

Media Release

Zug, 9 June 2021

HBM portfolio company Valo Health and Khosla Ventures Acquisition Co. to combine and create publicly traded company

HBM Healthcare Investments announced today that its portfolio company Valo Health (“Valo”), a technology company using human-centric data and artificial intelligence (AI) powered computation to transform the drug discovery and development process, and Khosla Ventures Acquisition Co. (“KVAC”, Nasdaq: KVSA), a special purpose acquisition company founded by affiliates of Khosla Ventures, have entered into a definitive merger agreement.

The transaction values the combined company at a pro forma market value of approximately USD 2.8 billion. The combined company is anticipated to have a pro forma cash balance of approximately USD 750 million before deducting anticipated transaction expenses, including existing Valo cash of approximately USD 250 million as of the date hereof, approximately USD 333 million of net cash held in KVAC’s trust, after deducting deferred underwriting commissions and assuming no redemptions, and a USD 168.5 million private investment in public equity (“PIPE”) priced at \$10.00 per share., to which HBM Healthcare Investments committed USD 7 million.

HBM Healthcare Investment will revalue its existing investment of USD 15 million in Valo Health to reflect the agreed merger valuation. Trading of the KVAC shares may serve as additional valuation parameter. As a result, the net asset value per HBM-share is expected to increase by approximately 0.6 percent.

Closing of the transaction is anticipated to occur in the third quarter of 2021 and is subject to the approval of KVAC’s stockholders and the satisfaction or waiver of certain other customary closing conditions.

Valo is building a fully integrated, end-to-end approach to developing drugs from target discovery through approval using its Opal Computational Platform™. Built on large scale, high-quality longitudinal and omics data, Valo’s Opal platform is designed to accelerate the rate of drug discovery compared to that of traditional operators, by allowing information and data to be shared in parallel at every stage of the drug discovery and development process, reducing the dependency on surrogates, and enabling insights across preclinical and clinical to drive towards therapeutic success. Valo has built an internal pipeline with two clinical-stage assets and 15 prioritized pre-clinical assets across cardiovascular, metabolic renal, neurodegeneration and oncology fields, as well as a deep pipeline of additional candidates. This transaction positions Valo to use the full power of technology to accelerate multiple programs through clinical trials.

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About HBM Healthcare Investments

HBM Healthcare Investments invests in the healthcare sector. The Company holds and manages an international portfolio of promising companies in the human medicine, biotechnology, medical technology and diagnostics sectors and related areas. Many of these companies have their lead products already available on the market or at an advanced stage of development. The portfolio companies are closely tracked and actively guided in their strategic direction. This is what makes HBM Healthcare Investments an interesting alternative to investments in big pharma and biotechnology companies. HBM Healthcare Investments has an international shareholder base and is listed on SIX Swiss Exchange (ticker: HBMN).

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