



PRESS RELEASE

5 August 2020

**KINNEVIK SUPPORTS THE PROPOSED MERGER BETWEEN TELADOC HEALTH AND LIVONGO, AND WILL OWN 4.5 PERCENT OF THE COMBINED COMPANY PLUS RECEIVE USD 143 MILLION IN CASH CONSIDERATION**

**Kinnevik AB (publ) ("Kinnevik") today announced that it supports the proposed merger between Teladoc Health, Inc. (NYSE: TDOC) ("Teladoc Health"), the global leader in virtual care, and Livongo Health, Inc. (Nasdaq: LVGO) ("Livongo"), the leading Applied Health Signals company, creating the only consumer centered virtual care platform for a full spectrum of health needs. When the merger has been completed, Kinnevik will become an owner of a 4.5 percent stake in the combined company and receive USD 143m (SEK 1.3bn) in cash consideration. The merger consideration values Kinnevik's stake in Livongo at approximately USD 2.0bn (SEK 17.6bn), up USD 183m (SEK 1.6bn) from the value of Kinnevik's stake in Livongo at 4 August 2020 close.**

As announced today by Teladoc Health and Livongo, the companies have entered into an agreement to merge. Under the terms of the agreement, supported by the Boards of Directors of both Teladoc Health and Livongo, each share of Livongo will be exchanged for 0.592 Teladoc Health shares and USD 11.33 in cash, in total representing a value of USD 158.98 per Livongo share, based on the closing price of Teladoc Health on 4 August 2020. The value ascribed to Livongo in the merger represents a premium of approximately 56 percent to Livongo's 30-day volume-weighted average price and a premium of 10 percent to the closing price of Livongo on 4 August 2020.

The transaction is expected to close by the end of Q4 2020, subject to regulatory approval, Teladoc Health and Livongo shareholder approvals, and other customary closing conditions.

Kinnevik is today the second largest shareholder in Livongo, holding 13 percent of outstanding shares corresponding to 11 percent on a fully diluted basis. When the merger has been completed, Kinnevik will receive USD 143m (SEK 1.3bn) in cash and approximately 7.5 million shares in the combined company, corresponding to a 4.5 percent economic stake on a fully diluted basis. The merger consideration values Kinnevik's stake in Livongo at approximately USD 2.0bn (SEK 17.6bn) in total, based on the closing price of Teladoc Health on 4 August 2020. Kinnevik supports the proposed merger, and has undertaken to vote in favor of the merger at an upcoming general meeting of Livongo shareholders, and to retain the main portion of its stake in Livongo until completion of the merger, subject to disposals according to customary conditions.

The combination joins two highly complementary companies to create an unmatched, comprehensive platform for virtual healthcare delivery. By bringing together leaders in virtual health and chronic condition management, the merger combines:

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- Comprehensive clinical expertise with a rich technology and data-driven experience
- Prevention and chronic condition management with acute and specialty care
- Behavior change expertise with data science
- Global footprint with products meeting a global need
- Access with innovation
- Two of the fastest growing companies in health technology

The combined company will have expected 2020 pro forma revenue of approximately USD 1.3bn, representing year-over-year pro forma growth of 85 percent, and pro forma adjusted EBITDA of over USD 120m. The combined company is positioned to execute quantified opportunities to drive revenue synergies of USD 100m by the end of the second year follow completion, reaching USD 500m on a run rate basis by 2025. These opportunities include increased cross-selling and penetration into each company's client base, accelerating Livongo's international expansion through Teladoc Health's existing footprint, improving member retention rates and driving more efficient enrollment.

Almost five years ago, Kinnevik put in place a strategy to apply its learnings from consumer-centric and technology-enabled transformation of other sectors to healthcare. We sought to leverage technology, data science and clinical innovation to yield better, more accessible and lower cost care. Livongo was our second investment as part of this strategy, with the vision to create a whole person platform to empower people with chronic conditions to live better and healthier lives. Today, Kinnevik's portfolio of digital health companies also includes Babylon, Cedar, Cityblock and VillageMD. The proposed transaction is a testament to the value of Livongo's platform and validates Kinnevik's healthcare investment strategy. In total, Kinnevik has invested SEK 3.5bn into its digital healthcare businesses, generating an exceptional 6.6x return on our total investment and an unrealized internal rate of return of over 150 percent, including the value of the proposed merger consideration.

Kinnevik's CEO Georgi Ganev commented: "Since our first investment in Livongo in 2017, Glen Tullman and his team have consistently impressed us with their vision and execution building a global leader in chronic care management. We were proud to support and invest in the IPO last year, and since then Livongo's success has accelerated as the relevance of its customer proposition has become ever stronger, fueling exceptional growth and profitability. With the proposed merger, Kinnevik recoups almost our entire invested capital in Livongo in cash, and becomes a significant shareholder in the only consumer centered virtual care platform for a full spectrum of health needs. We therefore benefit from continued long-term upside as the combined company is positioned to serve an even larger addressable market with a truly unparalleled offering."

For further information about the details and preliminary timetable of the merger and the combined company, please refer to the press releases issued by Teladoc Health at [www.teladochealth.com](http://www.teladochealth.com) and Livongo at [www.livongo.com](http://www.livongo.com), as well as the joint transaction website at [www.teladochealthlivongo.transactionannouncement.com](http://www.teladochealthlivongo.transactionannouncement.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 12.10 CET on 5 August 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.