of factors and measurable data in determining whether a specific outcome has reached the level of success required.

To increase alignment with the interests of Kinnevik's shareholders, payment of the variable cash remuneration is conditional upon a portion of it being invested in Kinnevik shares. For 2022, the CEO was not required to re-invest part of his variable cash remuneration in Kinnevik shares as his current shareholding in Kinnevik exceeds his fixed annual cash salary, net after taxes. If the CEO's shareholding would not have met such threshold, he would have been required to re-invest 20 percent of his variable cash remuneration in Kinnevik shares. Since 2018, the CEO has acquired 110,656 Kinnevik Class B shares, 67,500 incentive shares as part of the 2021-2022 share incentive plans, and 200,000 call options on Kinnevik Class B shares (issued by Verdere S.à r.l.). In total, the CEO has invested SEK 35m into Kinnevik Class B shares and other Kinnevik instruments, and has not sold any shares or other Kinnevik instruments. During the same period, the CEO has been awarded 153,257 Kinnevik Class B shares through share incentive plans vesting during 2020-2022. Accordingly, per 31 March 2023, the CEO held in total 263,913 Kinnevik Class B shares, 67,500 acquired incentive shares, and 200,000 call options on Kinnevik Class B shares.

Subject to restrictions that may apply under law or contract, Kinnevik has the authority to reclaim variable remuneration in whole or in part in the event it was paid on incorrect grounds, was based on information that was manifestly misstated, or in the event of material breaches of Kinnevik's Code of Conduct ("claw-back"). Fixed cash salary, pensions and other customary benefits may not be clawed back. The People & Remuneration committee has evaluated Kinnevik's performance and the CEO's performance, as well as the Auditor's report, and has concluded that no claw-backs are to be made for 2022.

Kinnevik's ambition is to be the leading listed European growth investor. At the core of this ambition is Kinnevik's strategy to build and maintain a focused portfolio of growth businesses and to ensure that it remains dynamic, vibrant and able to deliver long-term sustainable returns through actively reallocating capital. Kinnevik back the best digital companies that harness the power of technology for a reimagined every day. The performance criteria for the CEO's variable cash compensation are all set to advance this strategy.

The performance criteria for variable cash compensation to the CEO for 2022 were established by the Board in the first quarter of 2022 and were divided into two categories of objectives:

1. 70 percent of the variable cash compensation was dependent on performance against Kinnevik's corporate objectives, focused on short-term objectives benefitting Kinnevik's long-term strategy (the "Corporate Objectives").
2. 30 percent of the variable cash compensation was dependent on the Board's assessment of Kinnevik's and the CEO's performance in relation to strategic execution, stakeholder management, employee engagement and team development as measured by *inter alia* performance reviews and surveys from Kinnevik's Board, employees, and investee company representatives (the "Overall Performance")

2022 was a highly challenging year during which Kinnevik saw a steep decline in investor risk appetite. This affected the valuations of growth companies and had a significant negative impact on Kinnevik's net asset value, which declined by SEK 19.5bn or 27 percent compared to end of 2021. From a capital reallocation perspective, during 2022 Kinnevik invested SEK 5.7bn and released more than SEK 7bn, primarily from Tele2 and Teladoc. Kinnevik ended the year with a net cash position of SEK 10.4bn, compared to SEK 5.4bn per end of 2021. Further, Kinnevik received double recognition for its leadership in sustainability as the only firm awarded the highest category in Honordex Inclusive Index Report 2022 and ranking as one of the top performing companies in Sweden in a sustainability ranking by Lund University. Kinnevik also

<sup>1</sup> The table includes remuneration earned in 2022.

made significant progress on its 2022 DEI targets by *inter alia* increasing the share of investee companies with relevant DEI strategies and targets to 74 percent, up from 15 percent at end of 2021, and by allocating 17 percent of capital invested into new companies to female founded or led companies during 2021 and 2022.

The Corporate Objectives for 2022 were divided into four categories consisting of, *inter alia*, what is outlined below.

Name of Director, Position	Category	Relative weighting of the performance criteria	a) outcome, and b) actual award / remuneration outcome
Georgi Ganev, CEO	Growth Facilitation	30%	a) 96% value-weighted average revenue growth in a selection of Kinnevik's largest and most important private investments and 29% value-weighted average revenue growth in a selection of Kinnevik's smaller, more challenged private investments b) 20% / SEK 1,600,000
	Capital Re-Allocation	30%	a) More than SEK 10bn in net cash by end of 2022, around 50% of total follow-on investments into businesses defined as high-conviction investments, in which Kinnevik invested 1.6x its pro rata share on average b) 16% / SEK 1,280,000
	Sustainability	5%	a) 11% decrease in GHG emission intensity across the portfolio (2020 vs. 2021), 17% of capital invested into new companies invested in female founded or led businesses on a two-year rolling basis (2021-2022), 10 pp improvement of the 2022 annual average ESG score across portfolio compared to 2021 b) 5% / SEK 4,000,000
	People & Platform	5%	a) Improved Leadership Index Score (based on internal 360 Reviews) of 4.2 (up from 4.1 in 2021) and Career Growth Score from Employee Engagement Survey of 86 (up from 65 in 2021) b) 5% / SEK 4,000,000
	<b>Total actual award / remuneration outcome</b>		<b>46% / SEK 3,680,000</b>

The objectives for Overall Performance for 2022 included, *inter alia*, what is outlined below.

Name of Director, Position	Category	Relative weighting of the performance criteria	Outcome
Georgi Ganev, CEO	Strategic Execution	30%	70% of portfolio invested in private growth companies per end of 2022, launched Climate Tech vertical with three new investments completed in 2022
	Stakeholder Management		Several successful platform initiatives, overall excellent feedback from portfolio company representatives, founders and co-investors in the CEO's 360 Review, specifically on his capabilities within Leadership and Team & Relationship Building
	Employee Engagement		Average 2022 eNPS score of 48 <sup>2</sup> , more than 90% of employees say they are proud to work at Kinnevik, 2022 Employee Engagement Survey scores on three out of five focus areas improved compared to 2021
	Team Development		The Investment Team increased cross-staffing between sectors and offices with improved collaboration and innovation as a result, as well as a successful CFO transition
	Overall Performance		CEO improved his 360 Performance Score and Leadership Index Score compared to 2021
	<b>Total actual award / remuneration outcome</b>		<b>28% / SEK 2,240,000</b>

<sup>2</sup> On a scale of -100 to +100, where +30 is considered excellent.

In total, the assessment of the CEO's performance across the two categories above led the Board and its People & Remuneration Committee to award the CEO a variable cash remuneration corresponding to 74 percent of his base salary for 2022, amounting to SEK 5,920,000.

#### SHARE INCENTIVE PLANS OUTSTANDING AND ENDED DURING 2022, AND THE CEO'S PARTICIPATION

A prerequisite for the successful and sustainable implementation of Kinnevik's business strategy and safeguarding of its long-term interests is that Kinnevik is able to attract, motivate and retain the best talent in Sweden and globally. To achieve this, it is necessary that Kinnevik offers competitive remuneration that creates incentives to execute strategic plans and deliver excellent operating results, and to align these incentives with the interests of Kinnevik's shareholders. Over the years, Kinnevik has implemented annually recurring long-term share and share-price related incentive plans for its employees. The share incentive plans are resolved upon by the General Meeting and prepared by Kinnevik's People & Remuneration Committee in consultation with major shareholders and external advisors.

In 2018, Kinnevik introduced a new structure for its share incentive plans. Since then, the terms have been in substance the same. Simplifications have been made based on conclusions from monitoring the ongoing plans, and certain adjustments of the performance conditions have been made to reflect Kinnevik's portfolio evolution and its growth-focused investment strategy. Since 2021, the CEO and senior members of Kinnevik's investment team have had the opportunity to acquire additional shares in the share incentive plans using their own capital (hence at zero cost to Kinnevik) at fair market value, in order to further increase their exposure to the long-term development of Kinnevik and its share price.

During 2022, Kinnevik had five ongoing share incentive plans (2018, 2019, 2020, 2021 and 2022, together the "LTIPs"). The LTIPs are based on a structure where the participants subscribe for or acquire incentive shares that are reclassified to Kinnevik shares of Class B depending on performance conditions tied to measures of Kinnevik's value creation. To participate in the LTIPs, participants must also satisfy certain investment and employment retention criteria. The performance-based conditions of the 2018-2020 LTIPs are measured over three and five years, and therefore a portion of the incentive shares in the 2018 and 2020 plans may be reclassified during 2023. In addition, as a one-time occurrence, the 2017 Annual General Meeting adopted a long-term, cash-based incentive plan for certain investment professionals at Kinnevik (the "VCP"). The VCP ended on 31 March 2022 without any payment to the participants, as the value growth of the private portfolio was below the entry threshold of 8 percent IRR. The CEO was not a participant of the VCP.

In February 2018, Kinnevik's largest shareholder Verdere S.à r.l. issued 200,000 call options to the CEO in order to further align his interest with Kinnevik's shareholders. Each option entitles the purchase of one (1) Kinnevik share of Class B during a three-month exercise period ending 9 May 2023.

In 2022, the CEO received 101,745 Kinnevik shares of Class B from the share incentive plan launched in 2019. Based on the volume-weighted average price of Kinnevik's share of Class B during March 2022, SEK 241.55, the shares awarded were worth SEK 24,576,505. 50,745 of these shares, worth SEK 12,257,455, were awarded as compensation for paid dividends and other value transfers during 2019-2022. These dividends and other value transfers include i.a. the distributions of Kinnevik's shareholdings in Millicom and Zalando during 2019 and 2021, respectively.

In 2022, the accounting cost recorded for the CEO's participation in outstanding share incentive plans amounted to SEK 5.9m. SEK 1.4m, or 24 percent of this accounting cost, related to in-cash payments to the Swedish Tax Authority pertaining to Kinnevik's subsidization of participation in the 2022 share incentive plan. The remaining SEK 4.5m, or 76 percent, pertained to a portion of the notional fair market values of participation in the 2019-2022 share incentive plans.

The table below sets out an overview of the CEO's participation in outstanding share incentive plans.

Name of Director, Position	Share incentive plan	Allotment of incentive shares, 3 years	Allotment of incentive shares, 5 years	Acquisition of incentive shares, 5 years	Re-classified (vested) incentive shares	Total outstanding incentive shares
Georgi Ganev, CEO	2018	41,000	28,000	n/a	41,000 (reclassified to Class B shares during 2021)	28,000
	2019	51,000	36,000	n/a	51,000 (reclassified to Class B shares during 2022)	36,000
	2020	61,100	62,400	n/a	n/a	123,500

	2021	n/a	70,000	24,500	n/a	94,500
	2022	n/a	86,000	43,000	n/a	129,000

Additional information on outstanding share incentive plans, including performance requirements, performance levels as per end of 2022, and details of the CEO's participation in such, is available in Note 16 to the 2022 Annual Report, which can be found on [www.kinnevik.com](http://www.kinnevik.com) under the heading "Reports and presentations" (which can be found under the section "Investors").

### COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND KINNEVIK'S PERFORMANCE<sup>3</sup>

	2019	2020	2021	2022
Georgi Ganev, CEO	SEK 16,970,000	SEK 18,560,000	SEK 17,833,000	SEK 16,493,000
<i>Change year on year</i>		+9%	-4%	-8%
1-Year Annualised Total Shareholder Return	40%	85%	29%	-56%
5-Year Annualised Total Shareholder Return	9%	22%	30%	5%
Leverage	1.3% leverage	4.5% net cash to value	8.0% net cash to value	24.0% net cash to value
Shareholder Remuneration	SEK 8.25 per share <sup>4</sup>	SEK 7.0 per share <sup>5</sup>	- <sup>6</sup>	-
Average Remuneration of Employees of the Company <sup>7</sup>	SEK 3,167,000	SEK 3,085,000	SEK 3,109,000	SEK 2,947,000
<i>Change year on year</i>		-3%	+1%	-5%

### ADDITIONAL INFORMATION AVAILABLE IN THE 2022 ANNUAL REPORT AND ON KINNEVIK'S WEBSITE

Kinnevik's remuneration guidelines, adopted by the Annual General Meeting 2020, can be found on pages 95-97 of the 2022 Annual Report that is available on [www.kinnevik.com](http://www.kinnevik.com) under the heading "Reports and presentations" (which can be found under the section "Investors") and the Auditor's report regarding whether Kinnevik has complied with the guidelines is available on [www.kinnevik.com](http://www.kinnevik.com) under the heading "General Meetings" (which can be found under the section "Governance").

Additional information on Kinnevik's remuneration during 2022 that is not covered by this report is available in the 2022 Annual Report, which can be found on [www.kinnevik.com](http://www.kinnevik.com) under the heading "Reports and presentations" (which can be found under the section "Investors"):

p. 64	Work of the People & Remuneration committee in 2022
Note 16 on p. 95-102	Information required by Chapter 5, Sections 40-44 of the Annual Accounts Act (1995:1554), including detailed information on remuneration to the other senior executives covered by the remuneration guidelines adopted at the 2020 Annual General Meeting and Kinnevik's share incentive plans
Note 16 on p. 95-102	Remuneration to the Board of Directors

<sup>3</sup> Remuneration earned in the respective years, excluding long-term share and share-price related incentive plans.

<sup>4</sup> In September 2019, Kinnevik amended its shareholder remuneration policy. In 2019, before adopting the amended shareholder remuneration policy, Kinnevik paid an ordinary cash dividend of SEK 8.25 per share. In 2019, Kinnevik furthermore distributed its entire shareholding in Millicom International Cellular S.A. to its shareholders, corresponding to an extraordinary value transfer of approximately SEK 60 per Kinnevik share, which is not reflected in the table above.

<sup>5</sup> In line with the shareholder remuneration policy, Kinnevik did not pay any ordinary dividend for 2020 but paid an extraordinary cash dividend of SEK 7.00 per share.

<sup>6</sup> In line with the shareholder remuneration policy, Kinnevik did not pay any ordinary dividend for 2021, but Kinnevik distributed its entire shareholding in Zalando SE to its shareholders, corresponding to an extraordinary value transfer of approximately SEK 196 per Kinnevik share, which is not reflected in the table above.

<sup>7</sup> Include all employees of Kinnevik AB and its wholly-owned subsidiary Kinnevik Capital Ltd excluding the CEO.