

Media Release

Zug, 6 January 2016

Sale of Ellipse Technologies to NuVasive for an upfront consideration of USD 380 million and a potential additional milestone payment of USD 30 million in cash boosts net asset value per HBM-share by CHF 9.70 (+6.5%)

- HBM Healthcare Investments owns directly and indirectly (through the MedFocus Fund) 32 percent of Ellipse Technologies;
- Gain from the overall investment in Ellipse amounts to USD 104 – 114 million, which corresponds to a multiple on the invested capital of 7.5 – 8.1 times;

NuVasive (Nasdaq: NUVA) and Ellipse Technologies, a privately held company in the portfolio of HBM Healthcare Investments, yesterday announced the signing of a definitive merger agreement. Under the terms of the agreement, NuVasive will acquire all equity and cancellation of debt of Ellipse for USD 380 million in cash. A further payment of USD 30 million will be due in 2017, if Ellipse achieves specific revenue targets. Subject to customary closing conditions and regulatory approvals, the transaction is expected to close in the first quarter of 2016.

HBM Healthcare Investments invested a total of USD 13.5 million in Ellipse since June 2011 and owns directly 25.8 percent of the company. The carrying value of the investment was USD 33.7 million. Through the sale of the company HBM Healthcare Investments will receive USD 100 million to a maximum of USD 108 million in cash. Thus HBM realizes a gain of USD 86 - 94 million from its investment in Ellipse, which corresponds to a multiple on the invested capital of 7.4 – 8.0 times or an annualized return of 66 - 68 percent. Compared to the last reported book value of the investment, the net asset value per HBM-share (NAV) increases by CHF 8.01 (5.35%).

In addition, HBM Healthcare Investments owns 6.2 percent of Ellipse indirectly through the MedFocus Fund, thereby increasing the net asset value per HBM-share by a further CHF 1.69 (+1.13%). Since August 2005, a total of USD 2.7 million has been invested in Ellipse through the

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MedFocus Fund. Through the sale of the company a gain of USD 18 - 20 million results from this indirect investment, which corresponds to a multiple on the invested capital of 7.9 – 8.5 times.

"From a strategic perspective Ellipse Technologies is an excellent fit for NuVasive", commented Dr. Andreas Wicki, CEO of HBM Healthcare Investments. "The innovative technology of Ellipse has the potential to improve the standard of care for a number of orthopedic conditions decisively. The transaction once again illustrates the significant hidden values that lie in such companies in our portfolio."

Ellipse Technologies develops and markets a new generation of non-invasive adjustable implants to treat spine deformations in children and various orthopedic conditions. The company's proprietary technology platform enables physicians to customize therapy for patients while reducing the need for multiple repeat surgical procedures, which provides substantial improvements in patient clinical outcomes and quality of life while generating significant cost savings to the healthcare system. During the first nine months of the fiscal year 2015, Ellipse Technologies achieved sales of USD 32.6 million with its two approved systems MAGEC® (treatment of spinal deformations) and PRECICE® (treatment of limb length differences).

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About NuVasive

NuVasive is an innovative global medical device company that is transforming spine surgery with minimally disruptive surgical products and procedurally-integrated solutions for the spine. NuVasive has emerged from a small startup to become the #3 player in the \$9 billion global spine market and remains focused on market share-taking strategies as the Company continues on its path to become the industry's leading spine company. NuVasive offers a comprehensive spine portfolio of more than 90 unique products developed to improve spine surgery and patient outcomes. The Company's principal procedural solution is its Maximum Access Surgery, or MAS®, platform for lateral spine fusion. MAS was designed to provide safe, reproducible, and clinically proven outcomes, and is a highly differentiated solution with fully integrated neuromonitoring, customizable exposure, and a broad offering of application-specific implants and fixation devices designed to address a variety of pathologies. Visit www.nuvasive.com for more information.

Information on HBM Healthcare Investments Ltd

HBM Healthcare Investments invests in the healthcare sector. The Company holds and manages an international portfolio of some 25 promising companies in the human medicine, biotechnology,

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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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