
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

- ☐ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2022

OR

- ☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-40952



BABYLON HOLDINGS LIMITED

(Exact name of Registrant as specified in its charter)

Bailiwick of Jersey, Channel Islands
(State or other jurisdiction of
incorporation or organization)

001-40952
(Commission File Number)

98-1638964
(I.R.S. Employer Identification Number)

2500 Bee Cave Road
Building 1 - Suite 400
Austin, TX 78746

(Address of principal executive offices and zip code)

(512) 967-3787

(Registrant's telephone number, including area code)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A ordinary shares, par value, \$0.001056433113 per share	BBLN	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

As of June 30, 2022, the aggregate market value of voting and non-voting Class A ordinary shares held by non-affiliates of the registrant was \$53,484,142.

As of March 1, 2023, 24,860,752 shares of Class A ordinary shares, par value \$0.001056433113 per share, were issued and outstanding.

Documents Incorporated by Reference: None.

Table of Contents

	Page
<u>Part I</u>	
Item 1. Business	4
Item 1A. Risk Factors	38
Item 1B. Unresolved Staff Comments	97
Item 2. Properties	97
Item 3. Legal Information	97
Item 4. Mine Safety Disclosures	97
<u>Part II</u>	
Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	98
Item 6. Reserved	99
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	99
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	122
Item 8. Financial Statements and Supplementary Data	124
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	124
Item 9A. Controls and Procedures	125
Item 9B. Other Information	126
Item 9C. Disclosure Regarding Foreign Jurisdictions That Prevent Inspection	126
<u>Part III</u>	
Item 10. Directors, Executive Officers and Corporate Governance	127
Item 11. Executive Compensation	132
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	143
Item 13. Certain Relationships and Related Transactions, and Director Independence	145
Item 14. Principal Accountant Fees and Services	146
<u>Part IV</u>	
Item 15. Exhibits and Financial Statement Schedules	147
Item 16. Form 10-K Summary	147
<u>Exhibit Index</u>	148
<u>Signatures</u>	150
<u>Index to Consolidated Financial Statements and Supplemental Data</u>	F-1

PART I

Item 1. Business

Unless otherwise indicated or the context otherwise requires, all references in this Annual Report on Form 10-K (this “Annual Report”) to the terms “Company,” “company,” “Babylon,” the “Group,” “we,” “us,” “our” and similar terms refer to Babylon Holdings Limited, together with its subsidiaries. Certain member counts are rounded to the nearest thousand.

Business Overview

History and Development of the Company

We are a leading digital-first, value-based care company. Our mission is to make high quality healthcare accessible and affordable for everyone on Earth. We believe we are poised to reengineer the global healthcare market to better align system-wide incentives and to shift the focus from reactive sick care to preventative healthcare, resulting in better member health, improved member experience and reduced costs. To this end, we are building an integrated digital first primary care service that can manage population health at scale. We combine artificial intelligence and broader technologies with human expertise to deliver modern healthcare. Through the devices people already own, we offer millions of people globally ongoing, always-on care.

We were founded by our Chief Executive Officer, Dr. Ali Parsadoust, in 2013. Babylon Holdings Limited was incorporated on April 11, 2014 and is entering its tenth year of operation. Babylon is a company limited by shares organized under the laws of the Bailiwick of Jersey. Its registered office is at 31 Esplanade, St. Helier, Jersey, JE2 3QA. The mailing address of Babylon’s headquarters and principal executive offices is 2500 Bee Cave Road, Austin, TX 78746, and Babylon’s telephone number is (512) 967-3787.

We have completed strategic investments, acquisitions, and divestitures in recent years to help improve our ability to deliver our products and services:

- **Fresno Health Care.** In October 2020, we acquired certain portions of the Fresno Health Care business of FirstChoice Medical Group (“FCMG”) for \$25.7 million. This acquisition was intended to advance the growth of our value-based care services, by transitioning members to digital-first tools that will enable members to access our virtual care network in conjunction with the existing physical access to services.
- **Meritage Medical Network.** In April 2021, we acquired Meritage Medical Network (“Meritage”) for \$31.0 million. This acquisition was intended to expand the growth of our value-based care services, by transitioning over 20,000 Medicare Advantage and Commercial Health Maintenance Organization (“HMO”) patients within the Meritage network to digital-first tools to enable members to access our virtual care network in conjunction with the existing physical access to services.
- **Higi.** On December 7, 2021, we exercised our option to acquire the remaining 74.7% equity interest in Higi SH Holdings, Inc. (“Higi”) pursuant to the Second Amended and Restated Agreement and Plan of Merger, dated October 29, 2021 (the “Higi Acquisition Agreement”). The closing of this acquisition occurred on December 31, 2021. The exercise price of the option to acquire the remaining Higi equity stake included the payment of \$4.6 million in cash and the issuance of 136,480 Class A ordinary shares at the closing, the payment of \$5.4 million at the closing to satisfy the principal and interest payable by a subsidiary of Higi pursuant to a promissory note in favor of ALP Partners Limited, an entity owned by our founder and Chief Executive Officer, the future payment of up to \$0.3 million and issuance of up to 19,631 additional Class A ordinary shares after the expiration of a 15-month indemnification holdback period, and the issuance of 79,200 restricted stock units for Higi continuing employees and consultants in respect of Class A ordinary shares, of which 49,502 were vested at closing. Higi provides digital healthcare services via a network of Smart Health Stations located in the United States, and makes health kiosks found in retail pharmacies and grocery stores that provide free screenings of blood pressure, weight, pulse and body mass index.

We believe the growing global healthcare market, which has been estimated at \$10 trillion and is expected to continue to grow in the coming decades, has been unable to balance the need for accessibility, quality and affordability. These challenges, facing healthcare systems in both developed and developing markets, have not been properly addressed

by the current, largely reactive care delivery model, which is often country or even region specific. While this is generally referred to as “health care,” we consider it “sick care,” as we believe the traditional fee-for-service (“FFS”) model is designed to focus on treating patients when they are sick rather than helping them stay healthy. In an effort to address resource scarcity, new healthcare technologies have begun to emerge; however, we believe that existing digital tools, including telemedicine, simply shift the site of care but do not address the fundamental issues of when and how care is provided. The frustrations and limitations of “sick care” are spurring a movement towards value-based-care (“VBC”) models, which offer a financial incentive to providers to lower the cost and improve the quality of healthcare. However, the traditional, non-digital-first, VBC model has yet to be implemented at scale, given the upfront human capital and physical infrastructure investment required with traditional care protocols.

We believe our solution reengineers the healthcare value chain by delivering a digital-first platform for value-based care at scale. Babylon 360 couples our digital platform with a VBC contract or other risk-based agreement with a health plan, healthcare provider or a government body and can provide managed care for our members across the care continuum. Under these agreements, we take financial responsibility for all or some of the surpluses or deficits in total actual costs under the agreement compared to our negotiated fixed per member per month, or capitation, allocation, cost estimate or similar compensation arrangement, and in some cases our financial responsibility for surpluses and deficits relative to the capitation allocation is deferred until an initial agreed upon period has elapsed. This approach aligns incentives to encourage better healthcare decision making while maintaining high clinical quality and highly-rated member experience. With Babylon 360, we make our digital-first holistic care solution available for a population of identified members. We seek to engage with our members to encourage sign-ups for and increase utilization of our platform, and when we achieve a suitable level of engagement, our digital-first approach enables our members to access the full spectrum of care services, from preventative care to consultation, treatment, rehabilitation and post-care, through our end-to-end digital platform. We believe that our integrated digital platform allows us to gather data and insights to continually improve our members’ experience and their care management.

We take a proactive approach to our Global Managed Care Members’ (as defined below) health by actively engaging with such members through our digital platform, clinical operations and provider networks to:

- provide actionable insights and information about their well-being so that they can set their health goals;
- help such members to monitor their health on an ongoing basis;
- intervene early to provide the right care, medication and treatment, including by connecting patients with effective medical advice, including affiliated licensed physicians;
- design a clear clinical care plan as needed for recovery and rehabilitation; and
- transition rehabilitated patients from sick care to well care.

We believe that a majority of our Global Managed Care Members’ needs can be addressed through our digital platform and, based on our experience in the U.K. with GP at Hand, approximately 1.5-in-10 members do need in-person care. When Global Managed Care Members require in-person care, we leverage our partner networks of medical professionals, existing health plan providers, and contracted physicians to provide in-person care, reducing our need to invest in resource-and capital-intensive infrastructure. In practice, this approach allows us to reduce costly Global Managed Care Member interactions with medical professionals and unnecessary acute or urgent care visits through early intervention, and proactively manage chronic conditions. Leveraging the power of our digital-first approach, Global Managed Care Members have access to our solution to help keep them healthy and avoid emergent visits to lower the overall cost of their care. In addition, we also offer access to standalone services, including (i) software licensing through our Babylon Cloud Services offering, where we provide our digital solutions to customers that may provide care through their own medical networks and (ii) clinical services, where our affiliated providers deliver contracted medical consultations. See “— *Management’s Discussion and Analysis of Financial Condition and Results of Operations — Software Licensing*” and “— *Clinical Services*.”

As of December 31, 2022, our offerings, including VBC, clinical services, and software licensing, supported patients in 15 countries. We have scaled our VBC offering rapidly over the last year to become one of the largest VBC networks in the United States, with approximately 261 thousand U.S. VBC Members as of December 31, 2022, and we expect to remain focused on U.S. growth. Across all of our geographies, results have been similar: our users gave us over

95% four-and five-star ratings in fourth quarter of 2022, including 95% in the United Kingdom, 96% in the United States, and 97% in Rwanda.

We also have received a 87% quality score from the NHS on NHS Quality Outcome Framework (“QOF”) in 2021 and 2022. QOF is the main set of quantitative measures used by NHS and the independent quality regulator for England to assess and reward high quality. We achieved 379.5 points out of 401 points, or 95%, for the clinical domain, receiving in total 555.2 points out of 635 points, or 87%.

Additionally, according to a peer reviewed study commissioned by us and published in the *Journal of Medical Internet Research*, we delivered up to 35% acute care cost savings for our GP at Hand members during the relevant period. The study compared spending per patient for Babylon GP at Hand to regional average spending over a period from April 1, 2018 to March 31, 2019 in North West London, where Babylon GP at Hand is based. Moreover, according to an NHS-commissioned report published by Ipsos MORI, which looked at the use of emergency room visits by patients during each of the 12-month periods before and after joining Babylon GP at Hand, we achieved 25% fewer emergency room visits among our GP at Hand members during the relevant period. While we have demonstrated cost savings and reduction of emergency visits in these sample studies, there is no guarantee we will be able to replicate this in the future.

When we enter into new VBC contracts, under our business model, we seek to shift VBC member interactions into our digital-first framework. As described further under “— *Management’s Discussion and Analysis of Financial Condition and Results of Operations—Value-Based Care Agreements*” below, this process extends over a period of months during which we incur substantial costs. Before we can interact with the VBC members, we need to ensure that sufficient capacity is established in our virtual network to support new member interactions, and must undertake initial outreach, including marketing (after any required review and approval of materials), community events, and outreach ambassadors to encourage sign-ups to the Babylon platform by our members. The ultimate goal of this initial engagement push is to schedule and complete a virtual consultation, at which point the Babylon team can continue to engage with the member regularly over time whether through interactions with our full range of digital care tools and or through additional virtual or in-person consultations with licensed medical professionals.

We believe that our member management capabilities and our members’ health outcomes will improve and our cost of care delivery expenses will decrease when our members actively engage with our digital platform. Additionally, we expect to be able to rapidly scale and responsibly care for our growing member base with minimal incremental physical infrastructure. We are driving growth by expanding our existing service with our current customers into their wider operations and markets, converting more of our customers to the holistic Babylon 360 solution, and attracting new customers to the Babylon platform.

The Market: Key Challenges and Developments

In 2019, the global healthcare market was estimated to be a \$10 trillion industry, and it is expected to grow over the coming decades with the aging of the global population and the expansion of care around the world. However, we believe the global healthcare market remains beset by the following key issues that limit capacity and effectiveness of care in both developed and developing markets.

- **Accessibility.** Access to healthcare services is still restricted for many individuals globally. According to the WHO, more than half of the world’s population is unable to obtain access to essential health services even in countries with well-established healthcare systems. Accessibility is also an issue in developed markets — for example, many Americans have limited access to primary care, so they rely on emergency departments for acute care. Per the US Department of Health and Human Services, in 2020 there were an estimated 131 million emergency department visits in the United States, representing an overall average of 40 visits per 100 persons, and 70 visits per 100 persons in African American populations. We believe inequities in access to health services exist not just between, but also within, countries, as national averages can mask low levels of health service coverage in disadvantaged population groups.
- **Affordability.** Affordability of healthcare is a problem in developed and developing markets at both a system-wide and individual level. At a macro level, expenditures on healthcare in G7 countries have increased by 44% on average in the last decade, without accompanying improvement in health outcomes, according to Organization for Economic Co-operation and Development (“OECD”) data. Individuals also struggle with high healthcare costs: according to the U.S. Centers for Disease Control and Prevention in 2021, approximately 11% of Americans report problems paying medical bills. Further, unaffordable healthcare begets inaccessibility — in a 2022 Kaiser

Family Foundation Study, 33% of people in the United States reported that in the last year they or a household member had not gotten a medical test or treatment recommended by their doctor due to cost, while 43% reported putting off needed healthcare due to cost.

- **Quality.** Consistent delivery of quality healthcare remains a challenge across geographies, and healthcare spend does not equate to improved health outcomes. According to 2022 OECD data, the United States spends significantly more on healthcare per person than any other country (and more than twice as much per person than many other countries including the United Kingdom, France, and Canada), while a 2019 study showed that the United States has lower life expectancy than the OECD country average. Further, in low-and middle-income countries, between 5.7 and 8.4 million deaths each year (representing up to 15% of overall deaths in such countries) are attributed to poor quality care. The inadequacy of traditional healthcare has not gone unnoticed by individuals. According to a 2021 Accenture report, only one out of three people said they did not have a negative experience with a medical provider, pharmacy or hospital, with people reporting a variety of negative healthcare experiences such as their visit was not efficient (22%) or the medical advice was not helpful (19%). Among those that had a negative experience, more than one-third reported switched providers or treatments or were less likely to seek medical care the next time they needed it. According to a 2020 Ipsos survey, the United States ranks the lowest for patient satisfaction among G7 countries, with only a 30% satisfaction rating among healthcare participants. Efforts to address the challenges have led to important innovations in the healthcare industry; however, we believe they continue to have inherent limitations.
- **Digital Transformation of Healthcare.** We believe that patients, payers and governments are aligning on the need for cost containment through the adoption of digital solutions in the healthcare sector. Demand for and adoption of telemedicine solutions has generally been accelerated by the COVID-19 pandemic as it has demonstrated its benefit and importance in reaching patients. According to McKinsey, COVID-19 has caused a massive acceleration in use of telehealth. Consumer adoption skyrocketed during the pandemic, and high rates continued after the height of the pandemic, with McKinsey concluding in July 2021 that telehealth utilization had stabilized at 38 times its pre-pandemic levels, making up 13% to 17% of all medical appointments. We believe this increase in usage is here to stay, due to the inherent structural benefits of virtual delivery of healthcare, including convenience and efficiency. However, we believe that in an effort to address resource scarcity, existing digital tools, including telemedicine consultations, are simply shifting the site of care, without addressing the fundamental issues of when and how care is provided.
- **Emergence of New Payment Models.** The challenges of accessibility, affordability and quality facing healthcare systems have not been effectively addressed by the current, largely reactive care delivery model, which we refer to as “sick care.” Healthcare providers, paid on a FFS basis, are rewarded for a higher volume of care rather than successful patient outcomes. This compensation model promotes expensive and more frequent interventions and treatments, leading to higher costs for those responsible for healthcare spend, such as governments, employers, and individuals. This has resulted in a movement towards VBC, which realigns incentives for healthcare providers, rewarding them for improving patient outcomes rather than increasing the volume of the services they provide; however, the VBC model has yet to be implemented at scale.

The Babylon Solution

We believe our solution reengineers the healthcare value chain to simultaneously balance accessibility, affordability and quality by implementing the key attributes of digital health and value-based care.

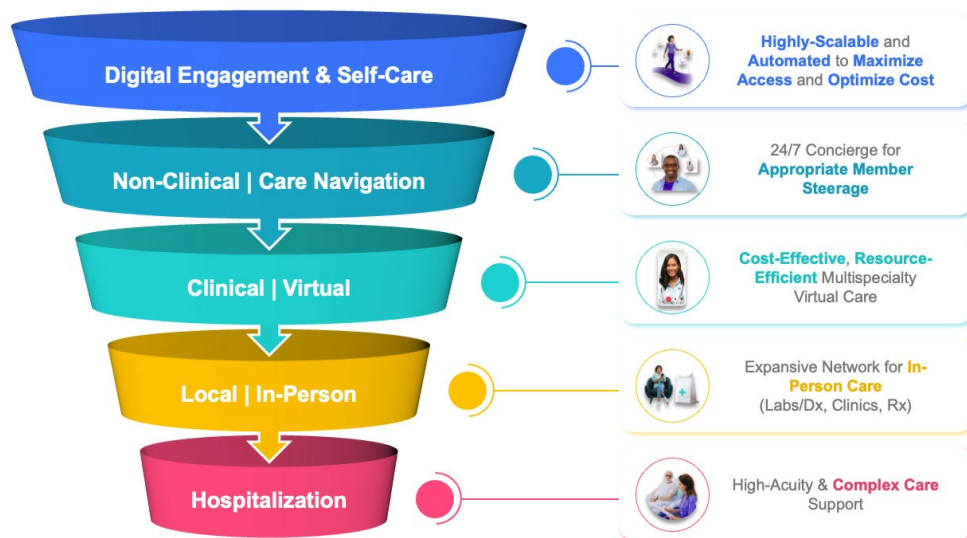
- **Accessibility.** Our digital-first clinical platform makes information available to members so that they can monitor their health information on mobile devices, delivering digital-first care in countries as varied as the United States and Rwanda. We provide 24/7 digital-first access to medical professionals in the U.S. and the U.K., reducing barriers to care and improving timeliness of medical interventions.
- **Affordability.** Our technology platform improves productivity and reduces administrative burdens on medical professionals through the reallocation of tasks from clinicians to lower cost personnel, and the automation of a significant portion of back-office tasks, including post-appointment tasks, proactive care outreach activities (for GP at Hand), and onboarding and off-boarding tasks. Simultaneously, our holistic care provision model allows us to actively monitor the health of our members and to provide them with targeted preventative and primary care when needed, reducing the need for expensive secondary and tertiary care. We believe that the combination of our technology platform and care provision model can dramatically reduce systemic costs. For example, in the United

Kingdom in our partnership with the NHS, a peer reviewed study commissioned by us and published in the *Journal of Medical Internet Research* demonstrated that we delivered up to 35% acute care cost savings for our GP at Hand members during the relevant period from April 1, 2018 to March 31, 2019. In 2021, looking at the healthcare market generally, the healthcare expenditure per capita was \$4,429 in the United Kingdom and \$12,530 in the United States.

- **Quality.** Our platform delivers standardized treatment protocols, administrative practices, technology, and automation, such as care for acute and chronic conditions, including chronic pain, pregnancy, cardiovascular disease, diabetes, and numerous other health concerns in a longitudinal manner. This allows us and our affiliated healthcare providers to work from a standardized model of medical intervention, reduce variations in care, and deliver the same quality standards to all members. We believe this allows us to provide a better member experience and a higher standard of care. The quality delivered by our system has been confirmed by our members and customers; for example, in the United Kingdom, we received a 87% quality score from the NHS for 2021 to 2022.

Babylon 360, our flagship holistic solution, combines our cutting-edge technologies with human clinical expertise and can provide managed care for our members across the care continuum. Our end-to-end care solution is facilitated through our Digital Health Suite, virtual care, in-person medical care, and post-care offerings. We believe that our platform empowers users, providers, payers and health systems to generate better health outcomes by addressing the entire care continuum model to better understand and serve their healthcare needs. By providing more care to members when they are healthy and creating clear and accessible solutions when they are sick, we believe we can avoid the significant expenses associated with late or avoidable hospital-based care. We believe our platform disrupts the current state of care delivery and aligns the interests of our members and customers and simultaneously lowers costs.

When delivering Babylon 360, we and our affiliated providers are able to provide or assist in connecting a member with end-to-end care through the creation of a comprehensive, digital-first “Pyramid of Care” tailored to the member’s specific needs and circumstances.



We aim to move as much care as possible to the less resource intensive care settings. Our Pyramid of Care consists of the following layers:

- **Digital Engagement & Self-Care:** Members can address the majority of their care needs in this layer - check their symptoms, track their health, manage prescriptions, access clinically-relevant insights and guidance, and more.

- **Non-clinical Care Assistance & Navigation:** When a member's needs are larger than what can be delivered via self-care, they move into the Personal Care Assistance layer. All members have 24/7 access to our health assistants via chat, video, and phone for support and care navigation. This team evaluates members' data across multiple inputs to identify important events and potential health anomalies requiring proactive outreach.
- **Virtual Clinical Consultations:** We offer virtual consultations when our members need clinical care. This spans primary care and specialist doctors, nurses, behavioral health therapists, physiotherapists, dietitians, pharmacists, social workers, and more. Virtualizing as much of the physical care needs as possible is critical in distributing demand effectively to help improve accessibility and affordability of healthcare.
- **Local In-Person Care:** When our members require in-person care, it is provided through a combination of partner labs, pharmacies, in-home providers, and clinics. Our digital tools follow our patients from virtual to physical networks to maintain continuity of care and a comprehensive care record for the member.
- **Complex Care:** When our members require complex care, Babylon refers members to the right place within our network of facilities (e.g. hospitals) and ensures that they are supported pre-admission, during their treatment, and throughout their recovery until they can engage with the Pyramid of Care again at the lowest-resource possible level.

This pyramid is built on a mobile-native, digital self-care foundation that leverages a comprehensive, longitudinal view of a member's specific circumstances to provide a range of AI-driven tools to help members create a set of health goals and to track their progress and achievement. This is complemented by our personal health assistant, which is available to help members with their care needs and for non-clinical support via chat or direct human interaction. When direct care is needed, it is first provided through virtual clinical consultations, accessible in the U.S. and the U.K. on a 24/7 basis, linking members with a clinical professional to address their urgent or chronic needs. While most member needs can be addressed with our digital platform and virtual care capabilities, when a member does require in-person care, we assist in connecting them with the appropriate caregiver for an in-person consultation. If a member's care needs are more specialized or complex, we offer connections to secondary and tertiary care partners who work with us to provide the full spectrum of sick care. As members increase their digital engagement, they should be increasingly able to undertake self-care and self-monitoring and reduce the need for in-person care.

We believe our holistic care model, Babylon 360, is presented to the member in an intuitive and consumer-friendly way. When we deliver holistic care we aim to engage actively and frequently with members and provide the care they need at the point they need it, leveraging existing digital devices as the first point of call and utilizing in-person providers where needed.

- **When in good health,** the tools provided through our Digital Health Suite can provide members with insights and information about their well-being.
- **If members get sick,** the Digital Health Suite offers 24/7 access to Digital Triage tools including a Symptom Checker as well as access to clinical care, so members get the right information and care. Through our Symptom Checker, members answer questions about their symptoms and are directed to possibly matching conditions responsive to the information entered and potential next steps. A care team gives members a clear clinical care plan for treatment and recovery. Then, once the members are back on their feet, the care team goes back to helping members to monitor their health information.
- **Follow-up care** is delivered by affiliated providers, including medication management, transitions to the appropriate type of care, and rehabilitation. We provide recommendations for follow-up self-care to improve overall member outcomes and ensure that members maintain their health.

Our Product

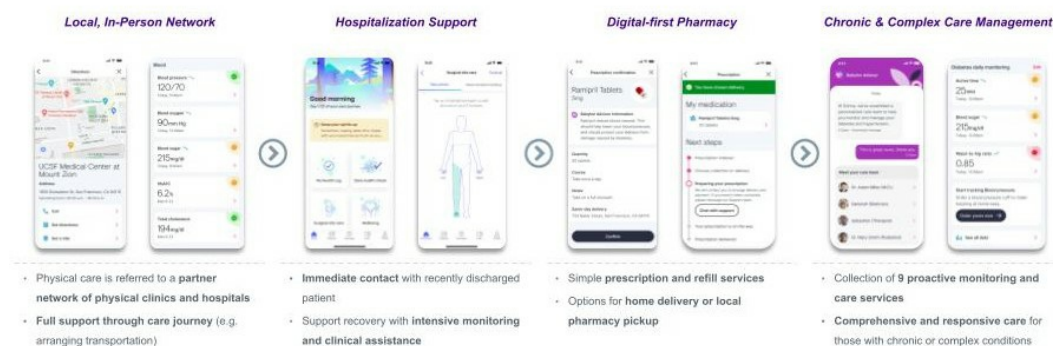
Babylon can effectively engage, assess, plan, monitor, treat and support our members in the regions in which we operate around the world with our AI-supported platform, delivering meaningful benefits to our stakeholders. Our offerings combine our cutting-edge technologies with human clinical expertise and can provide managed care for our members across the care continuum. At the core of our platform strategy is our investment into our Health Graph platform. The Health Graph is our ability to ingest large volumes of data in both real-time and batch — unstructured and structured — from hundreds of providers, wearables, and health record systems. The platform creates a data access strategy that powers our integrated AI capabilities, while simultaneously enabling real time member and clinical product experiences coupled with advanced analytics use cases.

Sitting on top of the Health Graph platform is our Health IQ service. Health IQ is a growing library of predictions that allows for real-time segmentation and health record enrichment of our members. These predictions provide our care teams with a scalable and effective way to service our members that may be at a higher risk. Our goal with our technology investments is to activate more members, monitor them through their health care journey, and intervene swiftly and early to deliver care in a more cost efficient way. This reflects our core mission as a company.



Our members' journey starts with understanding a total picture of their health needs, to decide with whom we want to prioritize engagement. We use multiple channels to reach out to our members, from emails to phone calls to in-person visits with community health workers, to encourage members to install the Babylon app on their smartphone (or USSD app on their feature phone for regions where smartphone penetration is weak) or to sign up via the web. Once members have installed the Babylon app, they may be (subject to compliance with applicable rules) engaged on an ongoing basis through multiple push-type notifications, emails and SMS messages which may prompt them to complete a health assessment and create a personalized care treatment plan unique to their needs. The in-app health assessment, coupled with existing patient electronic health record data, patient provided data, wearable data and clinical data, allows for a convenient way to have a holistic profile of our members and to measure aspects of risk to our members.





In the U.S. or the U.K., if a member would like to see a clinician, our app can facilitate a prompt booking for a primary care, behavioral health or specialist's appointment, on a 24/7/365 basis. For clinicians, our platform enables more efficient workflows, thus saving valuable time and allowing clinicians to focus on what's really important — the members. Our custom-built, web-based Clinician Portal provides longitudinal data around members and allows clinicians to save time on arranging lab tests, issuing prescriptions, scheduling follow-up consultations and other frequent tasks through workflow automation. The workflow task-list helps the back office team manage the transitions of care between providers. Steps are automated using robotic process automation and our proprietary workflows platform deeply integrated into all facets of our back office platform to most efficiently use clinicians' time and to reduce operational costs. For example, within our GP at Hand service, we use automation to assist a variety of our pre- and post-consultation care workflows. Our RPA solution fetches and prioritizes the eligible patients for proactive outreach, and then triggers the workflow platform which automatically manages and sends a set of communications, reminders and invites to the patient, reducing back office administrative tasks and involving our clinicians only at the end of the workflow when providing care to the patient.

Future Product Development

We believe that continuous data assessment, risk calculation, and early intervention are key to crafting patient care plans and driving down costs of care. We have under development proprietary AI which enables ongoing monitoring of member data which automatically suggests to clinicians and members relevant goals and actions, while keeping the clinician in the loop to lead to better health outcomes. Once developed, our system detects abnormalities during the course of this continuous data assessment, and our team would be proactively alerted to intervene to evaluate and understand the root cause and respond via email, chat, phone, or notifications.

In addition, we are deeply focused on automatically coding our patients' conditions to get the most accurate record of their care and conditions. We expect this to provide improved accountability and transparency with the goal of reducing costly errors and augmenting our data set to enable future AI solutions. Furthermore, we are very focused on coaching and enabling habit changes that lead to better health outcomes.

The features described in this section are under active development and have not been commercialized as of the date of this Annual Report. We cannot assure if or when the features will be available for use.

Our Strengths and Key Differentiators

Our goal is to provide a full spectrum of care services through a comprehensive digital-first platform powered by an AI-supported, cloud-based, integrated technology stack. Our key strengths and differentiators are:

- Purpose-Built, Tech-Enabled & AI-Supported.** Our end-to-end healthcare platform is supported by AI, which we believe optimizes efficiency and improves outcomes across the entire care management value chain, from risk stratification to triage to care management. This digital-first, technology-forward approach has been our strategy from the outset and is intrinsically built into our care delivery solutions, in contrast to other care providers that have bolted technology capabilities onto a traditional care delivery model. We have heavily invested in our technology as well as in our team of highly experienced researchers, scientists and engineers since our founding in 2013, which we believe gives us a significant advantage over other care providers and will continue to progress

our capabilities. We are also able to license our technology to third parties. Our AI and automation reduce the human capital intensity of providing healthcare, while seeking to improve the quality of decision making and health outcomes, offering:

- Evidence-based insights, whole person care, and lifestyle and behavioral risk benchmarking for over 22 common diseases;
 - A cloud-based, integrated self-care and clinical services platform, which allows us to deliver convenient, continuous and scalable care globally; and
 - Integrated technology and virtual clinical operations, which automate low value tasks, allowing the focus to be on high value interactions and drive more efficiency than a normal physical primary care operation.
- **Proven & Highly-Scalable Care Delivery Model.** Our digital-first model is highly scalable, which differentiates us from competitors. We believe traditional integrated care competitors who rely on a capital-intensive bricks-and-mortar-first model may have a reduced ability to expand to new markets and capture segment share beyond their near-term physical footprint. We are able to deliver fully-integrated, personalized healthcare and access across the entire care spectrum through mobile devices many individuals already own or access. This technology allows us to offer access to on-demand care, on a 24/7 basis, through our digital platform while leveraging existing, local healthcare infrastructure in markets where our affiliated providers deliver care. This is evidenced by the rapid go-to-market in Missouri through our partnership with Home State Health, a wholly-owned subsidiary of Centene Corporation, where, within three months of reaching substantially final agreed terms, we made our Babylon 360 solution accessible to approximately 17,000 members with limited incremental investment so that both Centene's existing local healthcare network and our technology platform were at their disposal. Additionally, because a population of members is assigned to us under our VBC contracts, we are able to focus our outreach efforts on engagement with our assigned members.
 - **Proactively Delivering Mobile-Native Care to Members.** Our digital-first platform allows us to deliver access to integrated, personalized healthcare at scale through our app on the devices most individuals already own. This enables us to quickly, efficiently and effectively interact with members to provide support and care, ideally preventing a member from becoming sick. Upon commencing service under a new Babylon 360 contract, we quickly seek to make direct contact with each member covered under that contract to offer a digital assessment. If required, we also offer to connect members to an introductory video consultation with a clinician. Following member onboarding, we continue to provide proactive monitoring and communicate electronically through email and the Babylon app to drive member engagement. Our care teams proactively offer personalized healthcare plans for high risk members involving higher levels of interaction with their care team. Medium risk members also get personalized care plans with a lower number of interactions with the care team and a focus on healthy living coaching and education. Low-risk members are provided with resources for self-help and education about general wellness.
 - **Deep Experience in Value-Based and Other Managed Care.** We aim to improve the member experience and reduce the cost of care by prioritizing member centric care and incentivizing healthcare providers to keep their members healthy, which can lower healthcare costs over the member's lifetime. From our earliest work with customer groups including the NHS, which provides primary care at a fraction of the cost of what is typical in the United States, we have developed deep experience in the delivery of care within capitated systems. Through the creation of a proactive, digital-first care network, which can provide our members with a well-structured "Care Pyramid," we shift member interactions to virtual care and provide timely and targeted in-person care when needed. The goal of our Babylon 360 solution is to manage the totality of a member's healthcare. Babylon 360 couples our digital platform with a VBC contract or other risk-based agreement with a health plan, healthcare provider or a government body. Under these agreements, we take financial responsibility for all or some of the surpluses or deficits in total actual costs under the agreement compared to our negotiated fixed per member per month, or capitation allocation, cost estimate or similar compensation arrangement, and in some cases our financial responsibility for surpluses and deficits relative to the capitation allocation is deferred until an initial agreed upon period has elapsed. By significantly improving accessibility and availability of primary and urgent care, we believe it is possible to create significant downstream savings. For example, in the United Kingdom in our partnership with the NHS, a peer reviewed study commissioned by us and published in the *Journal of Medical Internet Research* demonstrated that we delivered up to 35% acute care cost savings for our GP at Hand members during the relevant period from April 1, 2018 to March 31, 2019.

Our Growth Strategy

We are pursuing the following strategies in order to expand access to high-quality, affordable healthcare:

- **Expand covered population and scope of services in existing markets.** We have a significant opportunity to cover additional members in the markets we currently serve by both (i) signing more profitable contracts with new payers and enterprise customers and (ii) expanding the scope of services provided to our existing customer base. If we expand the scope of services we provide, for example, by upselling a clinical services contract to a VBC contract, we have the ability to significantly increase our revenue per member. We continue to demonstrate that our offerings are attractive and cost-saving for payers. In our partnership with the NHS, we have saved up to 35% of acute care hospital costs, while delivering high-quality healthcare to our GP at Hand members. For a description of the study done on our solution, see “— *Business Overview*.” We believe that these demonstrated savings will both attract new customers and convince existing licensing and FFS customers to upgrade to our VBC offering, Babylon 360, and we have already been successful in doing so — since the start of our expansion into the U.S. market, several customers have upgraded their contracts from initially planned clinical services provision to Babylon 360 contracts.
- **Expand to new markets with new and existing customers.** Due to the scalability of our digital-first platform we are able to efficiently expand into new geographical markets, both within and outside the United States. We believe that our existing customer relationships present a particularly attractive growth opportunity. Currently, our focus is on disciplined expansion within the U.S. market. In 2023, we are accelerating our growth in the U.S. by continuing to sell our Babylon Cloud Services and our Babylon 360 offerings. We are acquiring multiple new customers, diversifying our customer base, and targeting an increase in Medicare Advantage and commercial populations. We are also addressing new segments such as self-insured employers by establishing our own enterprise sales force. While we focus today on the U.S. and U.K., we have deployed our technology in 15 countries and actively provide clinical services in three. We continue to capitalize on the deployable nature of our model and technology to pursue business opportunities, both in licensing and clinical care, in new markets with attractive economic opportunities.
- **Continuing to invest our technology to improve our care capabilities.** We have invested heavily in our technology platform since our founding and believe that it is both world-leading and vital to our continued success in the provision of digital-first care solutions. With this view, we continue to invest in our technology platform and seek to enhance our leadership position in clinically focused healthcare AI and other applications that can improve our members’ health and experience.

Our Technology

To date, we have heavily invested in a proprietary healthcare delivery platform that we believe is member friendly, reduces the administrative burden for our clinicians, and enables us to scale across geographies. Our solutions are powered by a cloud-enabled platform that is built to maximize interoperability, be accessible to individuals through all kinds of mobile devices, and leverage custom workflow platforms to optimize efficiency in clinicians’ back offices. We believe the key features of our technology platform are the following:

- **Proprietary.** Over the last decade, we have designed a proprietary platform on which we can drive the creation of cohesive, custom solutions supported by AI. In contrast, our competitors rely on many third-party solutions that are decoupled and disjointed, reducing the ability to leverage AI and data to drive overall efficiency and value for their members and providers. Our software is built in line with strong security and privacy controls, and our processes are externally audited for compliance with required standards. We use highly agile software development methodologies to promote effective, metric-driven development while complying with our secure development lifecycle.
- **Cloud Architecture.** Our globally accessible services are cloud enabled by design for maximum efficiency and scale. Our approach to delivery allows us to operate in multiple cloud regions around the world with a federated approach that enables unique data residency and data sovereignty requirements per country. Built from inception to be powered from the cloud, we aim to be cloud service provider-agnostic, enabling us to deploy our solutions more broadly and globally where there may be a gap in cloud provider coverage through various strategic partnerships.

- **Integration.** Using a standards-based, interoperable interface allows us to integrate seamlessly and efficiently with third party electronic medical records systems and other healthcare data providers. Leveraging a standards-based HL7-FHIR (Fast Healthcare Interoperability Resources) approach, we are able to ingest, process and store data from a wide variety of sources, creating a unified view of our members (while ensuring this is in compliance with privacy laws).
- **Widely Accessible.** We deliver our digital solutions to our members and providers via cutting-edge front-end technology through both web and smartphone applications. At the same time, we serve individuals with basic flip phones through a proprietary application in developing countries such as Rwanda, facilitating our mission of delivering affordable and accessible healthcare to all.
- **Optimizes Back Office Efficiency.** Leveraging open source and third-party technology, we have built a highly configurable platform that automates non-clinical tasks such as processing referrals and prescription management, reducing providers' administrative burden and increasing their operational efficiency. This platform approach allows us to leverage our data and AI strategy to deliver these "back office" workflow services, driving additional value for our members by mitigating friction and delays, which individuals typically face in traditional healthcare delivery models.

How We Leverage Artificial Intelligence

Underpinning our healthcare delivery platform is our bespoke AI solution that has been designed to help our members navigate their personal healthcare journeys and is currently deployed in our Symptom Checker and Healthcheck products, as well as our clinical portals to assist clinicians with some administrative functions. We believe that our member-centric approach, which considers our members' healthcare and sick-care, differentiates us from our competitors, whose solutions adopt a narrow, often impersonal approach that fails to consider the full spectrum of healthcare. Leveraging our team's deep experience in building intelligent healthcare systems, our AI architecture has been designed from the ground up over the last decade to deliver actionable insights and recommendations.

A core feature of this architecture is the inclusion, by design, of core principles such as interpretability and explain ability. These features are critical when delivering insights through member-facing products since they provide transparency to our clinicians (via our "clinician-in-the-loop" platform) for them to understand the provenance of the data and parameters in our AI and to have the ability to independently assess the basis of our AI's conclusions. These principles, which are inherent features of causal approaches to AI, help overcome the "black-box" problem — the notion that an AI system can deliver insights, but is incapable of explaining how it has arrived at its conclusions. This capability provides our customers and clinicians with a critical layer of transparency on the insights provided to our members via products such as the Symptom Checker and Health Assessment.

Another key feature of our AI technology is its ability to quantify the uncertainty of its predictions. In contrast to the majority of "black-box" AI systems which tend towards making overly-confident predictions, uncertainty-aware AI systems are better equipped to quantify and assess how much additional information is required to make predictions with a specified level of confidence.

Additionally, our AI has been designed to be data-efficient and flexible with respect to the information it consumes, enabling us to rapidly adapt our models to new populations. Our AI systems leverage health records from multiple sources where available and in compliance with applicable privacy rules, but also permit other sources of evidence such as data, for example, clinician input and published studies, and medical knowledge, including from clinical guidelines and pathways, to be incorporated where data quality or abundance is a concern. For example, our systems benefit from feedback from our teams of local clinicians who review our AI systems' use of data in light of local beliefs, language and healthcare concerns. This approach has allowed us to adapt and rapidly localize our AI models to account for differences in language, culture and disease burden across geographies, enabling us to serve populations globally.

Our Go-to-Market Model

Working with governments, payers and providers to deliver quality healthcare services globally, we monetize our platform in three primary ways — value-based care, clinical services, and software licensing.

Value-Based Care Agreements

Under VBC contracts, we manage the healthcare needs of our members in a centralized manner, where we negotiate a fixed per member per month (“PMPM”) or capitation allocation, often based on a percentage of the payer’s premium or MLR with the payer. We assume financial responsibility for member healthcare services, which means that, throughout the measurement period, the total actual medical costs are compared to the capitation allocation. At the end of the measurement period, Babylon will receive all or part of any savings, as compared to the capitation allocation, or be responsible for all or part of excess costs above the capitation allocation. We take financial responsibility for costs incurred for physician-based care, referred to as professional risk, and secondary and tertiary facility care, referred to as institutional risk (and together with professional risk, referred to as global risk).

Through member engagement with our services, and while maintaining high clinical quality and excellent member experience, we seek to improve member healthcare while keeping the costs incurred for member healthcare below the capitation amount. Our cost savings are typically driven by improved management of chronic conditions and proactive, preventative care to keep members healthier thereby avoiding unnecessary emergency room visits and hospitalizations. Patients, payers and providers are encouraged to adopt our care pathways. We have acquired independent physician associations comprised of medical group members that have already entered into VBC contracts that utilize their physical networks, and we are transitioning the VBC members to our digital-first framework. As we shift VBC member interactions into our digital-first framework, we believe that our member management capabilities and our members’ health outcomes will improve and our cost of care delivery will decrease.

Each VBC contract is different in terms of structure and pricing due to state regulations, national health systems and payer negotiations. Before entering into a new contract, we analyze internal and external data on a given patient population, including, but not limited to, historical claims, population demographics, utilization and other key performance data. We perform an actuarial analysis and combine this information with inflation and local market adjustments. Because our business is to manage healthcare rather than act as a reinsurer, we also have “stop loss” insurance on all of our VBC contracts that generally is invoked when expenditures on any individual patient exceeds a predefined threshold in any given year. The amounts paid under VBC contracts per at-risk patient can be significantly higher than the fees for services provided under FFS arrangements. Consequently, when costs for providing service are effectively managed, the revenue and profit generation opportunities under VBC contracts are significantly more attractive than under FFS arrangements.

When we enter a contract with a new cohort, there are several substantial pillars to stand up before we can optimize our engagement with members. Commensurate with the number of new members in a specific cohort, we need to ensure that sufficient capacity is established in the virtual network to support new member interactions. There is also a staffing component to this initial infrastructure build-out, where medical professionals, support staff, and local outreach ambassadors need to be vetted, hired, and trained to the elevated standards we hold ourselves to. This process, necessary in any new state we enter, and required to be in place before we can interact with a single member, can take up to several months.

Once this infrastructure is established, we aim to encourage new members to sign-up for the platform, and, if they sign up, we can increase and optimize our engagement with them. The process begins with initial outreach, including marketing (after any required review and approval of materials), community events, and outreach ambassadors, all designed to drive sign-ups to and engagement with our digital platform, which can take up to three months. Following these initial stages, member sign-ups to our platform take place gradually over time. The ultimate goal of this initial engagement push is to schedule and complete a virtual consultation, at which point our team can continue to engage with the member regularly over time and establish ongoing care and high value interactions with our full range of digital care tools or through additional virtual or in-person consultations with licensed medical professionals.

When we convert someone to being a repeat user of our service, it has a meaningful impact on how that person chooses to navigate the healthcare system. For repeat users of our service, evidence indicates that Babylon is quickly becoming their gateway into the healthcare system, which enables us to improve their experience and better control cost of care. In Missouri, for example, we have seen encouraging results where more than half of patients that have completed their first appointment go on to have future appointments.

Understanding this process, and the time and costs associated with setting up new cohorts, is crucial to contextualize our cost of care and margins as we enter new states and sign on new cohorts. 44% of our U.S. VBC Members on December 31, 2022 (as defined in “— *Classification of Our Members — U.S. VBC Members*” below) were new in 2022, with an additional 34,000 members added in the first quarter of 2023, and with our value-based care agreements in Missouri and California having the longest tenure at less than three years.

Clinical Services

We provide access to our digital platform to customers including health plans, enterprises that offer our platform to their employees, and directly to private users. Our clinical services offering is tailored to our customers' needs, but can include access to our full range of digital care tools, including our app-based Digital Health Suite (which may be accessed as a per member per month fee and classified as licensing fee revenue), as well as access to consultations with licensed medical professionals. Our revenue model for clinical services is based on a combination of FFS and capitated fees under a risk-based agreement. Under our FFS arrangements, payers pay a specified amount for each virtual consultation or patient visit. As a result, FFS-based revenue is demand-driven and dependent on volume of virtual consultations or, in some cases, patient visits completed.

Software Licensing

Through our Babylon Cloud Services offering, we can license our digital platform to a broad spectrum of customers, including healthcare providers, payers, self-insured employers, retailers, pharmaceutical manufacturers, and telecommunications companies. Through our licensing activity, we can offer access to a range of digital platform options such as (i) the Symptom Checker and Health Graph tools, for use cases in which care can be de-escalated or referred, as necessary, to in person services; (ii) the entire Digital Health Suite of tools, which focuses on digitizing the front door of providers and payers; and (iii) delivering a bundle which incorporates a combination of the Digital Health Suite with chronic condition management and virtual care services to targeted populations. We believe that software licensing represents an effective way of leveraging our technology platform into customer segments or geographies where we do not currently have commercial operations or a near-term plan to market clinical services or VBC contracts.

Classification of Our Members

Members

We define "Members" as individuals, globally, who are covered by one of our value-based care agreements described under "*Our Go-to-Market Model — Value-Based Care Agreements*" above or other risk-based agreements with a health plan, healthcare provider or a government body (including NHS bodies in England), or who have access to our digital platform through our software license agreements described under "*Our Go-to-Market Model — Software Licensing*" or one of our clinical services offerings described under "*Our Go-to-Market Model — Clinical Services*" above. In some instances, "member" is used only to refer to those registered to use the Babylon app, and in others, it refers to those that are eligible under contract to use the Babylon app, whether or not they have registered to use the Babylon app.

U.S. VBC Members

We define "U.S. VBC Members" as individuals who are covered by one of our VBC contracts with a U.S. health plan or healthcare provider. Under these agreements, we take financial responsibility for all or some of the surpluses or deficits in total actual costs under the agreement compared to our negotiated fixed per member per month, or capitation, allocation. In some of our VBC contracts, our financial responsibility for these surpluses or deficits is deferred until an initial agreed upon period has elapsed.

Global Managed Care Members

We define "Global Managed Care Members" as individuals globally who are covered by one of our value-based care agreements or other risk-based agreements with a health plan, healthcare provider or a government body (including NHS bodies in England), under which we assume partial or full risk for the specified costs of members' healthcare (which may be all-inclusive healthcare costs or more limited professional costs). Under these agreements, we take financial responsibility for all or some of the surpluses or deficits in total actual costs under the agreement compared to our negotiated PMPM or capitation allocation, cost estimate or similar compensation arrangement. Our U.S. VBC Members and Babylon GP at Hand members are both Global Managed Care Members.

Our Global Reach

As of December 31, 2022, our VBC, clinical services and/or software licensing offerings supported patients in 15 countries, as further described below. Since January 2020, we have grown to provide access to our VBC and clinical services offerings in eight states as of December 31, 2022, of which approximately 261 thousand were U.S. VBC

Members. We added approximately 34,000 U.S. VBC Members in the first quarter of 2023, introducing four more states receiving access to our VBC and clinical services offerings.

We offer our members access to affiliated healthcare providers licensed in all 50 states, on a 24/7 basis.

Value-Based Care, Including Babylon 360

The expansion of our VBC offerings in the United States, including our digital-first Babylon 360 solution, is our primary focus for growth on a go-forward basis. We are driving such growth by expanding our existing service with our current health care plan customers into their wider operations and markets, converting more of our U.S. customers to the holistic Babylon 360 solution, and attracting new customers to the Babylon platform.

We offer our Babylon 360 solution to approximately 15,000 Home State Health Medicaid members through a VBC contract. This arrangement is a primary example of our core strategy in the United States — providing digital-first, value-based care at a pre-agreed capitation rate.

We entered into an agreement to support Medicaid members in Georgia and Mississippi, covering approximately 80,000 members as of December 31, 2022. In January 2022, we entered into an additional agreement in Iowa to cover approximately 71,000 members as of December 31, 2022.

We are also focused on moving beyond Medicaid into other payor segments, particularly Commercial deals. In January 2023, Babylon launched a new digital-first Commercial Exchange product with Ambetter, covering approximately 34,000 commercial members across six states. This digital-first deal is our first under the “Gatekeeper” benefit design model, which allows us to act as the gatekeeper for the members’ health services, which we expect to substantially increase our ability to ramp up engagement and impact members’ behavior. We are currently prioritizing other deals with this benefit design model in our commercial pipeline.

We are also participating in the Accountable Care Organization (“ACO”) Realizing Equity, Access, and Community Health (REACH) (“ACO REACH”) Model with CMS by working with an ACO. The financial aspects of the ACO REACH Model are set forth in an agreement between the ACO and CMS which commenced on January 1, 2023. Under our managed care services agreement with the ACO, we provide care management services and our digital-first services to 18,000 Medicare beneficiaries in California in a value-based care arrangement. CMS reserves the right to amend its agreement with the ACO without the consent of the ACO for good cause or as necessary to comply with applicable federal or state law, regulatory requirements, accreditation standards or licensing guidelines or rules. We had previously participated in the Direct Contracting Model with CMS by working with a Direct Contracting Entity. CMS transitioned the Direct Contracting Model into the ACO REACH Model in January 2023.

In addition, we have acquired a number of national payer-sponsored VBC contracts via prior acquisitions. Through our California based independent physician associations, or IPA — Meritage Medical Network — that was acquired by an affiliated professional entity, we offer access to VBC services on a capitation basis for approximately 67,000 U.S. VBC Members, including carrying global risk for Medicare Advantage members, and professional risk for Medi-Cal and commercial VBC members.

Clinical Services

We began delivering on demand urgent care, primary care, and integrated behavioral health services through Babylon’s digital platform in the United States in January 2020, on a licensing and FFS basis to health plans. This business model is consistent with that of our agreement with Bupa in the United Kingdom, as described below. This model has been, and we believe will continue to be, a valuable entry point into delivering our holistic Babylon 360 solution to a broader population base.

Higi

On May 15, 2020, we acquired 10.2% of the fully diluted capital stock of Higi. Through a series of investments, we then increased our shareholdings in Higi to 25.3% on a fully diluted basis. On December 7, 2021, we exercised our option to acquire the remaining equity interest in Higi pursuant to the Higi Acquisition Agreement. The closing of this acquisition occurred on December 31, 2021.

Higi provides digital healthcare services via a network of Smart Health Stations located in the United States, and makes health kiosks found in retail pharmacies and groceries that provide free screenings of blood pressure, weight, pulse and body mass index. Higi has manufactured various models of the Higi station after obtaining marketing authorization from the FDA. It is not a diagnostic device and only furnishes data so that users can consult their personal physician or other healthcare professional. The user can also choose to store or send the data to a personal physician or healthcare professional. The Higi station has received 510(k) clearance from the FDA.

DayToDay

In October 2019, we purchased a majority stake in DayToDay. On November 16, 2021, we acquired the remaining equity stake in DayToDay. DayToDay provides patients targeted education, communication and clinical support from a personal care team before or after clinical visits, hospitalizations, or surgeries through its mobile application and platform. The DayToDay acquisition bolstered our product offering by providing patient management for acute care episodes.

United Kingdom

In the United Kingdom, we deliver our Babylon GP at Hand in England offering, providing primary medical services under a contract with the NHS, and provide clinical services through our agreement with Bupa, a private insurer, as well as through agreements with employers for whom we provide employees access to our clinical services. We provide these services through a mix of FFS and capitation fees.

During the years ended December 31, 2022, 2021, and 2020, 3.7%, 11.1%, and 36.4%, respectively, of our revenue was derived from our business in the United Kingdom.

Babylon GP at Hand

Babylon GP at Hand is part of our clinical services offering. Through this service, we offer primary medical services for patients registered with Babylon GP at Hand or temporarily resident in the area and seeking primary medical care. Our reimbursement model is the same as other GPs in England that hold general medical services contracts and is based on the Carr-Hill formula — a capitation model primarily based on age and gender of the patient. Since it started in 2017, we grew our Babylon GP at Hand offering over fifty times, from 2,000 to over 100,000 members, and from one location to five physical locations. Today, anyone who lives or works within 30 minutes of one of our physical premises, irrespective of age and health, can register with Babylon GP at Hand. We have further improved accessibility of healthcare for our Babylon GP at Hand patients by providing digital consultation within two hours of a registered patient seeking an appointment compared to over a week, the average for an NHS GP appointment. At the same time, Babylon GP at Hand has received an overall “Good” rating from the CQC, the independent regulator of health and social care in England. CQC is responsible for inspecting health and social care providers in England and, based on its inspection, assigns one of four ratings, which are “Inadequate,” “Requires improvement,” “Good” and “Outstanding,” to five domains, including “Safe,” “Well-led,” “Responsive,” “Effective” and “Caring,” and an overall assessment covering all five domains. CQC also assigned an overall “Good” rating to Babylon Healthcare Services Limited, which is sub-contracted to deliver services to Babylon GP at Hand.

Additionally, CQC assigned Babylon Healthcare Services Limited an “Outstanding” rating in the “Well-led” domain, and Babylon GP at Hand has 95% four and five-star ratings from its members.

We employ doctors, nurses, prescribing pharmacists and other specialists in order to deliver this care to our membership. Our work with the NHS has demonstrated conclusive cost savings. The NHS’s own studies have shown that our GP at Hand member base has experienced reduced acute care costs by over 35% compared to a similar population.

Bupa

Bupa is the United Kingdom’s largest private health insurer, used by over two million people alongside the NHS. Bupa’s covered population has access to Babylon’s digital platform, for which we are paid a capitation fee per member. In addition, Bupa members can undertake virtual consultations with our doctors or healthcare professionals, for which we receive a FFS. Following a virtual consultation, if appropriate, we then refer these members into the secondary care system— either with the NHS or through Bupa’s private network. We do not operate any physical premises in order to deliver healthcare to these members.

Bupa is part of our clinical services offering.

Canada

In Canada, we deliver our Babylon Cloud Services offering via a software licensing agreement. We have entered into a seven-year agreement to license our white-labeled digital platform to TELUS Health, allowing TELUS to provide integrated clinical services to members through a TELUS-branded version of the Babylon digital platform.

Rest of the World

In furtherance of our global mission to provide accessible and affordable quality healthcare to everyone on Earth, we are continuing to expand our global reach, beginning in Southeast Asia and Rwanda.

Southeast Asia

In June 2018, we signed an agreement with Prudential, a leading provider of health insurance in Asia, to license our white-labeled digital platform to Prudential members through the Prudential-branded “Pulse” app. Since then, we have configured our digital platform, which is capable of operating in 12 languages in the region, to offer services across 11 countries in Southeast Asia, using 14 epidemiological models.

Rwanda

In Rwanda, we deliver clinical services on a FFS basis. Since commencing operations in Rwanda in 2019, we have scaled rapidly to cover 2.8 million users in Rwanda as of December 31, 2022, providing both physical and telemedicine consultations through our network of local doctors, clinical field workers and other healthcare professionals. Initial funding for this operation was provided in conjunction with the Bill & Melinda Gates Foundation and, following the initial period, the government of Rwanda signed a 10-year agreement with us for the provision of clinical services. While its revenue contribution is relatively small, we see Rwanda as a core part of our mission to deliver affordable and accessible healthcare to all, and in due course we expect to seek to expand our delivery further in Africa.

Sales and Marketing

We generally build our pipeline through a combination of responding to inbound inquiries, outbound sales and marketing efforts, including by email and through our website and social media, and existing customer relationships. While we do not generally participate in request-for-proposal (“RFP”) processes in our go-to-market activities due to our unique offering and competitive position, it is possible that these processes will become more prevalent in the future.

Our marketing strategy is focused on building brand awareness by highlighting our digital-first solution and demonstrating the return on investment we provide for our existing customers. Our business customers include healthcare providers, insurers, governments, and employers that sponsor employee memberships as part of their benefits packages.

Historically, we have relied on a limited number of customers for a substantial portion of our total revenue. For the years ended December 31, 2022, 2021, and 2020, two, three, and four customers, respectively, represented 10% or more of our total revenue. For the years ended December 31, 2022, 2021, and 2020, our top ten customers accounted for 91.2%, 93.1% and 90.0% of our revenue, respectively.

Affiliated Physicians and Healthcare Professionals

The corporate practice of medicine prohibition exists in some form, by statute, regulation, board of medicine or attorney general guidance, or case law, in more than 30 U.S. states, all of which we operate in, though the broad variation between state application and enforcement of the doctrine makes an exact count difficult. Due to the prevalence of the corporate practice of medicine doctrine, including in the states where we predominantly conduct our business, we provide administrative and management services to affiliated professional entities pursuant to which those entities reserve exclusive control and responsibility for all aspects of the practice of medicine and the delivery of medical services. We contract with such physician-owned entities through business support agreements for the provision of back office and administrative support services in exchange for a management fee. We have entered into option agreements or direct share transfer agreements with the owners of such affiliated entities to allow for timely succession planning. We expect that the

relationships with these affiliated practices and their owner-physicians will continue although we cannot guarantee that they will. A material change in our relationship with these physician-owned entities, whether resulting from a dispute among the entities, a change in government regulation, or the loss of these affiliations, could impair our ability to provide services to our consumers and could have a material adverse effect on our business, financial condition and results of operations.

Competition

The healthcare industry and, to a lesser extent, the telemedicine and digital self-care industries in which we operate are highly competitive. We operate in multiple international markets and have demonstrated the ability to provide comprehensive, digital-first, technology-enabled care across the full healthcare value chain. We are not aware of any public company which compares precisely in terms of breadth and scope. Competitors in the market are generally focused on one specific slice of the healthcare spectrum, single chronic condition or a single mode of service (e.g., telemedicine) rather than delivering the entire healthcare needs of a member. These platforms may be technology-enabled, but typically have highly specific physical infrastructure, or are broad-based integrated care solutions that are difficult to scale.

We view as competitors those companies whose primary business is developing and marketing remote healthcare platforms and services and also those engaged in value-based care, such as Agilon health, Amwell, Oak Street Health, One Medical (which was acquired by Amazon in February 2023) and Teladoc. Competition focuses on, among other factors, technology, breadth and depth of functionality, range of associated services, operational experience, customer support, extent of customer base, and reputation. The lack of AI and broader member-centric healthcare technology in the more traditional telehealth companies significantly reduces the actionability of the data collected by the provider and increases the difficulty of robotic process automation. We believe our digital-first approach is unique, enabling our members to easily access the advice, support and treatment they need using digital and online tools, and is fully integrated with our clinical operations and provider networks to provide an end-to-end healthcare solution. Furthermore, in our view, their limited ability to expand the value capture per customer in turn limits their total addressable market and future growth and valuation prospects.

In the health system market, healthcare systems could be considered competitors, but many have chosen to partner with us to integrate our capabilities into their own offerings.

While we do not believe there are currently any direct competitors with global reach that offer the full suite of solutions as we do, and we believe we are well positioned to execute our business model and reinvent healthcare with our digital-first approach, we could face significant competition from traditional health insurance companies in the future. The incumbent healthcare system and health insurance companies are larger than us and have significant competitive advantages over us, including increased name recognition, greater resources, additional access to capital (including utilizing such capital to acquire or partner with other companies or technologies) and a broader array of healthcare offerings than we currently offer. Moreover, as we expand into new lines of business and offer additional products beyond clinical care and self-care, we could face intense competition from traditional healthcare systems and health insurance companies that are already established, some of whom also utilize AI, telehealth, ePharma, virtual care delivery and next generation payer and provider models. We compete with health insurers and large corporations that are making inroads into the digital healthcare industry and that are increasingly focused on the development of digital health technology, often through initiatives and partnerships. These technology companies, which may offer their solutions at lower prices, are continuing to develop additional products and are becoming more sophisticated and effective.

We also compete with new market entrants as well as large communications software players who offer an entry-level priced and simplified offering for telehealth. Competition may also increase from large technology companies, such as Apple, Amazon (which acquired One Medical in February 2023), Facebook, Verizon, or Microsoft, who may wish to develop or expand their own telehealth solutions or partner with our other competitors, as well as from large retailers like Kroger, CVS Health Corporation (which signed a definitive agreement to acquire Oak Street Health in February 2023), Walgreens or Walmart. The surge in interest in telemedicine, in part due to the emergence of COVID-19, and the relaxation of HIPAA privacy and security requirements has also attracted new competition from providers who utilize consumer-grade video conferencing solutions, such as Zoom Video and Twilio.

We believe that the breadth of our existing client ecosystem, the depth of our technology platform, and our business-to-business focus on promoting existing healthcare brands and integrating freely with multiple platforms increases the likelihood that stakeholders seeking to develop telehealth solutions, both within and outside of healthcare, will choose to collaborate with us.

Intellectual Property

The protection of our technology and intellectual property is an important aspect of our business. We intend to rely upon a combination of trademarks, trade secrets, copyrights, confidentiality procedures, contractual commitments, patents and other legal rights to establish and protect our intellectual property. We generally enter into confidentiality agreements and invention of work product assignment agreements (or equivalent contractual arrangements) with our employees and consultants to control access to, and clarify ownership of, our proprietary information.

Our material intellectual property includes (without limitation) core items of our software, such as our Digital Health Suite mobile app and its features, including our AI-enabled products such as the Symptom Checker and Health Assessment (which are also licensed to certain customers to integrate into their own products). Our material intellectual property also includes certain AI technologies underlying the Symptom Checker and Health Assessment products. We rely upon a combination of trade secrets, copyrights, patents and other legal rights to protect these software products and related technologies.

The use of patent protection, with a focus on the United States, is part of our intellectual property strategy. We conduct regular strategic reviews of our pending applications and granted patents to ensure that the scope, size and maintenance costs of the portfolio remain aligned with the direction of our business. As of February 16, 2023, we own 23 granted U.S. utility patents, excluding the patents granted to Higi (as described in the next paragraph), and one granted European patent (validated in the United Kingdom), and have five U.S. utility patent applications pending. These granted patents and applications primarily relate to our AI technologies in the fields of probabilistic reasoning and decision-making and natural language processing for healthcare. Some of these technologies are used in our AI-enabled products such as the Symptom Checker, including its medical reasoning and decision-making and conversational features, to facilitate an improved understanding of our members.

In addition, as of February 16, 2023, Higi owns five granted U.S. utility patents, primarily relating to systems for measuring blood pressure, and five granted U.S. design patents relating to the designs of several components of Higi's health assessment kiosks.

We rely on trademarks to protect the Babylon brand. As of February 9, 2023, we hold 86 foreign registered trademarks and two registered U.S. trademarks (excluding the Higi and DayToDay U.S. trademarks described below), and we have 11 trademark applications pending, three of which are U.S. trademark applications. Our registered trademark portfolio primarily seeks to protect the name BABYLON and our heart logo for relevant goods and services. In addition, as of February 16, 2023, Higi holds four registered U.S. trademarks (including in respect of the name HIGI) and DayToDay holds one registered U.S. trademark (in respect of the name DAYTODAY).

We continually review our development efforts to assess the existence and patentability of new intellectual property. Intellectual property laws, procedures, and restrictions provide only limited protection and any of our intellectual property rights may be challenged, invalidated, circumvented, infringed, or misappropriated. Further, the laws of certain countries do not protect proprietary rights to the same extent as the laws of the United States, and, therefore, in certain jurisdictions, we may be unable to protect our proprietary technology.

Commitment to Environmental, Social and Governance Leadership

Leadership in environmental, social and governance ("ESG") issues is central to our mission of putting accessible, affordable, and quality health services in the hands of everyone on Earth. Having a positive impact on our patients, employees, customers, partners, and the environment, with leadership that is accountable to our stakeholders, is critically important to our business.

We have examined and taken steps to address the ESG risks and opportunities of our operations, products and services. We organize our ESG initiatives into three pillars—the Environmental Pillar, Social Pillar and Governance Pillar—each of which contains focus areas for our attention and action.

Our Environmental Pillar is focused on our commitment to being net zero no later than 2050, doing our part in reversing the deleterious impacts of climate change on the health of our planet and people. As our first step, we are measuring our global Scope 1, 2 and 3 greenhouse gas emissions to set a benchmark. We will then publish our greenhouse emissions data and interim reduction targets. We solidified our net zero commitment by becoming a member of Tech Zero,

a climate action group that is a partner to the United Nations' Race to Zero campaign, established to promote a healthy, resilient, zero carbon recovery.

Our business mission is intrinsically tied to our Social Pillar: making high-quality healthcare accessible and affordable for everyone.

- **Addressing Healthcare Inequalities.** Underpinning our mission is a commitment to addressing inequalities in healthcare faced by those with low incomes and who live in low resource settings. Whether it is partnering with the Rwandan government to help fulfill its pledge to provide universal healthcare access, or offering value-based care to Medicaid recipients, we remove barriers to healthcare by customizing our model and services to meet the unique needs of our members.
- **Talent Attraction, Engagement and Retention.** Our ability to attract a skilled workforce of engineers, mathematicians, scientists and healthcare practitioners, and a diverse workforce reflective of our members, is critical to meeting our mission and achieving results for our members, healthcare partners, shareholders and other stakeholders. Reward at Babylon helps us all share in our collective success and align long-term incentives through bonus and equity awards. We extend our mission to our employees, encouraging healthy lifestyles, emotional and physical well-being and a work-life balance through flexible work arrangements, healthy lifestyle perks, such as free yoga classes and healthy snacks, and health and well-being support from health advocates, mental health first aiders and well-being circles. Our Be Brilliant performance management framework supports at least annual performance reviews and career pathway mapping.
- **Diversity, Equity and Inclusion.** With employees hailing from countries across the world, our diversity is a cornerstone of our culture. Our Diversity, Equity, and Inclusion ("DEI") program is incorporated across organizational departments, levels, and activities. Our Power of Diversity Resource Groups, which include Black Alliance Network, Women in Tech Health, LGBT Allies, and Interfaith, provide support to members and an avenue for groups to advise senior stakeholders on DEI and business direction goals. Each group is given the opportunity to deliver events and educational programs throughout the year. Our corporate holiday calendar and events are inclusive of a range of identities and backgrounds, such as the inclusion of a variety of religious holidays such as Eid al-Fitr, Diwali, Christmas and others.
- **Data Privacy and Cybersecurity.** We know that our success is predicated on members trusting us to responsibly manage their most sensitive data and keep it safe and secure. Our data privacy and information security organizations work with business units from design to delivery, keeping our members in mind at every step. Our information security team is led by our Vice President of Information Security. Our Information Security Management System has achieved ISO 27001 and SOC 2 Type II certification, and we achieved HITRUST certification at the end of 2022. The team's primary focus is securing our platforms through which most of our services are delivered, alongside strengthening our data-centric security approach. Our mindset of "security by design" means that security is considered a quality aspect of our product, embedded in product design from the outset, rather than added as an overlay post-design. Our aim is to create products that are resilient in the face of escalating global cybersecurity threats. Our Data Privacy team is led by our Data Protection Officer. The team helps us to uphold members' right to privacy and control of their data. We seek to provide transparency and visibility into our data collection and use activities, such as product improvement and marketing. We are also mindful of our key stakeholders, who reside around the world, and therefore, we strive to identify and comply with applicable cross-border regulations, such as HIPAA, GDPR/U.K. GDPR, keeping current through horizon scanning and risk register maintenance.

Our Governance Pillar is focused on our commitments to compliance, ethics and enterprise risk management.

- **Ethical Conduct.** We aim to uphold the highest standards of ethical business conduct, integrity and responsibility by having employees strictly adhere to our policies that include our Code of Ethics and Conduct, Global Anti-Bribery and Anti-Corruption Policy, and Corporate Whistleblower Policy. To promote a culture of compliance and ethics, in 2022, we engaged our employees in a Compliance & Ethics Week, which brought meaningful attention, recognition, and reminders that compliance and ethics matters to our organization running effectively, and for the best interests of the patients we serve.

- **Board Oversight of ESG.** Oversight provided by the board of directors and its committees is focused on ESG, cybersecurity, clinical governance, and other key compliance and risk issues. Our Governance, Risk, and Compliance (“GRC”) Framework, overseen by our GRC team, is integral to our compliance and enterprise risk management efforts. A GRC team committee meets quarterly and reports to the audit committee of our board of directors.

All of our actions and each of our ESG pillars are underpinned by our vision to be a leading digital-first, value-based care company where healthcare revolves around the patient.

Regulatory Environment

The healthcare industry and the practice of medicine are governed by an extensive and complex framework of federal and state laws, which continue to evolve and change over time. The costs and resources necessary to comply with these laws are significant. Our profitability depends in part upon our ability, and that of our affiliated providers and independent contractors, to operate in compliance with applicable laws and to maintain all applicable licenses. A review of our operations by regulatory authorities could result in determinations that could adversely affect our operations, or the healthcare legal or regulatory environment could change in ways that restrict or otherwise impact our operations. To the extent that any of our employees or third-party contractors engages in any misconduct or activity in violation of an applicable law, we may be subject to increased liability under the law or increased government scrutiny. If any action is instituted against us, and we are not successful in defending ourselves or asserting our rights, such action could have a significant impact on our business, including the imposition of significant fines or other sanctions. Our operations may be adversely affected or disrupted due to restrictions imposed on third parties. Complying with any new legislation and regulations could be time-intensive and expensive, resulting in a material adverse effect on our business.

As a digital health or a telehealth platform company, our operations are subject to United States federal, state and local and international regulation in the jurisdictions in which we do business. Those laws and rules continue to evolve, and we therefore devote significant resources to monitoring developments in healthcare and medical practice regulation. As the applicable laws and rules change, we are likely to make conforming modifications in our business processes from time to time. In some jurisdictions where we operate, neither our current nor our anticipated business model has been the subject of formal judicial or administrative interpretation. We cannot be certain that a review of our business by courts or regulatory authorities will not result in determinations that could adversely affect our operations or that the healthcare regulatory environment will not change in a way that impacts our operations.

In response to the COVID-19 pandemic, in the United States, state and federal regulatory authorities temporarily loosened or waived certain regulatory requirements in order to increase the availability of telehealth services for the COVID-19 public health emergency. For example, many state governors issued executive orders permitting physicians and other healthcare professionals licensed in other states to practice in their state without any additional licensure or by using a temporary, expedited or abbreviated licensure or registration process. In addition, changes were made to the Medicare and Medicaid programs (through legislative changes, and the exercise of regulatory discretion and authority) to increase access to telehealth services by, among other things, increasing reimbursement, permitting the enrollment of out of state providers and eliminating prior authorization requirements. For example, on November 19, 2021, CMS published a final rule announcing policy changes for Medicare payments under the Physician Fee Schedule that, among other changes, allow certain services to remain on the Medicare telehealth list through December 31, 2023. Moreover, the Consolidated Appropriations Act of 2023 extended many telehealth flexibility waivers through December 31, 2024. It is uncertain how long these COVID-19 related regulatory changes will remain in effect and whether they will continue beyond this public health emergency period.

We believe that a return to the status quo would not have a materially negative impact on any commercial agreements we entered into during the years ended December 31, 2022, 2021, and 2020. Each of these agreements has a defined term and virtually none allow for immediate termination for convenience by the customer in question. For many healthcare companies engaging in telehealth, the most significant potential concern about returning to the status quo is that restrictions on the reimbursement of telehealth visits to Medicare beneficiaries could be reimposed. We do not believe that the visit volume on our platform or visit revenue will materially decrease following a return to the status quo from a regulatory perspective.

Medical Provider Licensing, Practice of Medicine and Related Laws

The delivery of health care services is subject to state, federal, and local certification and licensing laws, regulations, approvals and standards, relating to, among other things, the standard or adequacy of medical care, the practice of medicine (including the provision of remote care), equipment, personnel, operating policies and procedures, and the prerequisites for the prescription of medication and ordering of tests. The application of some of these laws to telehealth is unclear and subject to differing interpretations.

Physicians who provide professional medical services to a patient via telehealth must, in most instances, hold a valid license to practice medicine in the state or local jurisdiction in which the patient is located. We have established systems to confirm our affiliated physicians are appropriately licensed under applicable state or local law and that their provision of telehealth to members is delivered in compliance with applicable rules governing telehealth, although these subjects necessarily depend in some instances on collection of accurate information from patients. Depending on the jurisdiction, failure to comply with these laws and regulations could result in licensure actions against the physicians, our services being found to be non-reimbursable, or prior payments being subject to recoupment, an interruption of the services we deliver, and/or civil, criminal or administrative penalties.

Corporate Practice of Medicine Laws in the United States; Fee Splitting

State corporate practice laws prohibit lay entities (i.e., entities that are not owned by a licensed healthcare professional, like us) from practicing medicine. To comply with the requirements of these prohibitions, we contract with affiliated physician organizations to provide health care services to customers and members. Under these arrangements, our platform is used by the affiliated physician organizations to facilitate the delivery of telehealth services by the affiliated physician organizations and their patients in accordance with the customer and member contracts. Under these arrangements we also provide our affiliated physician organizations with billing, scheduling and a wide range of other administrative and management services, and they pay us for those services via management and other service fees. These arrangements are also subject to state fee splitting and state and federal anti-kickback and similar laws that restrict or define the kinds of financial relationships we can have with our affiliated physician organizations.

State corporate practice of medicine and fee splitting laws and rules vary from state to state, and from federal anti-kickback prohibitions. In addition, these requirements are subject to interpretation and enforcement by state regulators. Some of these requirements may apply to us even if we do not have a physical presence in the state, based solely on our engagement of a provider licensed in the state or the provision of telehealth to a resident of the state. Thus, regulatory authorities or other parties, including our providers, may assert that, despite these arrangements, we are engaged in the prohibited corporate practice of medicine or that our contractual arrangements with affiliated physician groups constitute unlawful fee splitting. In such event, failure to comply could lead to significant adverse judicial or administrative action against us and/or our affiliated providers, civil, criminal or administrative penalties, receipt of cease and desist orders from state regulators, loss of provider licenses, the need to make changes to the terms of engagement of our providers that interfere with our business, and other materially adverse consequences.

Other U.S. Healthcare Laws

The U.S. healthcare industry is heavily regulated and closely scrutinized by federal, state and local governments. Comprehensive statutes and regulations govern the manner in which we provide and bill for services and collect reimbursement from governmental programs and private payers, our contractual relationships with our providers, vendors and customers, our marketing activities and other aspects of our operations. Of particular importance are:

- the federal physician self-referral law, commonly referred to as the Stark Law, that, subject to limited exceptions, prohibits physicians from referring Medicare or Medicaid patients to an entity for the provision of certain “designated health services” if the physician or a member of such physician’s immediate family has a direct or indirect financial relationship (including an ownership interest or a compensation arrangement) with the entity, and prohibit the entity from billing Medicare or Medicaid for such designated health services. The Stark Law is violated if the financial arrangement does not meet an applicable exception, regardless of any intent by the parties to induce or reward referrals or the reasons for the financial relationship and the referral;
- the federal Anti-Kickback Statute that prohibits the knowing and willful offer, payment, solicitation or receipt of any bribe, kickback, rebate or other remuneration (i) in return for referring or to induce the referral of an individual for the furnishing, or arranging for the furnishing, of items or services paid for in whole or in part by any federal health care program, such as Medicare and Medicaid, and (ii) ordering, leasing, purchasing or recommending or arranging for the ordering, purchasing or leasing of items, services, good, or facility paid for in whole or in part by any federal health care program, such as Medicare and Medicaid. A person or entity does not

need to have actual knowledge of the statute or specific intent to violate it to have committed a violation. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;

- the criminal healthcare fraud provisions of HIPAA and related rules that prohibit knowingly and willfully executing a scheme or artifice to defraud any healthcare benefit program or falsifying, concealing or covering up a material fact or making any material false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;
- the federal False Claims Act that imposes civil liability on individuals or entities that, among other things, knowingly submit false or fraudulent claims for payment to the government, or knowingly make, or cause to be made, a false statement in order to have a false claim paid, or retain identified Medicare or Medicaid overpayments and allows for qui tam or whistleblower suits by private individuals on behalf of the government. Moreover, the government may assert that a claim including items and services resulting from a violation of the federal Anti-Kickback Statute or the Stark Law constitutes a false or fraudulent claim for purposes of the False Claims Act;
- various federal healthcare-focused criminal laws that impose criminal liability for intentionally submitting false or fraudulent claims, or making false statements, to the government;
- reassignment of payment rules that prohibit certain types of billing and collection practices in connection with claims payable by the Medicare or Medicaid programs;
- similar state law provisions pertaining to anti-kickback, self-referral and false claims issues, some of which may apply to items or services reimbursed by any payer, including patients and commercial insurers;
- state laws that prohibit general business corporations, such as us, from practicing medicine, controlling physicians' medical decisions or engaging in some practices such as splitting fees with physicians;
- state laws, regulations, interpretative guidance, and policies requiring certain modality and other actions to establish a provider-patient relationship, deliver care, or prescribe medications as part of a telehealth service;
- state laws, regulations and policies relating to licensure and the practice of telehealth services across state lines;
- state laws, regulations, interpretative guidance, and policies regarding the dispensing or delivery of medications and devices;
- state laws, regulations, interpretative guidance, and policies regarding reporting requirements and patient consent, education, and follow-up related to treatment, including treatment and education for certain specific topics, such as, contraception, HIV and other STIs and state reporting for HIV, STIs, and infectious diseases;
- laws that regulate debt collection practices as applied to our debt collection practices;
- a provision of the Social Security Act that imposes penalties on healthcare providers who fail to disclose, or refund known overpayments;
- federal and state laws that prohibit providers from billing and receiving payment from Medicare and Medicaid for services unless the services are medically necessary, adequately and accurately documented, and billed using codes that accurately reflect the type and level of services rendered;
- federal and state laws and policies that require healthcare providers to maintain licensure, certification or accreditation to enroll and participate in the Medicare and Medicaid programs, to report certain changes in their operations to the agencies that administer these programs; and
- with respect to medical devices such as our Higi Smart Health Stations, FDA authority over medical device marketing, including assessment and oversight of safety and effectiveness and over "promotional labeling," and FTC authority over "advertising."

Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws. We have implemented a compliance program to maintain compliance with these laws, however instances of non-compliance may

prove costly. Failure to comply with these laws and other laws can result in civil and criminal penalties such as fines, damages, overpayment, recoupment, imprisonment, loss of enrollment status and exclusion from the Medicare and Medicaid programs. Medicare and Medicaid programs represent a large portion of our revenue in the United States and exclusion from future participation in these programs would significantly reduce our revenue for years to come. The risk of our being found in violation of these laws and regulations is increased by the fact that many of them have not been fully interpreted by the regulatory authorities or the courts, and their provisions are sometimes open to a variety of interpretations. Our failure to accurately anticipate the application of these laws and regulations to our business or any other failure to comply with regulatory requirements could create liability for us and negatively affect our business. Any action against us for violation of these laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management's attention from the operation of our business and result in adverse publicity.

To enforce compliance with the federal laws, the DOJ and the OIG have recently increased their scrutiny of healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Dealing with investigations can be time- and resource-consuming and can divert management's attention from the business. Any such investigation or settlement could increase our costs or otherwise have an adverse effect on our business. In addition, because of the potential for large monetary exposure under the federal False Claims Act, which provides for treble damages and significant penalties per false claim or statement, healthcare providers often resolve allegations without admissions of liability for significant and material amounts to avoid the uncertainty of treble damages that may be awarded in litigation proceedings. Such settlements often contain additional compliance and reporting requirements as part of a consent decree, settlement agreement or corporate integrity agreement. Given the significant size of actual and potential settlements, it is expected that the government will continue to devote substantial resources to investigating healthcare providers' compliance with the healthcare reimbursement rules and fraud and abuse laws.

The laws, regulations and standards governing the provision of healthcare services may change significantly in the future. On June 24, 2022, the U.S. Supreme Court issued its decision in *Dobbs v. Jackson Women's Health Organization*, holding that the Constitution of the United States does not confer a right to obtain an abortion, and overturning both *Roe v. Wade* (1973) and *Planned Parenthood v. Casey* (1992). As a practical matter, the decision will make it difficult or impossible for some pregnant individuals to obtain certain sexual or reproductive health services in a substantial number of U.S. states.

The *Dobbs* decision has triggered widespread legal uncertainty concerning the delivery of reproductive and family planning services. About half of the U.S. states are expected to or already have laws that prohibit or heavily limit abortion services. These state laws largely regulate healthcare providers and patients, although some state laws capture other parties that "aid and abet" the violation of these laws. However, some of these laws are being challenged in state and federal courts on various legal grounds, the U.S. President signed an executive order on July 8, 2022 aimed at protecting abortion rights, and a number of states are following suit by passing legislation to protect patients who seek abortion services.

Our business has been adversely impacted by the *Dobbs* decision because we must now invest, and expect to need to continue to invest, substantial resources to monitor the status of legal developments that may impact our and our clinicians' ability to provide telehealth services related to sexual and reproductive health. If we fail to fully comply with any of these changing laws to the extent that they apply to our business, as a result of ambiguity in the law or otherwise, we may be subject to monetary liabilities, injunctions or other negative consequences. In addition, changes in insurance coverage for sexual and reproductive health services under health plans that we contract with could adversely impact our ability to provide and be paid for such services. We cannot assure you that any new or changed healthcare laws, regulations or standards will not materially adversely affect our business. We cannot assure you that a review of our business by judicial, law enforcement, regulatory or accreditation authorities will not result in a determination that could adversely affect our operations.

Additionally, the healthcare industry is subject to antitrust scrutiny. The federal government and most states have enacted antitrust laws that prohibit certain types of conduct deemed to be anti-competitive. The FTC, the Antitrust Division of the DOJ and state Attorneys General actively review and, in some cases, take enforcement action against business conduct and acquisitions in the healthcare industry. Private parties harmed by alleged anti-competitive conduct can also bring antitrust suits. Violations of antitrust laws may be punishable by substantial penalties, including significant monetary fines and treble damages, civil penalties, criminal sanctions and consent decrees and injunctions prohibiting certain activities or requiring divestiture or discontinuance of business operations. If antitrust enforcement authorities conclude that we violate any antitrust laws, we could be subject to enforcement actions that could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Healthcare Regulation Worldwide

United Kingdom

The regulator of health services at a system level in England is the CQC which is an executive non-departmental public body of the Department of Health and Social Care of the U.K. Any provider of certain regulated healthcare activities in England must be registered with the CQC, and it is an offense for an unregistered person to provide such services. The CQC monitors, inspects and regulates such providers to make sure they meet fundamental standards of quality and safety and it publishes what it finds, including performance ratings to help people choose care including the standards set out in the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 and Quality Commission (Registration) Regulations 2009, each as amended from time to time.

Where a CQC inspection finds deficiencies in the service provision, it will make recommendations for improvement and the CQC generally aims to work in cooperation with healthcare providers to ensure voluntary compliance. However, where this is not possible, the CQC has powers to take enforcement action, including:

- issuing requirement notices or warning notices to set out what improvements a provider must make;
- making changes to a provider's registration to limit what they may do;
- issuing cautions or fines; and/or
- prosecuting cases where people are harmed or placed in danger of harm.

On July 6, 2021, a new Health and Care Bill was published setting out key legislative proposals to reform the delivery and organization of health services in England, promote integrated services, and ensure a focus on improving health rather than simply providing health care services. Several of this Health and Care Bill's proposals have been informed by NHS's recommendations and its purpose is to enable increased sharing and more effective use of data across the health and adult social care system. The proposed legislation contains new powers for the U.K. Secretary of State over the health and care system, and targeted changes to public health, social care, and quality and safety matters. The provisions contained in the Health and Care Bill allow NHS Digital to require information from private health care providers and enable a consistent approach to the use of data supporting improved safety and quality across private and NHS health services. The Health and Care Bill is currently being debated in the U.K. Parliament and if passed in 2022, service providers will need to comply with relevant requirements.

The MHRA regulates the elements of our products which are categorized as medical devices. See “— *Medical Device Regulation — U.K. Medical Device Regulation*” below.

Canada

The healthcare regulatory requirements in Canada apply primarily to individual practitioners rather than at a system level to service providers. Within primary care, the main requirement is that the individual practitioner is in good standing with the relevant provincial professional regulatory body (generally the provincial College of Physicians). As a healthcare services and technology provider, we are not subject to such regulatory oversight.

Rwanda

Our services in Rwanda are regulated by the Rwandan Ministry of Health, both through its overall responsibility for healthcare provision within Rwanda and through contractual mechanisms contained within its contract with us.

Medical Device Regulation

Some of our digital software products are considered medical devices in the United Kingdom and the European Union. Specifically, our Symptom Checker (“Triage”) and our Health Assessment tool (“Healthcheck”) are registered as medical devices with the MHRA and the Irish Health Products Regulatory Authority. Both products are placed on the U.K. and EU market bearing the European Conformity Marking (“CE mark”), indicating conformity to EU medical device legislation; both current products are placed on the market under Council Directive 93/42/EEC (the “EU Medical Devices Directive”). However, neither Triage nor Healthcheck has been independently assessed and certified by a notified body.

Triage and Healthcheck are considered Class I medical devices falling under Rule 12 of Annex IX of the EU Medical Devices Directive. We are seeking EU certification from a notified body for Triage under the EU Medical Devices Regulation (Regulation No. 2017/745).

Our current digital software products are not considered medical devices in other jurisdictions where the products are marketed, including Malaysia, Hong Kong, Singapore, Indonesia, Vietnam, Thailand, Philippines, Taiwan, Cambodia, Laos, Myanmar, Canada and Rwanda. Babylon has confirmed the regulatory position in these jurisdictions with local regulatory experts or regulators.

United States Medical Device Regulation

The FDA has authority to regulate medical devices, which are subject to extensive and rigorous regulation including with respect to their design, development, manufacturing, testing, labeling, packaging, safety, efficacy, premarket review, marketing, sales, distribution, import and export. A “device” is broadly defined under the FDCA to mean an instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, or other similar or related article, including a component part or accessory which is, among other things, intended for use in the diagnosis of diseases or other conditions or in the cure, mitigation, treatment or prevention of disease, or which is intended to affect the structure or function of the body and does not achieve its primary intended purpose through chemical action and is not dependent upon being metabolized for the achievement of such purpose. The FDA considers certain software functions with these intended uses to constitute devices. However, the 21st Century Cures Act amended the FDCA to exclude from the definition of a “device” certain types of software, including software used for administrative support of a healthcare facility; software intended for maintaining or encouraging a healthy lifestyle and unrelated to the diagnosis, cure, mitigation, prevention, or treatment of a disease or condition; certain software intended to transfer, store, convert formats, or display the equivalent of paper medical charts; and software designed for transferring, storing, or displaying medical device data or in vitro diagnostic data; and certain clinical decision support software.

In addition, the FDA has issued guidance establishing certain policies pursuant to which it has indicated it will exercise enforcement discretion and will not apply its regulatory authorities with respect to certain kinds of software that may otherwise fall within the definition of a device. For example, the FDA has established a compliance policy for certain products that may fall within the definition of a device, but that are intended for only “general wellness use” and present a low risk to the safety of users and other persons. The FDA defines a “general wellness use” to be (i) an intended use that relates to maintaining or encouraging a general state of health or a healthy activity, or (ii) an intended use that relates the role of healthy lifestyle with helping to reduce the risk or impact of certain chronic diseases or conditions and where it is well understood and accepted that healthy lifestyle choices may play an important role in health outcomes for the disease or condition. For such low-risk products, the FDA does not intend to examine whether the product constitutes a medical device, and if the product is a medical device, whether the product complies with the premarket review and post-market regulatory requirements of the FDCA. As such, if a medical device falls within the definition of a “low risk general wellness product,” the product may be subject to enforcement discretion under the FDA’s compliance policy for such products, meaning that the FDA will not enforce its medical device authorities with respect to that product. In addition, the FDA has established an enforcement discretion policy for certain mobile medical apps that otherwise fall within the definition of a medical device but do not pose a risk to patient safety in the event of a failure to function as intended.

Medical devices that do not fall within enforcement discretion policies may be subject to the requirement for premarket review by the FDA through either FDA clearance of a 510(k) premarket notification, de novo classification, or approval of a premarket approval application (“PMA”). Under the FDCA, medical devices are classified into one of three classes — Class I, Class II or Class III — depending on the degree of risk associated with each medical device and the extent of manufacturer and regulatory control needed to ensure its safety and effectiveness. Class I includes devices with the lowest risk to the patient and are those for which safety and effectiveness can be assured by adherence to the FDA’s General Controls for medical devices, which include compliance with the applicable portions of the FDA’s Quality System Regulation (“QSR”), facility registration and product listing, reporting of adverse medical events, and truthful and non-misleading labeling, advertising, and promotional materials. Class II devices are subject to the FDA’s general controls, and special controls as deemed necessary by the FDA to ensure the safety and effectiveness of the device. These special controls can include performance standards, post-market surveillance, patient registries, and FDA guidance documents. While most Class I devices are exempt from the 510(k) premarket notification requirement, manufacturers of most Class II devices are required to submit to the FDA a premarket notification under Section 510(k) of the FDCA requesting permission to commercially distribute the device. The FDA’s permission to commercially distribute a device subject to a 510(k) premarket notification is generally known as 510(k) clearance. Devices deemed by the FDA to pose the greatest risks, such as life-sustaining, life-supporting or some implantable devices, or devices that have a new intended use, or use

advanced technology that is not substantially equivalent to that of a legally marketed device, are placed in Class III, requiring approval of a PMA. Manufacturers of medical devices placed into Class III can also request a risk-based classification determination for the device in accordance with the *de novo* process, which is a route to market for novel medical devices that are low-to-moderate risk and do not have an appropriate predicate device. After a device is authorized for marketing, numerous and pervasive regulatory requirements continue to apply. These include:

- establishment registration and device listing with the FDA;
- QSR requirements, which require manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all aspects of the design and manufacturing process;
- labeling and marketing regulations, which require that promotion is truthful, not misleading, fairly balanced and provide adequate directions for use and that all claims are substantiated, and also prohibit the promotion of products for unapproved or “off-label” uses and impose other restrictions on labeling; FDA guidance on off-label dissemination of information and responding to unsolicited requests for information;
- clearance or approval of product modifications to 510(k)-cleared devices that could significantly affect safety or effectiveness or that would constitute a major change in intended use of one of our cleared devices;
- medical device reporting regulations, which require that a manufacturer report to the FDA if a device it markets may have caused or contributed to a death or serious injury, or has malfunctioned and the device or a similar device that it markets would be likely to cause or contribute to a death or serious injury, if the malfunction were to recur;
- correction, removal and recall reporting regulations, which require that manufacturers report to the FDA field corrections and product recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health;
- complying with requirements governing Unique Device Identifiers on devices and also requiring the submission of certain information about each device to the FDA’s Global Unique Device Identification Database;
- the FDA’s recall authority, whereby the agency can order device manufacturers to recall from the market a product that is in violation of governing laws and regulations; and
- post-market surveillance activities and regulations, which apply when deemed by the FDA to be necessary to protect the public health or to provide additional safety and effectiveness data for the device.

Manufacturers of medical device products marketed in the United States are required to comply with the applicable portions of the QSR, which cover the methods and the facilities and controls for the design, manufacture, testing, production, processes, controls, quality assurance, labeling, packaging, distribution, installation and servicing of finished devices intended for human use. The QSR also requires, among other things, maintenance of a device master file, device history file, and complaint files. Device manufacturers are also subject to periodic scheduled or unscheduled inspections by the FDA. The FDA has broad regulatory compliance and enforcement powers.

If the FDA determines that we have failed to comply with applicable regulatory requirements, including a determination that our software products require prior FDA clearance or approval to be legally marketed in the United States, it can take a variety of compliance or enforcement actions, which may result in any of the following sanctions: warning letters, untitled letters, fines, injunctions, consent decrees and civil penalties; recalls, withdrawals, or administrative detention or seizure of our products; operating restrictions or partial suspension or total shutdown of production; refusing or delaying requests for marketing authorization of new products or modified products; withdrawing marketing authorizations that have already been granted; refusal to grant export or import approvals for our products; or criminal prosecution.

Regulation of Medical Devices in the European Union

The EU has adopted specific directives and regulations regulating the design, manufacture, clinical investigation, conformity assessment, labeling and adverse event reporting for medical devices. Until May 25, 2021, medical devices were regulated by the EU Medical Devices Directive which has been repealed and replaced by the EU Medical Devices Regulation. Our products have been certified under the EU Medical Devices Directive whose regime is described below.

However, as of May 26, 2021, some of the EU Medical Devices Regulation requirements apply in place of the corresponding requirements of the EU Medical Devices Directive with regard to registration of economic operators and of devices, post-market surveillance and vigilance requirements. Pursuing marketing of medical devices in the EU will notably require that our devices be certified under the new regime set forth in the EU Medical Devices Regulation when our current certificates expire.

Medical Devices Directive

Under the EU Medical Devices Directive, all medical devices placed on the market in the EU must meet the relevant essential requirements laid down in Annex I to the EU Medical Devices Directive, including the requirement that a medical device must be designed and manufactured in such a way that it will not compromise the clinical condition or safety of patients, or the safety and health of users and others. In addition, the device must achieve the performance intended by the manufacturer and be designed, manufactured, and packaged in a suitable manner. The European Commission has adopted various standards applicable to medical devices. These include standards governing common requirements, such as sterilization and safety of medical electrical equipment and product standards for certain types of medical devices. There are also harmonized standards relating to design and manufacture. While not mandatory, compliance with these standards is viewed as the easiest way to satisfy the essential requirements as a practical matter as it creates a rebuttable presumption that the device satisfies that essential requirement.

To demonstrate compliance with the essential requirements laid down in Annex I to the EU Medical Devices Directive, medical device manufacturers must undergo a conformity assessment procedure, which varies according to the type of medical device and its (risk) classification. As a general rule, demonstration of conformity of medical devices and their manufacturers with the essential requirements must be based, among other things, on the evaluation of clinical data supporting the safety and performance of the products during normal conditions of use. Specifically, a manufacturer must demonstrate that the device achieves its intended performance during normal conditions of use, that the known and foreseeable risks, and any adverse events, are minimized and acceptable when weighed against the benefits of its intended performance, and that any claims made about the performance and safety of the device are supported by suitable evidence. Except for low-risk medical devices (Class I non-sterile, non-measuring devices), where the manufacturer can self-assess the conformity of its products with the essential requirements (except for any parts which relate to sterility or metrology), a conformity assessment procedure requires the intervention of a notified body. Notified bodies are independent organizations designated by EU member states to assess the conformity of devices before being placed on the market. A notified body would typically audit and examine a product's technical dossiers and the manufacturers' quality system (the notified body must presume that quality systems which implement the relevant harmonized standards — which is ISO 13485:2016 for Medical Devices Quality Management Systems — conform to these requirements). If satisfied that the relevant product conforms to the relevant essential requirements, the notified body issues a certificate of conformity, which the manufacturer uses as a basis for its own declaration of conformity. The manufacturer may then apply the CE mark to the device, which allows the device to be placed on the market throughout the EU.

Throughout the term of the certificate of conformity, the manufacturer will be subject to periodic surveillance audits to verify continued compliance with the applicable requirements. In particular, there will be a new audit by the notified body before it will renew the relevant certificate(s).

Medical Devices Regulation

The regulatory landscape related to medical devices in the EU recently evolved. On April 5, 2017, the EU Medical Devices Regulation was adopted with the aim of ensuring better protection of public health and patient safety. The EU Medical Devices Regulation establishes a uniform, transparent, predictable and sustainable regulatory framework across the EU for medical devices and ensure a high level of safety and health while supporting innovation. Unlike the EU Medical Devices Directive, the EU Medical Devices Regulation is directly applicable in EU member states without the need for member states to implement into national law. This aims at increasing harmonization across the EU. The EU Medical Devices Regulation became effective on May 26, 2021. The new Regulation among other things:

- strengthens the rules on placing devices on the market (e.g., reclassification of certain devices and wider scope than the EU Medical Devices Directive) and reinforces surveillance once they are available;
- establishes explicit provisions on manufacturers' responsibilities for the follow-up of the quality, performance and safety of devices placed on the market;
- establishes explicit provisions on importers' and distributors' obligations and responsibilities;

- imposes an obligation to identify a responsible person who is ultimately responsible for all aspects of compliance with the requirements of the new regulation;
- improves the traceability of medical devices throughout the supply chain to the end-user or patient through the introduction of a unique identification number, to increase the ability of manufacturers and regulatory authorities to trace specific devices through the supply chain and to facilitate the prompt and efficient recall of medical devices that have been found to present a safety risk;
- sets up a central database (Eudamed) to provide patients, healthcare professionals and the public with comprehensive information on products available in the EU; and
- strengthens rules for the assessment of certain high-risk devices, such as implants, which may have to undergo a clinical evaluation consultation procedure by experts before they are placed on the market.

Devices lawfully placed on the market pursuant to the EU Medical Devices Directive prior to May 26, 2021 may generally continue to be made available on the market or put into service until May 26, 2025, provided that the requirements of the transitional provisions are fulfilled. In particular, the certificate in question must still be valid. However, even in this case, manufacturers must comply with a number of new or reinforced requirements set forth in the EU Medical Devices Regulation, in particular the obligations described below.

The EU Medical Devices Regulation requires that before placing a device, other than a custom-made device, on the market, manufacturers (as well as other economic operators such as authorized representatives and importers) must register by submitting identification information to the electronic system (Eudamed), unless they have already registered. The information to be submitted by manufacturers (and authorized representatives) also includes the name, address and contact details of the person or persons responsible for regulatory compliance. The new Regulation also requires that before placing a device, other than a custom-made device, on the market, manufacturers must assign a unique identifier to the device and provide it along with other core data to the unique device identifier (“UDI”) database. These new requirements aim at ensuring better identification and traceability of the devices. Each device — and as applicable, each package — will have a UDI composed of two parts: a device identifier (“UDI-DI”) specific to a device, and a production identifier (“UDI-PI”) to identify the unit producing the device. Manufacturers are also notably responsible for entering the necessary data on Eudamed, which includes the UDI database, and for keeping it up to date. The obligations for registration in Eudamed will become applicable at a later date (as Eudamed is not yet fully functional). Until Eudamed is fully functional, the corresponding provisions of the EU Medical Devices Directive continue to apply for the purpose of meeting the obligations laid down in the provisions regarding exchange of information, including, and in particular, information regarding registration of devices and economic operators.

All manufacturers placing medical devices on the market in the EU must comply with the EU medical device vigilance system which has been reinforced by the EU Medical Devices Regulation. Under this system, serious incidents and Field Safety Corrective Actions (“FSCAs”) must be reported to the relevant authorities of the EU member states. These reports will have to be submitted through Eudamed — once functional — and aim to ensure that, in addition to reporting to the relevant authorities of the EU member states, other actors such as the economic operators in the supply chain will also be informed. Until Eudamed is fully functional, the corresponding provisions of the EU Medical Devices Directive continue to apply. A serious incident is defined as any malfunction or deterioration in the characteristics or performance of a device made available on the market, including use-error due to ergonomic features, as well as any inadequacy in the information supplied by the manufacturer and any undesirable side-effect, which, directly or indirectly, might have led or might lead to the death of a patient or user or of other persons or to a temporary or permanent serious deterioration of a patient’s, user’s or other person’s state of health or a serious public health threat. Manufacturers are required to take FSCAs defined as any corrective action for technical or medical reasons to prevent or reduce a risk of a serious incident associated with the use of a medical device that is made available on the market. An FSCA may include the recall, modification, exchange, destruction or retrofitting of the device. FSCAs must be communicated by the manufacturer or its legal representative to its customers and/or to the end users of the device through Field Safety Notices. For similar serious incidents that occur with the same device or device type and for which the root cause has been identified or a FSCA implemented or where the incidents are common and well documented, manufacturers may provide periodic summary reports instead of individual serious incident reports.

The advertising and promotion of medical devices is subject to some general principles set forth in EU legislation. According to the EU Medical Devices Regulation, only devices that are CE-marked may be marketed and advertised in the EU in accordance with their intended purpose. Directive 2006/114/EC concerning misleading and comparative advertising and Directive 2005/29/EC on unfair commercial practices, while not specific to the advertising of medical devices, also

apply to the advertising thereof and contain general rules, for example, requiring that advertisements are evidenced, balanced and not misleading. Specific requirements are defined at a national level. EU member states' laws related to the advertising and promotion of medical devices, which vary between jurisdictions, may limit or restrict the advertising and promotion of products to the general public and may impose limitations on promotional activities with healthcare professionals.

Many EU member states have adopted specific anti-gift statutes that further limit commercial practices for medical devices, in particular vis-à-vis healthcare professionals and organizations. Additionally, there has been a recent trend of increased regulation of payments and transfers of value provided to healthcare professionals or entities and many EU member states have adopted national "Sunshine Acts" which impose reporting and transparency requirements (often on an annual basis), similar to the requirements in the United States, on medical device manufacturers. Certain countries also mandate implementation of commercial compliance programs.

The aforementioned EU rules are generally applicable in the EEA, which consists of the 27 EU Member States plus Norway, Liechtenstein and Iceland.

U.K. Medical Device Regulation

Since January 1, 2021, the MHRA has become the sovereign regulatory authority responsible for Great Britain (i.e., England, Wales and Scotland) medical device market according to the requirements provided in the Medical Devices Regulations 2002 (SI 2002 No 618, as amended) that sought to give effect to the three pre-existing EU directives governing active implantable medical devices, general medical devices and in vitro diagnostic medical devices whereas Northern Ireland continues to be governed by EU rules according to the Northern Ireland Protocol. Following the end of the Brexit transitional period on January 1, 2021, new regulations require medical devices to be registered with the MHRA (but manufacturers were given a grace period of four to 12 months to comply with the new registration process) before being placed on Great Britain market. The MHRA only registers devices where the manufacturer or their U.K. Responsible Person has a registered place of business in the U.K. Manufacturers based outside the U.K. need to appoint a U.K. Responsible Person that has a registered place of business in the U.K. to register devices with the MHRA in line with the grace periods. Additionally, U.K.-based notified bodies, which were designated to independently assess the conformity of certain products requiring CE marking before being placed on the EU market, are now no longer established in the EU, and accordingly, the conformity assessments carried out by such U.K. bodies, including those assessments carried out prior to January 1, 2021, are no longer valid for the EU compliance regime. Manufacturers whose products currently rely on third-party conformity assessments carried out by U.K. notified bodies now require new conformity assessments to be carried out by EU-based notified bodies in order to ensure continuing compliance with the EU regime and to continue to place those products on the EU market. By July 1, 2023, in Great Britain, all medical devices will require a UKCA ("U.K. Conformity Assessed") mark but CE marks issued by EU notified bodies will remain valid until this time. Manufacturers may choose to use the UKCA mark on a voluntary basis until June 30, 2023. However, UKCA marking will not be recognized in the EU. The rules for placing medical devices on the market in Northern Ireland, which is part of the U.K., differ from those in the rest of the U.K. Compliance with this legislation is a prerequisite to be able to affix the UKCA mark to our products, without which they cannot be sold or marketed in Great Britain.

An MHRA public consultation was opened until the end of November 2021 on the post-Brexit regulatory framework for medical devices and diagnostics. MHRA seeks to amend the U.K. Medical Devices Regulations 2002 (which are based on EU legislation, primarily the EU Medical Devices Directive, the EU Active Implantable Medical Devices Directive and the EU In Vitro Diagnostic Medical Devices Directive), in particular to create a new access pathways to support innovation, create an innovative framework for regulating software and artificial intelligence as medical devices, reform in vitro diagnostic medical devices regulation, and foster sustainability through the reuse and remanufacture of medical devices. The regime is expected to come into force in July 2023, coinciding with the end of the acceptance period for EU CE marks in Great Britain, subject to appropriate transitional arrangements. The consultation indicated that the MHRA will publish guidance in relation to the changes to the regulatory framework and may rely more heavily on guidance to add flexibility to the regime.

In addition, the trade deal between the U.K. and the EU generally provides for cooperation and exchange of information between the parties in the areas of product safety and compliance, including market surveillance, enforcement activities and measures, standardization-related activities, exchanges of officials, and coordinated product recalls. As such, processes for compliance and reporting should reflect requirements from regulatory authorities.

Under the terms of the Northern Ireland Protocol, Northern Ireland follows EU rules on medical devices and devices marketed in Northern Ireland require assessment according to the EU regulatory regime. Such assessment may be conducted by an EU notified body, in which case a CE mark is required before placing the device on the market in the EU or Northern Ireland. Alternatively, if a U.K. notified body conducts such assessment, a 'UKNI' mark applied and the device may only be placed on the market in Northern Ireland and not the EU.

ISO 13485

Regulatory requirements are increasingly stringent throughout every step of a product's life cycle, including service and delivery. Increasingly, organizations in the industry are expected to demonstrate their quality management processes and ensure best practice in everything they do. ISO 13485, issued by the International Organization for Standardization, or ("ISO"), is the medical device industry's internationally agreed standard, setting out the requirements for a quality management system specific to the medical devices industry.

Our quality management system, in which our medical devices have been developed, has been independently assessed and certified by a notified body to EN ISO 13485:2016 standard.

DCB 0129/0160 (National Health Service U.K. standards for design and implementation of digital health technologies)

DCB 0129 is the clinical risk management standard with which manufacturers of health IT systems and apps need to comply. The standard is governed by NHS Digital and compliance is mandatory under the U.K. Health and Social Care Act 2012. Digital health technology can introduce as well as mitigate clinical risk. NHS Digital requires that organizations who manufacture health IT systems and apps undertake a formal risk assessment and evidence the measures which have been put in place to mitigate risk. Proactively demonstrating that a product is safe helps to protect from litigation and visibly demonstrates best-practice to customers. To comply with the standard, we undertake a formal risk assessment on the product and produce three documents summarizing the outcome: the Clinical Risk Management Plan, Hazard Log and Clinical Safety Case Report.

International Regulation

We expect over time to continue to expand our operations in foreign countries through growth and acquisitions. In such a case, our international operations will be subject to different, and sometimes more stringent, legal and regulatory requirements, which vary widely by jurisdiction, including anti-corruption laws; economic sanctions laws; various privacy, insurance, tax, tariff and trade laws and regulations; corporate governance, privacy, data protection, data mining, data transfer, labor and employment, intellectual property, consumer protection and investment laws and regulations; discriminatory licensing procedures; required localization of records and funds; and limitations on dividends and repatriation of capital.

Our operations are subject to anti-corruption laws, including the U.K. Bribery Act 2010, or the Bribery Act, the U.S. Foreign Corrupt Practices Act of 1977, as amended, or FCPA, the U.S. domestic bribery statute at 18 U.S.C. §201, the U.S. Travel Act, and other anti-corruption laws and anti-money laundering laws that apply in countries where we do business. The Bribery Act, the FCPA and these other anti-corruption laws generally prohibit us and our employees, agents, representatives, business partners, and third-party intermediaries from authorizing, promising, offering, or providing, directly or indirectly, improper or prohibited payments, or anything else of value, to recipients in the public or private sector in order to obtain or retain business or gain some other business advantage. The expansion of our operations into foreign countries increases our exposure to these anti-corruption, anti-bribery and anti-money laundering laws. We sometimes leverage third parties to sell our products and conduct our business abroad. Under the Bribery Act, we may also be liable for failing to prevent a person associated with us from committing a bribery offense. We, our employees, agents, representatives, business partners and our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and may be held liable for the corrupt or other illegal activities of these employees, agents, representatives, business partners or third-party intermediaries even if we do not explicitly authorize those activities. While we have mechanisms to identify high-risk individuals and entities before contracting with them, we operate in a number of jurisdictions that pose a high risk of potential Bribery Act or FCPA violations. We cannot assure you that all of our employees, agents, representatives, business partners or third-party intermediaries will not take actions that violate applicable law, for which we may be ultimately held responsible. As we increase our international sales and business, our risks under these laws may increase.

We are also subject to other laws and regulations governing our international operations, including regulations administered by the governments of the United Kingdom and the United States, and authorities in the European Union, including applicable export control regulations, economic sanctions and embargoes on certain countries and persons, anti-money laundering laws, import and customs requirements and currency exchange regulations. We may not be completely effective in ensuring our compliance with all such applicable laws, which could result in our being subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses. Likewise, any investigation of any potential violations of such laws by United Kingdom, United States or other authorities could also have an adverse impact on our reputation, our business, results of operations and financial condition.

We and our products in many cases are subject to U.S. import and export controls and trade and economic sanctions regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations, and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control. These laws prohibit the shipment or provision of certain products and solutions to certain countries, governments and persons targeted by U.S. sanctions. Exports of our products and services must be made in compliance with these laws and regulations when applicable. If in the future we are found to be in violation of U.S. sanctions or export control laws, it could result in civil and criminal penalties, including loss of export privileges and substantial fines for us and for the individuals working for us.

In addition, various countries regulate the import and export of certain encryption and other technology, including import and export permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our solution or permit the use of our platform in those countries.

Changes in our solution, or future changes in export and import regulations, may prevent our customers with international operations from deploying our platform globally or, in some cases, prevent the export or import of our solution to certain countries, governments or persons altogether. Any change in export or import regulations, economic sanctions or related legislation or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our platform by, or in our decreased ability to export or sell subscriptions to our platform to, existing or potential customers with international operations. Any decreased use of our platform or limitation on our ability to export or sell our solution would likely adversely affect our business, financial condition and results of operations.

In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which our international operations might be subject or the manner in which existing laws might be administered or interpreted.

Human Capital Management

Babylon was founded with a single purpose: to put an accessible, affordable health service into the hands of every person on Earth, and everything else flows from this: our values, the way we behave, what we expect, and the way we work and interact with each other. Our values drive our behaviors to be compassionate, inclusive, creative, tenacious, positive, and self-starting, and we look for these behaviors in our employees.

Employees

We employed approximately 1,895 people as of December 31, 2022. For the year ended December 31, 2022, our global average headcount was 2,147. For the year ended December 31, 2021 and 2020 our global average headcount was 2,573 and 2,108, respectively. Our global workforce is comprised of approximately 70% full time employees and 30% part time employees. Within the total employee population at Babylon as of December 31, 2022, approximately 35%, 62%, and 3% of our employees worked in the U.S., U.K., or other countries, respectively. None of our employees in the U.S. are represented by unions or party to collective bargaining agreements. We consider our relationship with our employees to be good and have not experienced interruptions to operations due to labor disagreements.

Our profitability and the cost of providing our services are affected by our utilization rates of our employees in our various locations. If we are not able to maintain appropriate utilization rates for our employees involved in the delivery of our services, our profit margin and our profitability may suffer. Our utilization rates are affected by a number of factors, including:

- our ability to promptly transition our employees from completed projects to new assignments and to hire and integrate new employees;

- our ability to forecast demand for our services and thereby maintain an appropriate number of employees in each of our delivery locations;
- our ability to deploy employees with appropriate skills and seniority to projects;
- our ability to manage the attrition of our employees; and
- our need to devote time and resources to training, professional development and other activities that cannot be billed to our customers.

Talent Acquisition and Development

Our ability to attract a skilled workforce of engineers, mathematicians, scientists and healthcare practitioners, and a diverse workforce reflective of our members, is critical to meeting our mission and achieving results for our members, healthcare partners, shareholders and other stakeholders. Reward at Babylon helps us all share in our collective success and align long-term incentives through bonus and stock awards or options. We extend our mission to our employees, encouraging healthy lifestyles, emotional and physical well-being and a work-life balance through flexible work arrangements, healthy lifestyle perks, such as free yoga classes and healthy snacks, and health and well-being support from health advocates, mental health first aiders and well-being circles. Our Be Brilliant performance management framework supports at least annual performance reviews and career pathway mapping.

In addition, our ESG initiatives include diversity, equity and inclusion and ethical conduct as some of our focus areas with regard to talent acquisition and development. See “*Business—Commitment to Environmental, Social and Governance Leadership*”

Data Privacy and Cybersecurity

Numerous state, federal and foreign laws, regulations and standards govern the collection, use, access to, confidentiality and security of health-related and other personal information, and could apply now or in the future to our operations or the operations of our partners. In the United States, numerous federal and state laws and regulations, including data breach notification laws, health information privacy and security laws and consumer protection laws and regulations govern the collection, use, disclosure, and protection of health-related and other personal information. In addition, certain foreign laws govern the privacy and security of personal data, including health-related data. Privacy and security laws, regulations, and other obligations are constantly evolving, may conflict with each other to complicate compliance efforts, and can result in investigations, proceedings, or actions that lead to significant civil and/or criminal penalties and restrictions on data processing.

We know that our success is predicated on members trusting us to responsibly manage their most sensitive data and keep it safe and secure. Our data privacy and information security organizations work with business units from design to delivery, keeping our members in mind at every step. Our information security team and is led by our Vice President of Information Security, who reports directly to our CTO. Our Information Security Management System has achieved ISO 27001 and SOC 2 Type II certification, and we achieved HITRUST certification at the end of 2022. The team’s primary focus is securing our platforms through which most of our services are delivered, alongside strengthening our data-centric security approach. Our mindset of “security by design” means that security is considered a quality aspect of our product, embedded in product design from the outset, rather than added as an overlay post-design. Our aim is to create products that are resilient in the face of escalating global cybersecurity threats. Our Data Privacy team is led by our Data Protection Officer, who ultimately reports to the CFO. The team helps us to uphold members’ right to privacy and control of their data. We seek to provide transparency and visibility into our data collection and use activities, such as product improvement and marketing. We are also mindful of our key stakeholders, who reside around the world, and therefore, we strive to identify and comply with applicable cross-border regulations, such as HIPAA and the GDPR / U.K. GDPR, keeping current through horizon scanning and risk register maintenance.

Additional Information

We were incorporated in the Jersey Channel Islands, Bailiwick on April 11, 2014 with registered number 115471. Our principal executive offices are located at 2500 Bee Cave Road, Building 1 — Suite 400, Austin, Texas 78746, and our telephone number is (512) 967-3787. Our website address is www.babylonhealth.com. The information on, or that can be accessed through, our website is not part of this Annual Report. The SEC also maintains an internet website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Our filings with the SEC are available to the public through the SEC’s website at www.sec.gov.

Forward-Looking Statements

This Annual Report contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events or our future financial or operating performance. When used in this Report, the words “estimates,” “projected,” “expects,” “anticipates,” “forecasts,” “plans,” “intends,” “believes,” “seeks,” “may,” “will,” “should,” “future,” “propose” and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements include, without limitation, information concerning Babylon’s possible or assumed future results of operations, business strategies, debt levels, competitive position, industry environment and potential growth opportunities.

Forward-looking statements involve a number of risks, uncertainties and assumptions, and actual results or events may differ materially from those projected or implied in those statements. Important factors that could cause such differences include, but are not limited to: our future financial and operating results, ability to generate profits, and timeline to profitability for the Company as a whole and in our lines of business; risks associated with our debt financing agreements with AlbaCore; that we may require additional financing and our ability to obtain additional financing on favorable terms, or at all; our ability to execute the sale of the Meritage Medical Network/Independent Physicians Association business (the “IPA Business”), or other strategic alternative, to obtain additional capital to support our business, including the timing and the sale price of any such transaction; the impact of our recently completed reverse share split on the price and trading market of our Class A ordinary shares; uncertainties related to our ability to continue as a going concern over the next twelve months; our ability to realize the expected cost savings from our cost reduction actions; our ability to execute our business plan, which focuses on balancing continued growth with improving our profitability outlook, adequately address competitive challenges, manage our employee base or maintain our corporate culture; competition; our inability to renew contracts with existing customers, contract renewals at lower fee levels, or significant reductions in members, pricing or premiums under our contracts due to factors outside our control; our dependence on our relationships with physician-owned entities; our inability to maintain and expand a network of qualified providers; our inability to increase engagement of individual members or realize the member healthcare cost savings that we expect; the concentration of our revenue on a limited number of customers; the uncertainty and potential inadequacy of our claims liability estimates for medical costs and expenses; risks associated with estimating the amount and timing of revenue recognized under our licensing agreements and value-based care agreements with health plans; risks associated with our physician partners’ failure to accurately, timely and sufficiently document their services; risks associated with inaccurate or unsupportable information regarding risk adjustment scores of members in records and submissions to health plans; risks associated with reduction of reimbursement rates paid by third-party payers or federal or state healthcare programs; risks associated with regulatory proposals directed at containing or lowering the cost of healthcare, including the ACO REACH model; immaturity and volatility of the market for telemedicine and our unproven digital-first approach; our inability to develop and release new solutions and services; our relatively limited operating history; difficulty in hiring and retaining talent to operate our business; dependence on relationships with third parties for growth; our fluctuating quarterly results; risks associated with our international operations, economic uncertainty or downturns; risks associated with expanding our direct sales force and acquiring other businesses; risks associated with our use of open source software; risks associated with catastrophic events and pandemics, including the COVID-19 pandemic; climate change risks; risks relating to increasing attention to and scrutiny of ESG; risks associated with our long and unpredictable sales and implementation cycle; our inability to obtain or maintain insurance licenses or authorizations allowing our participation in risk-sharing arrangements with payers; risks associated with foreign currency exchange rate fluctuations and restrictions; risks associated with evolving laws and government regulations, including tax laws; risks that certain of our software products could become subject to oversight by the United States Food and Drug Administration (the “FDA”); risks associated with medical device regulations applicable to certain of our products and operations; risks associated with our intellectual property and potential claims and legal proceedings; risks associated with information technology, cybersecurity and data privacy; if we fail to comply with the New York Stock Exchange (“NYSE”) continued listing requirements and rules, the NYSE may delist our Class A ordinary shares; risks associated with ownership of our Class A ordinary shares, and operating as a public company; risks associated with our incorporation in Jersey; and other risks and uncertainties described in *Item 1A. Risk Factors* in this Annual Report. Additionally, we may provide information herein that is not necessarily “material” under the federal securities laws for SEC reporting purposes, but that is informed by various ESG standards and frameworks (including standards for the measurement of underlying data), and the interests of various stakeholders. Much of this information is subject to assumptions, estimates or third-party information that is still evolving and subject to change. For example, our disclosures based on any standards may change due to revisions in framework requirements, availability of information, changes in our business or applicable government policies, or other factors, some of which may be beyond our control.

We caution you against placing undue reliance on forward-looking statements, which reflect current beliefs and are based on information currently available as of the date a forward-looking statement is made. In evaluating our forward-looking statements, you should specifically consider the risks and uncertainties described in *Item 1A. Risk Factors* in this Annual Report. Except as required by law, we do not undertake any obligation to update or revise our forward-looking statements, which speak only as of the date on which they are made, to reflect events or circumstances after the date of this Annual Report.

Item 1A. Risk Factors

We operate in a market environment that is difficult to predict and that involves significant risks, many of which are beyond our control. You should consider and read carefully all of the risks and uncertainties described below, as well as other information included in this Annual Report, including our consolidated financial statements and related notes included elsewhere in this Annual Report, before making an investment decision. If any of the events, contingencies, circumstances or conditions described in the following risks actually occur, our business, financial condition or results of operations could be seriously harmed. The risks and uncertainties described below are not the only risks we face. Additional risks and uncertainties not presently known to us or that we do not currently believe are important to an investor, if they materialize, also may adversely affect us.

Summary of Risk Factors

The following is a summary of some of the principal risks we face:

- We have a history of incurring losses and we may not be able to achieve or maintain profitability. We entered into a secured bridge loan notes facility agreement in March 2023 that includes restrictive debt covenants and anticipates that we will complete a sale of our IPA Business or other strategic alternatives to obtain additional capital to support our business. We cannot assure you that we will be able to timely execute a sale of our IPA Business or other strategic alternative, or the timing or sale price of any such transaction. Additional financing may not be available on favorable terms or at all, or could be dilutive to our shareholders or impose additional restrictive debt covenants on our activities;
- Our historical operating results and dependency on further capital raising and/or securing additional loans to fund our operations indicate substantial doubt exists related to our ability to continue as going concern over the next twelve months;
- We may be unable to execute our business plan, which focuses on balancing continued growth with improving our profitability outlook, adequately address competitive challenges, manage our employee base or maintain our corporate culture;
- Our ability to realize the expected cost savings of our cost reduction actions;
- We may face intense competition, which could limit our ability to maintain or expand market share;
- Our existing customers may not continue or renew their contracts with us, or may renew at lower fee levels or decline to license additional applications and services from us, and significant reductions in members, per member per month (PMPM) fees, pricing or premiums under these contracts could occur due to factors outside our control;
- We are dependent on our relationships with physician-owned entities and our business could be harmed if those relationships or our arrangements with our providers or our customers were disrupted;
- Failure to maintain and expand a network of qualified providers could adversely affect our future growth and profitability;
- We may be unable to increase engagement of the individual members that interact with our platform, and even if we are successful in increasing member engagement, if we are unable to realize the member healthcare cost savings that we expect, our future profitability could be adversely affected;
- A significant portion of our revenue comes from a limited number of customers, and the loss of a material contract could adversely affect our business;
- The recognition of a portion of our revenue is subject to realizing healthcare cost savings and achieving quality performance metrics, and may not be representative of revenue for future periods;
- Our claims liability estimates for medical costs and expenses are uncertain and may not be adequate, and adjustments to our estimates may unfavorably impact our financial condition. If our estimates of the amount and timing of revenue recognized under our licensing agreements and value-based care agreements with health plans are materially inaccurate, our revenue recognition could be impacted;

- Our physician partners' failure to accurately, timely and sufficiently document their services could result in nonpayment for services rendered or allegations of fraud. Our records and submissions to a health plan may contain inaccurate or unsupportable information regarding risk adjustment scores of members;
- Reimbursement rates paid by third-party payers or federal, state or foreign healthcare programs may be reduced, and third-party payers or government payers may restrain our ability to obtain or provide services to our members;
- Regulatory proposals directed at containing or lowering the cost of healthcare, including the ACO REACH model, and our participation in such proposed models, could impact our business and results of operations;
- The market for telemedicine is immature and volatile and our digital-first approach is relatively new and unproven;
- We may not be able to develop and release new solutions and services, or successful enhancements, new features and modifications to our existing solutions and services;
- If we are unable to hire and retain talent to operate our business, we may not be able to grow effectively;
- Catastrophic events and man-made problems, and a pandemic, epidemic, or outbreak of an infectious disease, including the COVID-19 pandemic, could adversely affect our business;
- Failure to obtain or maintain insurance licenses or authorizations allowing our participation in risk-sharing arrangements with payers could subject us to significant penalties and adversely impact our operations;
- We operate in a heavily regulated industry, and we are subject to evolving laws and government regulations;
- We may be subject to intellectual property infringement claims, medical liability claims or other litigation or regulatory investigations;
- Certain of our software products could become subject to FDA oversight, and certain of our products and operations are subject to medical device regulations;
- If we fail to comply with the NYSE's continued listing requirements and rules, the NYSE may delist our Class A ordinary shares;
- The trading price of our Class A ordinary shares is volatile, and the value of our Class A ordinary shares may decline;
- Our status as an "emerging growth company" may make our Class A ordinary shares less attractive and affords less protection to our shareholders;
- Our issuance of additional Class A ordinary shares in future financings, acquisitions, or investments, under our stock incentive plans, or otherwise will dilute all other shareholders and could cause the market price of our Class A ordinary shares to drop significantly, even if our business is doing well;
- Some of our management team has limited experience managing a public company, including the new public reporting requirements applicable to us as a U.S. domestic issuer as of January 1, 2023;
- If our remediation of our identified material weaknesses is not effective, or if we fail to develop an effective internal control system, our ability to produce timely and accurate financial statements or comply with applicable laws could be impaired;
- U.S. holders that own 10% or more of our equity interests may be subject to adverse U.S. federal income tax consequences. Our U.S. holders may suffer adverse tax consequences if we are classified as a "passive foreign investment company." The Internal Revenue Service may not agree that we are a non-U.S. corporation for U.S. federal income tax purposes;
- Our shareholder rights and responsibilities are governed by Jersey law, which differs materially from U.S. companies' shareholders rights and responsibilities; and
- The other matters described in the remainder of the *Risk Factors* section below.

Risks Related to Our Business and Operations

We have a history of incurring losses and we may not be able to achieve or maintain profitability. We entered into a secured bridge loan notes facility agreement in March 2023 that includes restrictive debt covenants and anticipates that we will complete a sale of our IPA Business or other strategic alternatives to obtain additional capital to support our business. We cannot assure you that we will be able to timely execute a sale of our IPA Business or other strategic alternative, or the timing or sale price of any such transaction. Additional financing may not be available on favorable terms or at all, or could be dilutive to our shareholders or impose additional restrictive debt covenants on our activities.

We have incurred losses for the period since our inception. We incurred losses for the period of \$221.4 million, \$83.4 million and \$213.0 million for the years ended December 31, 2022, 2021 and 2020, respectively. We had an accumulated deficit of \$836.8 million and \$615.3 million, as of December 31, 2022, and 2021, respectively. To date, we have financed our operations principally from the sale of our equity, revenue from our operations, and debt financings. We had \$310.5 million of indebtedness as of December 31, 2022, consisting of \$200 million of unsecured notes due 2026 (“Existing Notes”) issued to certain affiliates of, or funds managed or controlled by, AlbaCore Capital LLP (“AlbaCore Existing Note Subscribers”) on November 4, 2021, \$100 million of additional Existing Notes that we issued to an additional AlbaCore Existing Note Subscriber on March 31, 2022, and \$10.5 million of accrued interest.

In addition, on March 9, 2023, we and certain affiliates of, or funds managed and/or advised by, AlbaCore Capital LLP (the “AlbaCore Bridge Notes Subscribers”) entered into a bridge loan notes facility agreement (the “Bridge Facility Agreement”) by and among Babylon Holdings Limited (“BHL”), as borrower, Babylon Healthcare Inc., Babylon Partners Ltd., and Babylon Inc., as subsidiary guarantors (the “Subsidiary Guarantors”), and Babylon Group Holdings Limited, a limited company organized under the laws of England, as parent guarantor (the “Parent Guarantor” and, together with the Subsidiary Guarantors, the “Guarantors”), pursuant to which the AlbaCore Bridge Notes Subscribers have agreed to provide BHL with secured debt financing in the form of a senior secured term loan notes facility (the “Bridge Facility”) for an aggregate principal amount of up to \$34.5 million, to be funded in three tranches, subject to the satisfaction of the customary conditions precedent described in the Bridge Facility Agreement. The purpose of the Bridge Facility is to provide us with funding for a period of time that allows us to execute binding bids relating to a successful sale of the IPA Business or other strategic alternatives to fund our business and operations. There is no assurance that the Bridge Facility will provide sufficient funding for a time period that allows us to complete a successful sale of our IPA Business or other strategic alternatives. We cannot assure you that we will be able to timely execute a sale of our IPA Business or other strategic alternatives, or the timing or sale price of any such transaction. Therefore, additional funding may be required.

We are subject to restrictions under the Bridge Facility Agreement with respect to acquiring shares, businesses or material assets, a prohibition on distribution to or dividends to shareholders during the term of the Bridge Facility, incurrence of financial indebtedness, grants of liens and security, extension of credit and guarantees outside the ordinary course of business, some of which are partially disappplied following BHL’s completion of the issuance of equity, subordinated debt (including junior convertible capital) and/or a new incurrence of *pari passu* ranking debt in order to raise net cash proceeds of no less than \$50.0 million, together with any amounts applied in repayment of the Bridge Facility (the “Recapitalization”) or a sales process relating to the sale of the Group, a sale of a strategic minority stake in the group or a sale of material assets or subsidiaries of the Group, in each case, raising net cash proceeds (including the release of any restricted or trapped cash) of no less than \$150.0 million aggregate cash proceeds (the “M&A Process”). In addition, unless the liquidity of the Group is greater than or equal to \$25.0 million, the Group will be subject to certain additional restrictions in relation to the application and use of cash including in relation to the acquisition of shares, businesses and material assets and the repayment or prepayment of certain types of financial indebtedness. The Bridge Facility contains events of default BHL fails to satisfy the milestones in relation to a Recapitalization or the M&A Process described above and other events of default customary for financings of this nature.

As a condition to funding under the Bridge Facility Agreement, we and the AlbaCore Existing Notes Subscribers agreed to certain amendments to the Existing Notes and their operative agreements and the grant of security in favor of the AlbaCore Existing Notes Subscribers by Babylon and the Parent Guarantor only (on a junior basis to the AlbaCore Bridge Notes Subscribers). These amendments will align certain of the covenants of the Existing Notes to the covenants of the Bridge Facility, including a minimum liquidity covenant, a prohibition on distribution to or dividends to shareholders, certain governance undertakings and funding milestones. If we are unable to satisfy the milestones under the Bridge Facility or an event of default occurs under the Existing Notes or the Bridge Facility that we are unable to cure, a material adverse effect our business, financial condition and results of operations could result.

Our cash flow from operations was negative for the years ended December 31, 2022, 2021 and 2020. We may not generate positive cash flow from operations or profitability on the timetable that we expect, and our relatively limited

operating history may make it difficult for you to evaluate our current business and our future prospects. Further, our liquidity may be impacted by regulatory solvency requirements associated with our IPA Business.

Although we implemented nearly \$125 million in annualized cost reductions beginning in 2022, we expect our losses will continue, and we intend to continue to make investments to support our business growth and expect to require additional funds to respond to business challenges. These efforts and investments may prove to be more costly than we anticipate, and if we do not achieve the benefits anticipated from these investments, or if the realization of these benefits is delayed, they may not result in increased revenue or growth in our business to a level to sufficiently offset these expenses. If our growth rate were to decline significantly or become negative, it could adversely affect our financial condition and results of operations.

In addition, in order to achieve these objectives, we may make future commitments of capital resources. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing shareholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our Class A ordinary shares. Any debt financing or refinancing secured by us in the future could involve additional restrictive covenants, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. Our ability to raise additional capital may be adversely impacted by potential worsening global economic conditions and the recent disruptions to and volatility in the credit and financial markets in the United States and worldwide, including the trading price of our Class A ordinary shares. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited.

If we are unable to successfully address these risks and challenges as we encounter them, our business, financial condition and results of operations would be adversely affected. Our failure to raise additional capital or to achieve or maintain profitability could negatively impact the value of our Class A ordinary shares.

Our historical operating results and dependency on further capital raising and/or securing additional loans to fund our operations indicate substantial doubt exists related to our ability to continue as a going concern over the next twelve months.

At December 31, 2022, the Group incurred a loss for the year of \$221 million (2021: loss of \$83.4 million, 2020: loss of \$213.0 million). As of December 31, 2022 the Group had a net liability position of \$255.9 million (2021: \$161.4 million). At December 31, 2022, the Group had cash and cash equivalents of \$104.5 million (2021: \$262.6 million) including \$61.0 million of cash and cash equivalents held for sale. The Group has financed its operations principally through issuances of debt and equity securities and has a strong record of fundraising, including the closing of the Merger and PIPE Transaction (as defined below) on October 21, 2021 receiving proceeds of \$229.3 million (Note 3 of the consolidated financial statements), entering into a note subscription agreement for \$200.0 million on October 8, 2021 (Note 17 of the consolidated financial statements), entering an additional unsecured note on March 31, 2022 for \$100.0 million (Note 17 of the consolidated financial statements), and entering into subscription agreements with several investors for a private placement of our Class A ordinary shares for \$80.0 million (Note 19 of the consolidated financial statements). The Group's ability to continue as a going concern is dependent upon its ability to raise additional capital, which is necessary to fund its working capital requirements and ultimately achieve profitable operations.

Management performed a going concern assessment for a period of twelve months from the date of approval of the consolidated financial statements included in this Annual Report to assess whether conditions exist that raise substantial doubt regarding the Group's ability to continue as a going concern. On March 9, 2023 we entered into a committed working capital facility (the "Bridge Facility") for an aggregate principal amount of up to \$34.5 million (Note 25 of the consolidated financial statements) with certain affiliates of our existing counterparty for our note subscription agreement (Note 17 of the consolidated financial statements). The purpose of this facility is to provide us with funding for a period of time that allows us to execute binding bids relating to a successful sale of our Meritage Medical Network/Independent Physicians Association Business (referred to as "IPA Business" or "IPA reporting unit" throughout our consolidated financial statements; Note 5 of the consolidated financial statements) or other strategic alternatives which would provide us with sufficient liquidity to fund our liabilities as they become due through March 31, 2024.

While there is no assurance that the facility will provide us with funding for a time period that allows us to execute binding bids relating to a successful sale of our IPA Business or other strategic alternatives, management believes it remains appropriate to prepare our financial statements on a going concern basis.

However, the above indicates that there are material uncertainties (ability to raise further capital through the successful execution of our planned sale of the IPA Business or other strategic alternatives) related to these potential events and there is substantial doubt about the Group's ability to continue as a going concern within one year after the date the financial statements have been issued.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

If we are unable to execute our business plan, which focuses on balancing continued growth with improving our profitability outlook, adequately address competitive challenges, manage our employee base or maintain our corporate culture, our business, financial condition and results of operations would be harmed.

Since launching our first product in 2015, we have experienced rapid growth and we expect to continue to expand some of our operations. For example, our headcount has grown from 789 as of December 31, 2018 to 1,895 as of December 31, 2022. This expansion increases the complexity of our business and places significant strain on our management, personnel, operations, systems, technical performance, financial resources, and internal financial control and reporting functions. However, our current business plan focuses on balancing continued growth with improving our profitability outlook. Since 2022, we have implemented measures to improve capital discipline, including our execution of nearly \$125 million in annualized cost reductions. We may not fully realize the expected benefits of these cost reduction actions. In addition, we may not be able to manage continued growth and our plans for profitability effectively, which could damage our reputation, limit our growth and negatively affect our operating results.

The growth and expansion of our business creates significant challenges for our management, operational and financial infrastructure. In the event of continued growth of our operations or in the number of our third-party relationships, our information technology systems and our internal controls and procedures may not be adequate to support our operations. To effectively manage our growth, we must continue to improve our operational, financial and management processes and systems and to effectively expand, train and manage our employee base, all of which place significant demands on our management. As our organization continues to grow and we are required to implement more complex organizational management structures, we may find it increasingly difficult to maintain the benefits of our corporate culture, including our ability to quickly develop and launch new and innovative solutions. This could negatively affect our business performance.

To attract top talent, we have had to offer, and believe we will need to continue to offer, highly competitive compensation packages before we can validate the productivity of those employees. In addition, fluctuations in the price of our Class A ordinary shares may make it more difficult or costly to use equity compensation to motivate, incentivize and retain our employees. We face significant competition for talent from other healthcare, technology and high-growth companies, which include both large enterprises and privately-held companies. If we fail to effectively manage our hiring needs, successfully integrate our new hires and retain our talent, our efficiency and ability to meet our forecasts and our employee morale and productivity could suffer, and our business, financial condition and results of operations could be adversely affected.

Additionally, if we do not effectively manage the growth of our business and operations, the quality of our solutions could suffer, which could negatively affect our results of operations and overall business. Further, we have made changes in the past, and will likely make changes in the future, to our solutions that our customers or members may not like, find useful or agree with. We may also decide to discontinue certain features, solutions or services or increase fees for any of our features or services. If customers or members are unhappy with these changes, they may decrease their usage of our solutions.

We may not grow at the rates we historically have achieved or at all, even if our key metrics may indicate growth, which could have a material adverse effect on the market price of our Class A ordinary shares.

We have experienced significant revenue growth in recent years. For example, our revenue for the year ended December 31, 2022 represented a 245.9% increase compared to our 2021 revenue. However, our future revenues may not grow at the same rates or may decline. Our future revenue growth will depend, in part, on our ability to grow our revenue from existing customers, complete sales to potential future customers, expand our member bases and increase engagement with our members, profitability of current or new contracts, develop new products and services and expand internationally.

We can provide no assurance that we will be successful in executing our growth strategies or that, even if our key metrics would indicate future growth, we will continue to grow our revenue or when we will generate net income. Our value-based care business is a priority focus area for our growth, and presents numerous risks. For example, see the discussion of value-based care and value-based care agreements in the risk factors, “If our existing customers do not continue or renew their contracts with us, renew at lower fee levels or decline to license additional applications and services from us, or if significant reductions in members, PMPM fees, pricing or premiums under these contracts occur due to factors outside our control,” “If we are unable to increase engagement of the individual members that interact with our platform, or, even if we are successful in increasing member engagement, are unable to realize the member healthcare cost savings that we expect, our future profitability could be adversely affected,” “The recognition of a portion of our revenue is subject to realizing healthcare cost savings and achieving quality performance metrics, and may not be representative of revenue for future periods,” “Our claims liability estimates for medical costs and expenses are subject to uncertainty and may not be adequate, and any adjustments to our estimates may unfavorably impact, potentially in a material way, our reported results of operations and financial condition,” and “There are significant risks associated with estimating the amount and timing of revenue that we recognize under our licensing agreements and value-based care agreements with health plans, and if our estimates of revenue are materially inaccurate, it could impact the timing and the amount of our revenue recognition or have a material adverse effect on our business, financial condition, results of operations and cash flows” below.

Our ability to execute on our existing sales pipeline, create additional sales pipelines, expand our customer base and improve our contract profitability depends on, among other things, the attractiveness of our solution relative to our competitors’ offerings, our ability to demonstrate the value of our existing and future solutions, and our ability to attract and retain a sufficient number of qualified sales and marketing leaders and support personnel. In addition, our existing customers and members may be slower to adopt our services than we currently anticipate, which could adversely affect our results of operations and growth prospects.

We may face intense competition, which could limit our ability to maintain or expand market share within our industry. If we do not maintain or expand our market share, our business and operating results will be harmed.

The healthcare industry and, to a lesser extent, the telemedicine and digital self-care industries in which we operate are highly competitive. We currently face competition from a range of companies, and view as competitors those companies whose primary business is developing and marketing telemedicine platforms and services. Competition focuses on, among other factors, technology, breadth and depth of functionality, range of associated services, pricing and other terms and conditions, operational experience, customer support, extent of customer base, reputation, relationships with public and private health insurance providers, size and financial strength ratings. We believe the market for our offerings is underpenetrated, competitive, and characterized by rapidly evolving technology standards, customer and member needs, and the frequent introduction of new products and services. While our market is in an early stage of development, it is evolving rapidly and becoming increasingly competitive, and we expect it to attract increased competition.

Our competitors include companies whose primary business is developing and marketing remote healthcare platforms and services and also those engaged in value-based care, such as Agilon Health, Amwell, Oak Street Health, One Medical (which was acquired by Amazon in February 2023) and Teladoc. We also compete with health insurers and large corporations that are making inroads into the digital healthcare industry and that are increasingly focused on the development of digital health technology, often through initiatives and partnerships. These technology companies, which may offer their solutions at lower prices, are continuing to develop additional products and are becoming more sophisticated and effective. Competition may also increase from large technology companies, such as Apple, Amazon (which acquired One Medical in February 2023), Facebook, Verizon, or Microsoft, who may wish to develop or expand their own telehealth solutions or partner with our other competitors, as well as from large retailers like Kroger, CVS Health Corporation (which signed a definitive agreement to acquire Oak Street Health in February 2023), Walgreens or Walmart. The surge in interest in telemedicine, in part due to the emergence of COVID-19, and the relaxation of HIPAA privacy and security requirements has also attracted new competition from providers who utilize consumer-grade video conferencing solutions, such as Zoom Video and Twilio.

In addition, large, well-financed healthcare providers and insurance carriers have, in some cases, developed their own platform or tools and may provide these solutions to their customers at discounted prices. Moreover, as we expand into new lines of business and offer additional products beyond clinical care and self-care, we could face intense competition from traditional healthcare systems and health insurance companies that are already established, some of whom also utilize AI, telehealth, ePharma, virtual care delivery and next generation payer and provider models.

Our ability to compete effectively depends on our ability to distinguish our company and our solution from our competitors and their products, and includes factors such as:

- long-term outcomes;
- ease of use and convenience;
- price;
- greater name and brand recognition;
- longer operating histories;
- greater market penetration;
- larger and more established customer and channel partner relationships;
- larger sales forces and more established products and networks;
- larger marketing budgets;
- access to significantly greater financial, human, technical and other resources;
- breadth, depth, and efficacy of offerings;
- quality and reliability of solutions; and
- employer, healthcare provider, government agency and insurance carrier acceptance.

Some of our competitors may have greater name and brand recognition, longer operating histories, and significantly greater resources than we do and may be able to offer solutions similar to ours at more attractive prices than we can. Further, our current or potential competitors may be acquired by third parties with greater available resources. As a result, our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements and may have the ability to initiate or withstand substantial price competition. In addition, our current and potential competitors have established, and may in the future establish, cooperative relationships with vendors of complementary products, technologies or services to increase the availability of their solutions in the marketplace.

Our partners include healthcare payers, healthcare providers, governments and health systems, pharmaceutical companies and retailers, and technology and content providers, and our business customers include healthcare providers, insurers, governments, and employers that sponsor employee memberships as part of their benefits packages. Our partners and customers could become our competitors by offering similar services. Some of our partners may begin to offer services in the same or similar manner as we do. Although there are many potential opportunities for, and applications of, these services, our partners may seek opportunities or target new customers in areas that may overlap with those that we have chosen to pursue. In such cases, we may potentially compete against our partners. Competition from our partners may adversely affect our relationships with our partners and our business. In addition, some of the terms of our partner relationships include exclusivity or other restrictive clauses that limit our ability to partner with or provide services to potential other customers or third parties, which could harm our business. We may in the future enter into agreements with customers that restrict our ability to accept assignments from, or render similar services to, those customers' customers, require us to obtain our customers' prior written consent to provide services to their customers or restrict our ability to compete with our customers, or bid for or accept any assignment for which those customers are bidding or negotiating. These restrictions may hamper our ability to compete for and provide services to other customers in a specific industry in which we have expertise and could materially adversely affect our business, financial condition and results of operations.

New competitors or alliances may emerge that have greater market share, a larger customer base, more widely adopted proprietary technologies, greater marketing expertise, greater financial resources and larger sales forces than we have, which could put us at a competitive disadvantage. Our competitors could also be better positioned to serve certain segments of our market, which could create additional price pressure. In light of these factors, current or potential customers may accept competitive solutions in lieu of purchasing our solution. If we are unable to successfully compete, our business, financial condition and results of operations could be adversely affected.

If our existing customers do not continue or renew their contracts with us, renew at lower fee levels or decline to license additional applications and services from us, or if significant reductions in members, PMPM fees, pricing or premiums

under these contracts occur due to factors outside our control, it could have a material adverse effect on our business, financial condition and results of operations.

We expect to derive a significant portion of our revenue from renewal of existing customer contracts and sales of additional applications and services to existing customers.

Customer renewals may decline or fluctuate as a result of a number of factors, including the breadth of early deployment of our solution, changes in customers' business models and use cases, our customers' satisfaction or dissatisfaction with our solution, our pricing or pricing structure, the pricing or capabilities of products or services offered by our competitors, our or the ability of our customers to meet ongoing capital requirements and to continue as a going concern or the effects of economic conditions. If our customers do not renew their agreements with us, or renew on terms less favorable to us, our revenue may decline. If our customers are dissatisfied with our products, including, for example, because members do not engage with our solutions or believe that we or they may not be able to continue as a going concern, our customers may terminate or decline renewal of their contracts. In particular, our customers are often motivated to partner with us because they believe that members' use of our solutions will decrease our customers' spending levels. If we are not successful in engaging members through our platform and services, we may not meet our customers' expectations. If we fail to satisfy our existing customers, they may not renew their contracts, which could adversely affect our business and operating results.

As part of our growth strategy, we have recently focused on expanding our services amongst current customers and our contract profitability. As a result, selling additional applications and services and new contract profitability are critical to our future business, revenue growth and results of operations. Factors that may affect our ability to sell additional applications and services and acquire profitable contracts include, but are not limited to, the following:

- the price, performance and functionality of our solutions;
- the availability, price, performance and functionality of competing solutions;
- our ability to develop and sell complementary applications and services;
- the stability, performance and security of our hosting infrastructure and hosting services;
- changes in healthcare and telemedicine laws, regulations or trends; and
- the business environment of our customers and, in particular, headcount reductions by our customers.

We mainly enter into three types of contracts with our customers: value-based care, fee-for-service, and licensing.

Under our value-based care agreements with health plans, we manage the healthcare needs of our members in a centralized manner, where we negotiate a fixed per member per month ("PMPM") allocation, also referred to as a capitation allocation, often based on a percentage of the payer's premium or medical loss ratio ("MLR") with the payer. We assume financial responsibility for member healthcare services, which means that, throughout the measurement period, the total actual medical costs are compared to the capitation allocation. At the end of the measurement period, we will either be responsible for all or part of excess costs above the capitation allocation, or will receive all or part of any savings, as compared to the capitation allocation. In some of our newer value-based care agreements, our financial responsibility for these surpluses or deficits relative to the capitation allocation is deferred until an initial agreed upon period has elapsed.

Under our fee-for-service agreements, we get paid by our customers based on the number of services members use through our platform and/or based on the number of members who can use our platform (i.e., eligible populations). Under our licensing agreements, we license our technology to third parties for them to make our technology available in certain territories and/or on their platforms. Our fee-for-service contracts generally have initial terms of one to two years and our licensing and risk-based contracts generally have initial terms of two to ten years. Most of our customers have no obligation to renew their contracts after the initial term expires. In addition, our customers may negotiate terms less advantageous to us upon renewal, which may reduce our revenue from these customers. Our future results of operations also depend, in part, on our ability to expand our service and product offering. If our customers fail to renew their contracts, renew their contracts upon less favorable terms or at lower fee levels, or fail to license new products and services from us, our revenue may decline, or our future revenue growth may be constrained.

In addition, after the initial contract term, some of our customer contracts allow customers to terminate such agreements for convenience at certain times, typically with one to three months advance notice. We typically incur the

expenses associated with integrating a customer's data into our healthcare database and related training and support prior to recognizing meaningful revenue from such a customer. Software licensing revenue is not recognized until our products are implemented for launch, which is generally a few months after contract signing. If a customer terminates its contract early and revenue and cash flows expected from a customer are not realized in the time period expected or not realized at all, our business, financial condition and results of operations could be adversely affected.

Under value-based care and fee-for-service agreements that compensate us on a per member basis, a significant reduction in members, PMPM fees, pricing or premiums could adversely affect our business, financial condition and results of operations. Many factors that could cause such reductions are outside of our control; for example, members may cease to be eligible for or disenroll from the health plan offered by a customer that is a healthcare provider, insurer, government, or employer that sponsors employee memberships as part of its benefits package due to relocation, death, loss of a network provider, or redeterminations under a government program. In addition, if member eligibility changes within a short period of time, we may be unable to increase engagement of the affected members, or manage their medical conditions and related healthcare costs more effectively.

In the United States and for elements of our business in the U.K., we are dependent on our relationships with physician-owned entities to hold contracts and provide healthcare services. We do not own such professional entities, and our business could be harmed if those relationships were disrupted or if our arrangements with our providers or our customers are found to violate state laws prohibiting the corporate practice of medicine or fee-splitting.

There is a risk that authorities in some jurisdictions may find that our contractual relationships with the physician-owned professional entities violate the corporate practice of medicine or fee-splitting laws or similar or equivalent rules in the relevant jurisdiction. These laws generally prohibit the practice of medicine by, or sharing of professional fees with, lay persons or entities and are intended to prevent unlicensed persons or entities from interfering with or inappropriately influencing a clinician's professional judgment. The extent to which each state considers particular actions or contractual relationships to constitute improper influence of professional judgment or fee-splitting varies across the states and is subject to change and to evolving interpretations by state boards of medicine, state courts and state attorneys general, among others. As such, we must monitor our compliance with laws in every jurisdiction in which we operate on an ongoing basis and we cannot guarantee that subsequent interpretation of the corporate practice of medicine or fee-splitting laws will not circumscribe our business operations. The enforcement of state corporate practice of medicine doctrines or fee-splitting laws may result in the imposition of penalties, including but not limited to, penalties on the physicians themselves for aiding the corporate practice of medicine, which could discourage physicians from participating in our network of providers.

The corporate practice of medicine prohibition exists in some form, by statute, regulation, board of medicine or attorney general guidance, or case law, in more than 30 states in the U.S. The broad variation between state application and enforcement of the corporate practice of medicine doctrine makes an exact count of states that follow this doctrine difficult. We plan to conduct business in all of these states. Due to the prevalence of the corporate practice of medicine doctrine, including in the states where we predominantly conduct our business, we provide administrative and management services to certain physician-owned professional entities pursuant to agreements under which those entities reserve exclusive control and responsibility for all aspects of the practice of medicine and the delivery of medical services. We contract with the vast majority of such physician-owned entities through business support agreements and direct transfer agreements for the provision of health care services, the receipt of fees, and physician-owner succession planning purposes. For professional entities with which we contract but with respect to which we have not implemented a direct share transfer agreement, we implement other measures (e.g., option agreements) for similar succession planning purposes. For further discussion of this structure, see "Business — Sales and Marketing — Affiliated Physicians and Healthcare Professionals." While we expect that these relationships will continue, we cannot guarantee that they will. A material change in our relationship with these physician-owned entities, whether resulting from a dispute among the entities, a change in government regulation, or the loss of these affiliations, could impair our ability to provide services to our customers and consumers and could have a material adverse effect on our business, financial condition and results of operations.

In addition, the arrangements in which we have entered to comply with state corporate practice of medicine doctrines could subject us to additional scrutiny by federal and state regulatory bodies, including with respect to federal and state fraud and abuse laws and by other regulatory authorities in the relevant jurisdictions. We believe that our operations comply with applicable state statutes and regulations regarding corporate practice of medicine, fee-splitting, and anti-kickback prohibitions. However, any scrutiny, investigation, or litigation with regard to our arrangement with physician-owned entities could have a material adverse effect on our business, financial condition and results of operations,

particularly if we are unable to restructure our operations and arrangements to comply with applicable laws or we are required to restructure at a significant cost, or if we were subject to penalties or other adverse action.

Our telemedicine business and growth strategy depend on our ability to maintain and expand a network of qualified providers. If we are unable to do so, our future growth would be limited and our business, financial condition and results of operations would be harmed.

Our success is dependent upon our continued ability to maintain an adequate network of qualified telemedicine providers. Our inability to recruit and retain board-certified physicians and other healthcare professionals would have a material adverse effect on our business and ability to grow and would adversely affect our results of operations. In any particular market, providers could demand higher payments or take other actions that could result in higher medical costs, less attractive service for our customers, negative publicity, or difficulty meeting applicable regulatory or accreditation requirements. Our ability to develop and maintain satisfactory relationships with providers also may be negatively impacted by other factors not associated with us, such as changes in Medicare and/or Medicaid reimbursement levels and consolidation activity among hospitals, physician groups and healthcare providers, the continued private equity investment in physician practice management platforms and other market and operating pressures on healthcare providers. In the United Kingdom, reports of pressures in primary medical services began to emerge during the COVID-19 pandemic. Following a period of cessation of some services in the National Health Service (the “NHS”), as services resume, there is likely to be additional demand for services caused by delayed appointments, presentations and investigations. The demand for appropriately qualified individuals to enable us to deliver services is also likely to increase, and similar trends in the demand for, and constrained supply of, appropriately qualified medical professionals may also be experienced in the United States.

The failure to maintain or to secure new cost-effective provider contracts in the United States and to recruit qualified individuals in the United Kingdom may result in a loss of or inability to grow our membership base, higher costs, healthcare provider network disruptions, less attractive service for our customers, negative publicity, and/or difficulty in meeting applicable regulatory requirements, any of which could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to increase engagement of the individual members that interact with our platform, or, even if we are successful in increasing member engagement, are unable to realize the member healthcare cost savings that we expect, our future profitability could be adversely affected.

Our digital-first approach requires that our individual members interact with our platform at meaningful levels of engagement. Our ability to increase engagement of the individual members that interact with our platform will affect our future revenue growth; however, the effect that member engagement has on profitability depends on the type of agreement pursuant to which members engage with our platform and the nature and cost of the healthcare services that a member requires. For example, under our fee-for-service agreements, we get paid by our customers based on the number of services members use through our platform and/or based on the number of members who can use our platform (i.e., eligible populations). Therefore, the profitability of our fee-for-service agreements depends in part on our ability to increase engagement with members so that they will use additional services.

Under our value-based care agreements with health plans, we manage the healthcare needs of our members in a centralized manner, where we negotiate a PMPM or capitation allocation and assume financial responsibility for member healthcare services. This means that, throughout the measurement period, the total actual medical costs are compared to the capitation allocation and at the end of the measurement period, we will either be responsible for all or part of excess costs above the capitation allocation, or will receive all or part of any savings, as compared to the capitation allocation. In some of our newer value-based care agreements, which we also refer to as VBC contracts, our financial responsibility for these surpluses or deficits relative to the capitation allocation is deferred until an initial agreed upon period has elapsed. The financial responsibility of caring for members that we assume under the terms of the contract applies whether those members use our services or not.

The amounts paid under VBC contracts per at-risk patient can be significantly higher than the fees for services provided under FFS arrangements. Consequently, when costs for providing service are effectively managed, the revenue and profit generation opportunities under VBC contracts are significantly more attractive than under FFS arrangements. We expect increased engagement of our value-based care members to enhance contract profitability by reducing total actual medical costs through, among other factors, lower cost Babylon healthcare services replacing higher cost non-Babylon healthcare services. However, increasing engagement with members under our VBC contracts requires a substantial

investment of time, and we cannot assure that members will sign up to use our digital tools or services instead of those of other providers. Accordingly, we may not be successful in establishing ongoing care and high value interactions with our full range of digital care tools or through virtual or in-person consultations with licensed medical professionals.

Although we actively encourage member engagement, we cannot directly control whether and to what extent certain patient populations will use our technology or clinical services. Therefore, if members do not use our solutions and seek medical care from alternate sources, we may be unable to control all of the costs and we may be contractually obligated to pay at least a portion of these unknown expenses, which could adversely affect our business and operating results. Additionally, even if we are successful in engaging members and those members use our services, we may not be able to reduce the costs of healthcare in the ways that we are expecting and healthcare costs may be higher than we are anticipating. If healthcare costs are higher than we are anticipating, this could adversely affect our business and operating results.

A significant portion of our revenue comes from a limited number of customers, and the loss of a material contract could have a material adverse effect on our business, financial condition and results of operations.

Historically, we have relied on a limited number of customers for a substantial portion of our total revenue. For the years ended December 31, 2022, 2021 and 2020, two, three, and four customers, respectively, represented 10% or more of our total revenue. For the years ended December 31, 2022, 2021, and 2020, our top ten customers accounted for 91.2%, 93.1% and 90.0% of our revenue, respectively. See “Note 8. Segment Information, — Major Customers” to our consolidated financial statements included in this Annual Report for additional discussion of our major customers.

We also rely on our reputation and recommendations from key customers in order to promote our solution to potential new customers. The loss of any of our key customers, or a failure of some of them to renew or expand their agreements, could have a significant impact on our revenue, our reputation and our ability to obtain new customers. Doubts about our ability to continue as a going concern may cause us to lose existing and potential customers. In addition, mergers and acquisitions involving our customers could lead to cancellation or non-renewal of our contracts with those customers or by the acquiring or combining companies, thereby reducing the number of our existing and potential customers, and their member populations. Furthermore, if a counterparty under a contract that we rely on for revenue is unable to continue to perform, due to its inability to continue as a going concern or otherwise, our business, financial condition or results of operations could be harmed. We expect to continue to depend upon a small number of customers for a significant portion of our total revenue for the foreseeable future.

The recognition of a portion of our revenue is subject to realizing healthcare cost savings and achieving quality performance metrics, and may not be representative of revenue for future periods.

Under our value-based care agreements, we assume partial or full risk for the costs of members’ healthcare. This follows significant diligence and reviewing actuary and financial projections based on the information that health plans (and, in England, the NHS) provide us that we ultimately do not have control over. While there are variations specific to each agreement, we generally negotiate a PMPM allocation, often based on a percentage of the payer’s premium or MLR. The majority of the PMPM allocation is typically held by the customer in order to pay claims expenses. The PMPM allocation is periodically reconciled against claims to calculate either surpluses or deficits, and we take financial responsibility for all or some of those surpluses or deficits.

This means that there is a variable element to our revenues, dependent on factors such as the health of our members and our ability to realize savings in healthcare spend for those members. Under some agreements, some of our revenues are contingent on factors such as the achievement of certain quality performance metrics. Our revenue and financial results with respect to our value-based arrangements depend on whether we achieve applicable quality metrics and savings in healthcare spend. In addition, since our customers typically pay us a portion of the PMPM allocation in cash in advance on a periodic basis in order to fund our operating expenses, there is a risk that we may have to refund part or all of those payments if we do not achieve these quality and cost targets, which could have a negative impact on our cash flows.

Under these arrangements, if members require more care than is anticipated and/or the cost of care increases, then the PMPM allocations may be insufficient to cover the costs associated with treatment. If medical costs and expenses exceed the PMPM allocations, except in very limited circumstances, we could suffer losses with respect to such agreements.

Our claims liability estimates for medical costs and expenses are subject to uncertainty and may not be adequate, and any adjustments to our estimates may unfavorably impact, potentially in a material way, our reported results of operations and financial condition.

Inaccurate calculation of our anticipated ratio of medical expense to revenue can significantly impact our financial results. Accordingly, the failure to adequately predict and control medical costs and expenses and to make reasonable estimates and maintain adequate accruals for incurred but not reported claims, could have a material adverse effect on our business, results of operations, financial condition and cash flows. Additionally, some of the expenses of our members may be unanticipated and outside of our control in the event that members take certain actions that increase such expenses, such as unnecessary hospital visits. We rely on accurate information from third parties, such as other network providers, and health plans relating to historic and current data. Inaccuracies in such reporting could have a negative impact on our ability to adequately predict and control medical costs and, hence, our financial position, including estimates of premium deficiency reserve liabilities.

Due to the time lag between when services are actually rendered by providers and when claims for those services are received, processed and paid, our medical expenses include a provision for claims incurred but not paid. We are continuously enhancing our process for estimating claims liability, which we monitor and refine on a periodic basis as claims receipts, payment information, and inpatient acuity information become available. As more complete information becomes available, we adjust the amount of the estimate, and include the changes in estimates in expenses in the period in which the changes are identified. Given the uncertainties inherent in such estimates, there can be no assurance that our claims liability or premium deficiency reserve estimates are adequate, and any adjustments to the estimates may unfavorably impact, potentially in a material way, our reported results of operations and financial condition. Further, our inability to estimate our claims liability and premium deficiency reserves with absolute certainty or to appropriately utilize the claims data to control the cost of future healthcare services may also affect our ability to take timely corrective actions, further exacerbating the extent of any adverse effect on our results.

Historically, our medical costs and expenses as a percentage of revenue have fluctuated. Factors that may cause medical expenses and premium deficiency reserves to exceed estimates include:

- the health status of members and higher levels of hospitalization;
- higher than expected utilization of new or existing healthcare services or technologies, including the level of engagement with our digital healthcare platform and tools;
- an increase in the cost of healthcare services and supplies, whether as a result of inflation or otherwise;
- changes to mandated benefits or other changes in healthcare laws, regulations and practices;
- increased costs attributable to specialist physicians, hospitals and ancillary providers;
- changes in the demographics of our members;
- changes in medical trends;
- contractual or claims disputes with providers, hospitals or other service providers within and outside a health plan's network;
- the occurrence of catastrophes, major epidemics or acts of terrorism;
- the reduction of health plan premiums;
- the effects of the COVID-19 pandemic;
- macroeconomic inflationary pressures; and
- supply chain disruptions.

Renegotiation, non-renewal or termination of value-based care agreements with health plans could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Under most of our value-based care agreements with health plans, the health plans are generally permitted to modify the respective benefits available to members from time to time during the respective terms of the agreements and health plans may make other changes, such as to their utilization review and coverage policies, that affect the cost of care

to the members assigned to us under the contract. In addition, changes in government program funding, such as with respect to Medicaid managed care and Medicare Advantage programs, can affect the revenue we receive from health plans under our value-based care agreements. If there is an unanticipated change to a health plan's benefits or coverage policies or to the government program funding, we could suffer losses with respect to such contract. We include in many of our value-based care agreements mechanisms to protect against losses by allowing early termination or amendment of the value-based care terms, but these may not protect against all adverse changes that are outside of our control or they may not prevent us from suffering losses with respect to such contract.

There are significant risks associated with estimating the amount and timing of revenue that we recognize under our licensing agreements and value-based care agreements with health plans, and if our estimates of revenue are materially inaccurate, it could impact the timing and the amount of our revenue recognition or have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our revenue projections are based on management's expectation of executed contracts delivering revenue in line with contractual terms and estimates relating to amounts received under our value-based care agreements. There are significant risks associated with estimating the amount and timing of revenue that we recognize under our licensing agreements and value-based care agreements with health plans in a reporting period.

Certain of our value-based care agreements relate to medical care programs that employ risk adjustment programs that impact the revenue we recognize for the members assigned to us under the contract. As a result of the variability of certain factors that go into the development of the risk adjustment revenue we recognize, such as risk scores and other market-level factors where applicable, the actual amount of revenue could be materially less than our estimates. In the United States, the data provided to the Centers for Medicare & Medicaid Services ("CMS") to determine the risk score are subject to audit by CMS even several years after the annual settlements occur. There is a possibility that a Medicare Advantage plan may seek repayment from us should CMS make any payment adjustments to the Medicare Advantage plan as a result of its audits. CMS has indicated that payment adjustments will not be limited to the Medicare Risk Adjustment Factor ("RAF") scores for the specific Medicare Advantage enrollees for which errors are found but may also be extrapolated to the entire Medicare Advantage plan subject to a particular CMS contract. Based on a recent final rule issued by CMS in January 2023, although 2011 to 2017 plan years are still subject to audit, overpayments to Medicare Advantage plans that are identified as a result of a Risk Adjustment Data Validation ("RADV") audit will only be subject to extrapolation for plan year 2018 and any subsequent plan year. In addition, CMS will not apply an adjustment factor, known as a Fee-For-Service, or FFS, Adjuster, in RADV audits to account for potential differences in diagnostic coding between the Medicare Advantage program and Medicare FFS program. We are continuing to assess the potential impact this final rule may have on our business and operations.

If the risk adjustment data we submit are found to overstate the health status of our members, we may be required to refund payments previously received by us and/or be subject to penalties or sanctions, including potential liability under the federal False Claims Act ("FCA"), which can result in civil and criminal penalties such as fines, damages, overpayment, recoupment, imprisonment, loss of enrollment status and exclusion from the Medicare and Medicaid programs. In addition to paybacks and civil penalties reducing our revenue in the year that repayment or settlement is required, Medicare and Medicaid programs represent a large portion of our revenue in the United States and exclusion from future participation in these programs would significantly reduce our revenue for years to come. Further, if the data we provide to CMS understates the health risk of our members, we might be underpaid for the care that we must provide to our members. Consequently, our estimate of our health plans' risk scores for any period, and any resulting change in our accrual of revenues related thereto, could have a material adverse effect on our business, results of operations, financial condition and cash flows. Some revenue risk is transferred via stop-loss policies insuring against catastrophic claims that cover most of our value-based care arrangements. Similar risks apply in the U.K. Gain/loss sharing with the NHS is predicated on data which is extracted and controlled by the NHS. While provisions are made to access and review this data it may not be possible to effectively challenge it.

The billing and collection process in the United States can be complex due to ongoing insurance coverage changes, geographic coverage differences, differing interpretations of contract coverage and other payer issues, such as ensuring appropriate documentation. Determining applicable primary and secondary coverage for our members, together with the changes in member coverage that occur each month, requires complex, resource-intensive processes. While we manage the overall processing of some claims, we rely on third-party billing provider software to transmit the actual claims to payers based on the specific payer billing format. The potential therefore exists for us to experience delays or errors in claims processing when third-party providers make changes to their configurations and/or invoicing systems. If claims are not submitted to payers on a timely basis or are erroneously submitted, or if we are required to switch to a different

software provider to handle claim submissions, we may experience delays in our ability to process these claims and receipt of payments from payers, or possibly denial of claims for lack of timely submission, which would have an adverse effect on our revenue and our business. Errors in determining the correct coordination of benefits may result in refunds to payers. Revenues associated with these medical care programs are also subject to estimating risk related to the amounts not paid by the primary payer that will ultimately be collectible from other payers paying secondary coverage, the member's commercial health plan secondary coverage or the member. Collections, refunds and payer retractions typically continue to occur for up to three years and longer after services are provided. If our estimates of revenues are materially inaccurate, it could impact the timing and the amount of our revenue recognition and have a material adverse impact on our business, financial condition, results of operations and cash flows.

We may be required to delay recognition of some of our revenue, which may harm our financial results in any given period.

We may be required to delay recognition of revenue for a significant period of time if, in relation to any agreement we enter into:

- the transaction involves both current products and products that are under development;
- the customer requires significant modifications, configurations, or complex interfaces that could delay delivery or acceptance of our solution;
- we are unable to demonstrate adequate control of the care management services being provided to our customers due to regulatory requirements or other contractual provisions;
- the transaction involves acceptance criteria or other terms that may delay revenue recognition; or
- the transaction involves payment terms that depend upon contingencies and/or assumptions that involve a significant amount of estimation uncertainty, including but not limited to, inputs to determine the RAF attributable to members.

Because of these factors and other specific revenue recognition requirements under U.S. generally accepted accounting principles ("U.S. GAAP"), we must have very precise terms in our contracts to begin recognizing revenue at the time when we initially provide access to our platform or provide care management services to our customers. Our agreements are often subject to negotiation and revisions based on the demands of our customers. The final terms of our agreements sometimes result in deferred revenue recognition or an inability to recognize revenue on a gross basis, which may adversely affect our financial results in any given period.

We depend on physician partners to accurately, timely and sufficiently document their services, and their failure to do so could result in nonpayment for services rendered or allegations of fraud. Our records and submissions to a health plan may contain inaccurate or unsupportable information regarding risk adjustment scores of members, which could cause us to overstate or understate our revenue and subject us to various penalties or repayment obligations.

The claims and encounter records that we submit to health plans may impact data that support the RAF scores attributable to members. These RAF scores determine, in part, the revenue to which the health plans and, in turn, we are entitled to receive for the provision of medical care to such members. The data submitted to CMS by each health plan is based, in part, on medical charts and diagnosis codes that we prepare and submit to the health plans. Each health plan generally relies on us and our affiliated physicians to appropriately document and support such RAF data in our medical records. Each health plan also relies on us and our affiliated physicians to appropriately code claims for medical services provided to members. Erroneous claims and erroneous encounter records and submissions could result in inaccurate revenue and risk adjustment payments, which may be subject to correction or retroactive adjustment in later periods. This corrected or adjusted information may be reflected in financial statements for periods subsequent to the period in which the revenue was recorded. We might also need to refund a portion of the revenue that we received, which refund, depending on its magnitude, could damage our relationship with the applicable health plan and could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Additionally, CMS and the Office of Inspector General ("OIG") for the U.S. Department of Health and Human Service ("HHS") each audit Medicare Advantage plans for documentation to support RAF-related payments for members chosen at random. The Medicare Advantage plans ask providers to submit the underlying documentation for members that they serve. It is possible that claims associated with members with higher RAF scores could be subject to more scrutiny in a CMS, OIG, or plan audit. There is a possibility that a Medicare Advantage plan may seek repayment from us should

CMS make any payment adjustments to the Medicare Advantage plan as a result of its or OIG's audits. The plans also may hold us liable for significant penalties owed to CMS for inaccurate or unsupportable RAF scores provided by us or our affiliated physicians. In addition, we could be liable for significant penalties to the government under the FCA for each false claim (adjusted annually for inflation), plus up to three times the amount of damages caused by each false claim, which can be as much as the amounts received directly or indirectly from the government for each such false claim.

CMS has indicated that payment adjustments from its Risk Adjustment Data Validation audits will not be limited to RAF scores for the specific Medicare Advantage enrollees for which errors are found but may also be extrapolated to the entire Medicare Advantage plan subject to a particular CMS contract. CMS has described its audit process as plan-year specific and stated that it will not extrapolate audit results for plan years prior to 2011. Because CMS has not stated otherwise, there is a risk that payment adjustments made as a result of one plan year's audit would be extrapolated to prior plan years after 2011.

There can be no assurance that a health plan will not be randomly selected or targeted for review by CMS or OIG or that the outcome of such a review will not result in a material adjustment in our revenue and profitability, even if the information we submitted to the plan is accurate and supportable.

If reimbursement rates paid by third-party payers or federal, state or foreign healthcare programs are reduced or if third-party payers or government payers otherwise restrain our ability to obtain or provide services to our members, our business could be harmed.

Private third-party payers and government healthcare programs pay for the services that we provide to many of our members. If any commercial third-party payers elect not to cover some or all of our services, our business may be harmed. Third-party payers also are entering into sole source contracts with some healthcare providers, which could effectively limit our pool of potential members.

Private third-party payers often use plan structures, such as narrow networks or tiered networks, to encourage or require their members to lower their costs. Private third-party payers generally attempt to limit their members' use of out-of-network providers by imposing higher copayment and/or deductible amounts for out-of-network care than for in-network care. Additionally, private third-party payers have become increasingly aggressive in attempting to minimize the use of out-of-network providers by disregarding the assignment of payment from members to out-of-network providers (i.e., sending payments directly to members instead of to out-of-network providers), capping out-of-network benefits payable to members, waiving out-of-pocket payment amounts and initiating litigation against out-of-network providers for interference with contractual relationships, insurance fraud and violation of state licensing and consumer protection laws. If we become out of network for private third-party payers, our business could be harmed, and our member service revenue could be reduced because members could stop using our services.

In addition, a portion of our revenue comes from services provided to beneficiaries of federal, state and local government healthcare programs, principally Medicare and Medicaid beneficiaries. We previously participated in the Direct Contracting Model with CMS by working with a Direct Contracting Entity("DCE"). CMS transitioned the Direct Contracting Model into the ACO REACH Model in January 2023. The financial aspects of the ACO REACH Model are set forth in an agreement between the Accountable Care Organization ("ACO") and CMS which commenced on January 1, 2023. Under our managed care services agreement with the ACO, we provide managed care services and our digital-first services to 19,000 Medicare beneficiaries in California in a value-based care arrangement. CMS reserves the right to amend its agreement with the ACO without the consent of the ACO for good cause or as necessary to comply with applicable federal or state law, regulatory requirements, accreditation standards or licensing guidelines or rules.

Payments from federal and state government programs are subject to statutory and regulatory changes, administrative rulings, interpretations and determinations, requirements for utilization review and federal and state funding restrictions, each of which could increase or decrease program payments, as well as affect the cost of providing service to members and the timing of payments to our physician-owned networks. We are unable to predict the effect of recent and future policy changes on our operations. In addition, the uncertainty and fiscal pressures placed upon federal and state governments as a result of, among other things, deterioration in general economic conditions and the funding COVID-19 relief legislation, may affect the availability of taxpayer funds for Medicare and Medicaid programs. Changes in government healthcare programs may reduce the reimbursement we receive and could adversely impact our business and results of operations.

As federal healthcare expenditures continue to increase, and state governments continue to face budgetary shortfalls, federal and state governments have made, and continue to make, significant changes in the Medicare and Medicaid programs. These changes include reductions in reimbursement levels and new or modified demonstration projects authorized pursuant to Medicaid waivers. Some of these changes have decreased, or could decrease, the amount of money we receive for our services relating to these programs. In some cases, private third-party payers rely on all or portions of Medicare payment systems to determine payment rates. Changes to government healthcare programs that reduce payments under these programs may negatively impact payments from private third-party payers.

In addition, in the U.K., primary medical services delivered under general medical services contracts are paid for in accordance with the General Medical Services Statement of Financial Entitlements, which set out the legal framework under which general practitioners operate and are paid, and which is subject to change over time. While we consider it unlikely that the amount paid will decrease overall, as it is subject to negotiation with general practitioner representative bodies, there is nonetheless a risk that reimbursement of property costs for primary care service delivery may decrease or cease over time. We currently do not receive reimbursement of property costs related to Babylon GP at Hand services, our primary medical services platform in the United Kingdom; however, work is ongoing to establish whether this is possible.

Regulatory proposals directed at containing or lowering the cost of healthcare, including the ACO REACH model, and our participation, voluntary or otherwise, in such proposed models, could impact our business, financial condition, cash flows and operations.

The CMS Innovation Center continues to test an array of alternative payment models that could impact our business, financial condition, cash flows and operations. For example, the CMS Innovation Center has discontinued the Direct Contracting Model (in which we participated) and replaced it with the ACO REACH Model, in which we are now participating. Because ACO REACH is a new and evolving program, we are unable to determine how the ACO REACH program, or other alternative payment models promulgated by the CMS Innovation Center, will affect Medicare reimbursement and capitation benchmarks. For example, if the CMS Innovation Center fails to ensure the long-term predictability of revenue under the ACO REACH program, such reimbursement instability could adversely impact our business, financial condition, cash flows and operations. Additionally, if the CMS Innovation Center fails to streamline incentive program requirements for physicians across payment models, such conflicting requirements may impose additional compliance burdens on our affiliated physician partners' practices, which may have a material adverse effect on process, quality and efficiency. Significant changes in the ACO REACH model from the previous Direct Contracting Model may result in adverse financial results for us.

Additionally, we are unable to predict how states will regulate our participation in the ACO REACH program. For example, certain states in which we operate may require participants to obtain specific licensure to participate in the ACO REACH program and assume risk directly from CMS, which may require us to maintain certain levels of tangible net equity, meet working capital requirements, or expend significant resources on operational development. There likely will continue to be regulatory proposals directed at containing or lowering the cost of healthcare that, if adopted, could have a material adverse effect on our business, financial condition, cash flows and results of operations, including with respect to our contractual relationships with providers and payers.

The market for telemedicine is immature and volatile and our digital-first approach is relatively new and unproven. If the telemedicine market does not develop, develops more slowly than we expect, or encounters negative publicity, or if our digital-first approach does not achieve a high level of customer acceptance, the growth of our business will be harmed.

The telemedicine market is, in general, immature and volatile, and our digital-first approach, in particular, is relatively new and unproven. It is uncertain whether the telemedicine market and our digital-first approach will achieve and sustain high levels of demand, consumer acceptance and market adoption. The COVID-19 pandemic increased acceptance and utilization of telemedicine services, but it is uncertain whether such increase in demand will continue.

Demand for telemedicine services in general, and our solution in particular, is affected by a number of factors, many of which are beyond our control. Some of these potential factors include:

- market adoption and ongoing usage of telemedicine solutions, in particular following the ongoing process of removal of various "stay at home" restrictions or policies due to the COVID-19 pandemic;
- awareness and adoption of technology in healthcare generally;

- availability of products and services that compete with ours;
- ease of adoption and use;
- features and platform experience;
- performance;
- brand;
- security and privacy; and
- pricing.

Our success will depend to a substantial extent on the willingness of our members to use, and to increase the frequency and extent of their utilization of, our solution, as well as on our ability to demonstrate the value of telemedicine to employers, health plans, government agencies and other purchasers of healthcare for beneficiaries. Negative publicity concerning our solution, other participants in the telemedicine market, or the telemedicine market as a whole could limit market acceptance of our solution. If our customers and members do not perceive the benefits of our telemedicine solution and our digital-first approach, then our market may not develop at all, or it may develop more slowly than we expect. Similarly, individual and healthcare industry concerns or negative publicity regarding patient confidentiality and privacy in the context of telemedicine could limit market acceptance of our healthcare services. If any of these events occurs, it could have a material adverse effect on our business, financial condition and results of operations.

We generate, and expect to continue to generate, revenue from market adoption of our digital health products. As a result, widespread acceptance and use of digital health solutions in general, and our solutions in particular, is critical to our future growth and success. If the market fails to grow or grows more slowly than we currently anticipate, or if we fail to attract new customers for our digital health solutions and fail to maintain and expand new customer relationships, our revenue may grow more slowly than we expect, and our business may be adversely affected.

If we are not able to develop and release new solutions and services, or successful enhancements, new features and modifications to our existing solutions and services, our business could be adversely affected.

Our products are based on novel technologies that are rapidly evolving. Our algorithms and other technologies depend on our ability to continue to build a substantial repository of health-related data and validate additional product designs. Given the rapidly evolving changing nature of our products, there is no guarantee that we have fully understood all the implications of using such technologies alongside the traditional delivery of healthcare. In addition, we must execute on our strategy to build a significant repository of health-related data to support the robustness and accuracy of our technologies and allow us to develop additional artificial intelligence-enabled applications. We believe that access to contemporary and historical member data, combined with the ability to analytically and clinically validate study results in a quality-controlled framework, provides us with a robust, reproducible method for product development. Moreover, the depth, specificity and quality of data are of paramount importance to further developing novel solutions that can demonstrate clinical utility across a range of practice specialties and member demographics. These features are also central to our product strategy of demonstrating both short- and long-term impact on member outcomes and health economics. If we are unable to continue to build our data repository, we may not be able to keep pace with rapidly evolving technology and improve the capabilities and utility of our products, and our business could be harmed.

The markets in which we operate are characterized by rapid technological change, frequent new product and service introductions and enhancements, changing customer demands, and evolving industry standards. The introduction of products and services embodying new technologies can quickly make existing products and services obsolete and unmarketable. Additionally, changes in laws and regulations could impact the usefulness of our solution and could necessitate changes or modifications to our solution to accommodate such changes. For example, the European Commission's proposal (issued in April 2021 and amended by a European Council compromise text in November 2021) for a European Union ("EU") Regulation on Artificial Intelligence (which would have extraterritorial effect outside of the EU), could lead to enhanced requirements as to the accuracy, robustness and security of so-called "high risk" AI systems used in healthcare settings. We invest substantial resources in researching and developing new solutions and enhancing our solutions by incorporating additional features, improving functionality, and adding other improvements to meet our customers' and members' evolving demands. The success of any enhancements or improvements to our solutions or any new solutions depends on several factors, including timely completion, competitive pricing, adequate quality testing, integration with new and existing technologies in our solutions and third-party partners' technologies, effective and

compliant localization for jurisdictions in which we operate and overall market acceptance. We may not succeed in developing, marketing and delivering on a timely and cost-effective basis enhancements or improvements to our solutions or any new solutions that respond to continued changes in market demands or new customer requirements. Further, any enhancements or improvements to our solutions or any new solutions may not achieve market acceptance. Since developing our solutions is complex, the timetable for the release of new solutions and enhancements to existing solutions is difficult to predict, and we may not offer new solutions and updates as rapidly as our customers require or expect. Any new solutions that we develop may not be introduced in a timely or cost-effective manner, may contain errors or defects, or may not achieve the broad market acceptance necessary to generate sufficient revenue. Moreover, even if we introduce new solutions, we may experience a decline in revenue of our existing solutions that is not offset by revenue from the new solutions. For example, customers may delay making purchases of new solutions to permit them to make a more thorough evaluation of these solutions or until industry and marketplace reviews become widely available. Some customers may hesitate to migrate to a new solution due to concerns regarding the performance of the new solution. In addition, we may lose existing customers who choose a competitor's products and services. This could result in a temporary or permanent revenue shortfall and adversely affect our business.

The introduction of new products and solutions by competitors or the development of entirely new technologies within the digital health market which could serve to replace existing offerings could make our solutions obsolete or adversely affect our business, financial condition and results of operations. We may experience difficulties with software development, design or marketing that could delay or prevent our development, introduction or implementation of additional features or capabilities. In addition, there may be other delays or barriers to introducing new products or features relating to regulation. If customers and members do not widely purchase and adopt our solutions, we may not be able to realize a return on our investment. If we do not accurately anticipate customer and member demand, if we are unable to develop, license or acquire new features and capabilities on a timely and cost-effective basis, or if such enhancements do not achieve market acceptance, we may encounter adverse publicity, loss of revenue or market acceptance or claims by customers or members brought against us. Each of these possible effects could have a material and adverse effect on our reputation, business, financial condition and results of operations.

We expect to continue to dedicate significant financial and other resources to our research and development efforts in order to continuously evolve the development of our products and maintain our competitive position.

As a result, our business is significantly dependent on our ability to successfully complete the development of our next generation products. Investing in research and development personnel, developing new products and enhancing existing products is expensive and time consuming, and there is no assurance that such activities will result in successful development of our products, significant new marketable products or enhancements to our products, design improvements, cost savings, revenues or other expected benefits. If we spend significant time and effort on research and development and are unable to generate an adequate return on our investment, our business and results of operations may be materially and adversely affected.

Our proprietary solutions may not operate properly, which could damage our reputation, give rise to claims against us, or divert application of our resources from other purposes, any of which could harm our business, financial condition and results of operations.

The development of proprietary technology is time-consuming, expensive and complex, and may involve unforeseen difficulties. We may encounter technical obstacles, and it is possible that we will discover additional problems or design defects that prevent our proprietary solutions from operating properly. If our solutions do not function reliably, malfunction, or fail to achieve customer expectations in terms of performance, customers could assert liability claims against us or attempt to terminate their contracts with us. This could damage our reputation and impair our ability to attract or maintain customers.

The software underlying our platform is highly complex and may contain undetected errors or vulnerabilities, some of which may only be discovered after the solution has been used by our members. Any real or perceived errors, failures, bugs or other vulnerabilities discovered in our solution could result in negative publicity and damage to our reputation. It could also result in loss of customers, loss of members, loss of or delay in market acceptance of our platform, loss of competitive position, loss of revenue or liability for damages, overpayments and/or underpayments, any of which could harm our enrollment rates. In such an event, we may be required or may choose to expend additional resources in order to help correct the problem. Such efforts could be costly, or ultimately unsuccessful. We may experience irreversible damage to our reputation and brand. There can be no assurance that provisions typically included in our agreements with customers that attempt to limit our exposure to claims would be enforceable or adequate or would otherwise protect us

from liabilities or damages with respect to any particular claim. A claim brought against us by any customer would likely be time-consuming and costly to defend and could seriously damage our reputation and brand.

If our products do not effectively interoperate with our customers' existing and future infrastructures, installations could be delayed or canceled, which would harm our business.

Our products must effectively interoperate with our customers' existing or future IT or application infrastructures, which often have different specifications, utilize multiple protocol standards, deploy products from multiple vendors and contain multiple generations of products that have been added over time. If we find errors in the existing software or defects in the hardware used in our customers' infrastructure or problematic network configurations or settings, we may have to modify our software so that our products can interoperate with our customers' infrastructure and business processes. In addition, to stay competitive within certain markets, we may be required to make software modifications in future releases to comply with new statutory or regulatory requirements. Further, in order to move into new markets and serve new customers globally, we may be required to modify our existing software in order to comply with existing statutory or regulatory regimes that exist in those markets. These issues could result in additional time and expenditure to modify our offering, longer sales cycles for our products and order cancellations, all of which would adversely affect our business, financial condition and results of operations.

Our relatively limited operating history makes it difficult to evaluate our current business and future prospects and increases the risk of your investment.

Our relatively limited operating history makes it difficult to evaluate our current business and prospects and plan for our future growth. All of our growth has occurred in recent years. We were founded in 2013, and in 2014 we were incorporated and became the first large-scale provider to be registered with the Care Quality Commission ("CQC"), the independent regulator of health and social care in England. In 2015, we began providing clinical services through our virtual care platform offering diagnosis, advice and treatments via medical professionals to members on a remote basis. We first provided NHS services using the Babylon GP at Hand risk-based model in the United Kingdom in 2017, and we entered into our first value-based care agreements with health plans in the United States in 2020. As such, we have limited experience providing services and managing contracts centered around a value-based care model, especially in the United States.

We have encountered, and will continue to encounter, significant risks and uncertainties frequently experienced by new and growing companies in rapidly changing industries. These include determining appropriate investments of our limited resources, market adoption of our existing and future solutions, competition from other companies, acquiring and retaining customers, managing customer deployments, overseeing member enrollment, hiring, integrating, training and retaining skilled personnel, developing new solutions, determining prices for our solutions, unforeseen expenses, and challenges in forecasting accuracy. If we have difficulty launching new solutions or increasing member enrollment, our revenue and our ability to achieve and sustain profitability would be impaired. Additional risks include our ability to effectively balance and manage growth and profitability goals, and process, store, protect and use personal data in compliance with governmental regulation, contractual obligations and other legal obligations related to privacy and security globally. If our assumptions regarding these and other similar risks and uncertainties, which we use to plan our business, are incorrect or change as we gain more experience operating our business or due to changes in our industry, or if we do not address these challenges successfully, our operating and financial results could differ materially from our expectations and our business could suffer.

We depend on our talent to grow and operate our business, and if we are unable to hire, integrate, develop, motivate and retain our personnel, we may not be able to grow effectively.

Our success depends in large part on our ability to attract and retain high-quality management in sales, services, engineering, marketing, operations, finance and support functions, especially in the United States and the London metropolitan area. We expanded our operations in the United States in the San Francisco Bay Area and Austin, Texas, and in Chicago and Boston as a result of our acquisitions of Higi SH Holdings Inc. ("Higi") and Health Innovators Inc. ("DayToDay"). However, for the year ended December 31, 2022, we decreased our global average headcount to 2,147 employees. For the years ended December 31, 2021 and 2020, our global average headcount was 2,573 and 2,108 employees, respectively. Competition for qualified employees is intense in our industry, and the loss of even a few qualified employees, or an inability to attract, retain and motivate additional highly skilled employees required to implement our business plan could harm our operating results and impair our ability to grow. To attract and retain key

personnel, we use various measures, including an equity incentive program for key executive officers and other employees. These measures may not be enough to attract and retain the personnel we require to operate our business effectively.

The technology industry generally experiences a significant rate of turnover of its workforce. There is a limited pool of individuals who have the skills and training needed to help us grow our company. As we continue to grow, we may be unable to continue to attract or retain the personnel we need to maintain our competitive position. In addition to hiring new employees, we must continue to focus on retaining our best talent. Competition for these resources, particularly for engineers, is intense. We may need to invest significant amounts of cash and equity to attract new and retain existing employees and we may never realize returns on these investments. If we are not able to effectively attract the talent we need and retain our talent, our ability to achieve our strategic objectives will be adversely impacted, and our business will be harmed. The loss of one or more of our key employees, and any failure to have in place and execute an effective succession plan for those key employees, could seriously harm our business. Employees may be more likely to leave us if the Class A ordinary shares they own or the Class A ordinary shares underlying their equity incentive awards have significantly reduced in value.

In addition, our future depends on the continued contributions of our senior management team and other key personnel, each of whom would be difficult to replace. In particular, Dr. Ali Parsadoust, our founder (“Founder”) and Chief Executive Officer, is critical to our future vision and strategic direction. We rely on our leadership team in the areas of operations, research and development, marketing, sales, and general and administrative functions. Although we have entered into employment agreements or offer letters with our key employees, these agreements have no specific duration and key employees are able to leave on little or no notice. We do not maintain key person life insurance for some of our key employees. In addition, from time to time, there may be changes in our senior management team that may be disruptive to our business. If our senior management team, including any new hires that we may make, fail to work together effectively and to execute our plans and strategies on a timely basis, our business, financial condition and results of operations could be harmed. Further, if our Founder were to terminate his employment or be terminated for cause, he would retain significant voting rights from his level of beneficial ownership of our Class A ordinary shares following his separation.

While we do include post-termination restrictions in our standard employment contracts and cross-train employees where possible to maintain operational knowledge and experience, if any of our senior management team or key employees joins a competitor or forms a competing company, we may lose customers, suppliers, know-how and staff members to them. In addition, if any of our sales executives or other sales personnel, who generally maintain close relationships with our customers, joins a competitor or forms a competing company, we may lose customers to that company, and our revenue may be materially adversely affected. Additionally, there could be unauthorized disclosure or use of our technical knowledge, business practices or procedures by such personnel. Any non-competition, non-solicitation or non-disclosure agreements we have with our senior executives or key employees might not provide effective protection to us in light of legal uncertainties associated with the enforceability of such agreements.

Our profitability and the cost of providing our services are affected by our utilization rates of our employees in our various locations. If we are not able to maintain appropriate utilization rates for our employees involved in the delivery of our services, our profit margin and our profitability may suffer. Our utilization rates are affected by a number of factors, including:

- our ability to promptly transition our employees from completed projects to new assignments and to hire and integrate new employees;
- our ability to forecast demand for our services and thereby maintain an appropriate number of employees in each of our delivery locations;
- our ability to deploy employees with appropriate skills and seniority to projects;
- our ability to manage the attrition of our employees; and
- our need to devote time and resources to training, professional development and other activities that cannot be billed to our customers.

Our revenue could also suffer if we misjudge demand patterns and do not recruit sufficient employees to satisfy demand. Employee shortages could prevent us from completing our contractual commitments in a timely manner and cause us to lose contracts or customers. Further, to the extent that we lack sufficient employees with lower levels of seniority and

daily or hourly rates, we may be required to deploy more senior employees with higher rates on projects without the ability to pass such higher rates along to our customers, which could adversely affect our profitability and results of operations.

Our growth depends in part on the success of our relationships with third parties.

In order to grow our business, we anticipate that we will continue to depend on our relationships with third parties, including our partners. Our partners include healthcare payers, healthcare providers, governments and health systems, pharmaceutical companies and retailers, and technology and content providers. Identifying partners, and negotiating and documenting relationships with them, requires significant time and resources. Our competitors may be effective in providing incentives to third parties to favor their products or services or to prevent or reduce subscriptions to, or utilization of, our products and solutions. In addition, acquisitions of our partners by our competitors could result in a decrease in the number of our current and potential customers, as our partners may no longer facilitate the adoption of our products and solutions by potential customers. If we are unsuccessful in establishing or maintaining our relationships with third parties, our ability to compete in the marketplace or to grow our revenue could be impaired and our results of operations may suffer. Even if we are successful, we cannot assure you that these relationships will result in increased client use of our products and solutions or increased revenue.

Our quarterly results may fluctuate significantly, which could adversely impact the value of our Class A ordinary shares.

Our quarterly results of operations, including our revenue, net loss and cash flows, have varied and may vary significantly in the future, and period-to-period comparisons of our results of operations may not be meaningful. Accordingly, our quarterly results may not fully reflect the underlying performance of our business and should not be relied upon as an indication of future performance.

Most of our revenue in any given quarter is derived from contracts entered into with our customers during previous quarters. Consequently, a decline in new or renewed contracts in any one quarter may not be fully reflected in our revenue for that quarter. Such declines, however, would negatively affect our revenue in future periods and the effect of significant downturns in sales of and market demand for our solution, and potential changes in our rate of renewals or renewal terms, may not be fully reflected in our results of operations until future periods. Our licensing model also makes it difficult for us to rapidly increase our total revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable term of the contract. Accordingly, the effect of changes in the industry impacting our business or changes we experience in our new sales may not be reflected in our short-term results of operations. Any fluctuation in our quarterly results may not accurately reflect the underlying performance of our business and could cause a decline in the trading price of our Class A ordinary shares.

Our business, financial condition and results of operations may be materially adversely affected by risks associated with our international operations.

We have employees located in the United States, United Kingdom, Singapore, Rwanda and India. We have commercial partnerships with clients in the United States, United Kingdom, Rwanda, 11 territories in Southeast Asia and Canada. We have invested significant resources in our international operations and expect to continue to do so in the future. An important part of targeting international markets is increasing our brand awareness and establishing relationships with customers internationally. However, there are certain risks inherent in doing business in international markets, particularly in the healthcare industry, which is heavily regulated in many jurisdictions. These risks include:

- local economic, political and social conditions, including the possibility of economic slowdowns, hyperinflationary conditions, political instability, social unrest, including the current conflict in Ukraine and the surrounding region, which could lead to further disruption, instability, and volatility in global markets, and exacerbate inflation and supply chain disruptions;
- outbreaks of pandemic or contagious diseases, such as Ebola, Zika, avian flu, severe acute respiratory syndrome (SARS), H1N1 (swine flu), the disease caused by the SARS-CoV-2 novel coronavirus ("COVID-19"), and Middle East Respiratory Syndrome (MERS);
- multiple, conflicting and changing laws and regulations such as tax laws, privacy, data protection and telemedicine laws and regulations, export and import restrictions, employment laws, regulatory requirements and other governmental approvals, permits and licenses;
- obtaining regulatory approvals or clearances where required for the sale of our solution and services in various countries;

- requirements to maintain data and the processing of that data on servers located within the United States or in other such countries we may operate in;
- protecting and enforcing our intellectual property rights;
- complexities associated with managing multiple payer reimbursement regimes and government payers;
- competition from companies with significant market share in our market, with greater resources than we have and with a better understanding of user preferences;
- financial risks, such as longer payment cycles, difficulty collecting accounts receivable, the effect of local and regional financial pressures on demand and payment for our products and services and exposure to foreign currency exchange rate fluctuations;
- the inability to manage and coordinate the various legal and regulatory requirements of multiple jurisdictions that are constantly evolving and subject to change;
- actual or threatened trade war or sanctions, including between the United States and China and Russia, or other governmental action related to tariffs, international trade agreements or trade policies;
- currency exchange rate fluctuations, changes in currency policies or practices and restrictions on currency conversion;
- limitations or restrictions on the repatriation or other transfer of funds;
- the inability to enforce agreements, collect payments or seek recourse under or comply with differing commercial laws;
- natural disasters, political and economic instability, including wars, terrorism, political unrest, outbreak of disease, boycotts, curtailment of trade, and other market restrictions; and
- managing the potential conflicts between locally accepted business practices and our obligations to comply with laws and regulations, including anti-corruption and anti-money laundering laws and regulations.

Entry into certain transactions with foreign entities may be subject to government regulations, including review related to foreign direct investment by U.S. or foreign government entities. If a transaction with a foreign entity is subject to regulatory review, such regulatory review might limit our ability to enter into the desired strategic alliance and thus our ability to carry out our long-term business strategy.

Our overall success and ability to continue to expand our business depends, in part, on our ability to anticipate and effectively manage these risks and there can be no assurance that we will be able to do so without incurring unexpected or increased costs. If we are not able to manage the risks related to our international operations, our business, financial condition and results of operations may be materially adversely affected. In certain regions, the degree of these risks may be higher due to more volatile economic, political or social conditions, less developed and predictable legal and regulatory regimes and increased potential for various types of adverse governmental action. Our ability to continue to grow our business and to attract talented employees, customers and members in various international markets will require considerable management attention and resources. Entering new international markets is expensive, our ability to successfully gain market acceptance or establish a robust customer base in any particular market is uncertain. Further, the potential distraction this could cause our senior management team could lead to other areas of our operations being neglected and harm our business, financial condition and results of operations.

Economic uncertainty or downturns, particularly as it impacts particular industries, could adversely affect our business, financial conditions and results of operations.

In recent years, the United States, the United Kingdom and other significant markets have experienced cyclical downturns and worldwide economic conditions remain uncertain, including as a result of the COVID-19 pandemic. For example, real GDP growth, business and investor confidence, the COVID-19 pandemic, the conflict between Ukraine and Russia, inflation, employment levels, oil prices, interest rates, tax rates, availability of consumer and business financing, housing market conditions, foreign currency exchange rate fluctuations, costs for items such as fuel and food and other macroeconomic trends can adversely affect not only our decisions, but also those of our management, employees, third-party contractors, suppliers, competitors, shareholders and regulatory authorities. Economic uncertainty, political uncertainty, including as a result of the United Kingdom's departure from the EU ("Brexit"), and the associated macroeconomic and employment conditions and national and local government responses thereto make it extremely

difficult for our customers and us to accurately forecast and plan future business activities, and could cause our customers to slow spending on our solution, which could delay and lengthen sales cycles. In connection with Brexit, changes to health legislation have been proposed. While we believe that many of the proposed changes are likely to have taken place regardless of Brexit, some changes, including to procurement law, may be impacted more widely than otherwise. Furthermore, during uncertain economic times our customers may face issues gaining timely access to sufficient credit, which could result in an impairment of their ability to make timely payments to us. If that were to occur, we may be required to increase our allowance for doubtful accounts or bad debts and our results of operations could be negatively impacted. In particular, legal, political and economic uncertainty surrounding Brexit may be a source of instability in international markets, create significant currency fluctuations, adversely affect our operations in the United Kingdom and pose additional risks to our business, revenue, financial conditions, and results of operations. Additionally, changes to health legislation are proposed and, while much of this is likely to have taken place regardless of Brexit, some changes, including to procurement law, may be impacted more widely than otherwise.

Furthermore, we have customers in a variety of different industries. A significant downturn in the economic activity attributable to any particular industry may cause organizations to react by reducing their capital and operating expenditures in general or by specifically reducing their spending on healthcare matters. In addition, our customers may delay or cancel healthcare projects or seek to lower their costs by renegotiating vendor contracts. To the extent purchases of our solution are perceived by customers and potential customers to be discretionary, our revenue may be disproportionately affected by delays or reductions in general healthcare spending. Also, competitors, especially those who have more significant resources or additional sector offerings than we do, may respond to challenging market conditions by lowering prices and attempting to lure away our customers.

In response to the COVID-19 pandemic, the United States Congress, CMS and other federal agencies with oversight of care delivery requirements made several changes in the manner in which Medicare will pay for telemedicine visits, many of which relax previous requirements, including site requirements for both the providers and members, telemedicine modality requirements and others. State laws and regulations applicable to telemedicine, particularly licensure requirements, also were relaxed in many jurisdictions as a result of the COVID-19 pandemic. These relaxed regulations have allowed us to continue operating our business and delivering care to our members predominantly through telemedicine modalities. Nearly all of the federal measures will expire at the end of the public health emergency declaration, which is currently scheduled to expire on May 11, 2023. Many state law and regulatory changes have already expired while others have continued. It is unclear which, if any, of these changes will remain in place permanently and which will be rolled-back following the COVID-19 pandemic, although there have been a number of state law and regulatory changes over the past year that clarify requirements or remove impediments. If regulations change to restrict our ability to or prohibit us from delivering care or receiving reimbursement for care delivered through telemedicine modalities, our financial condition and results of operations may be adversely affected. In England, reports of pressures in primary services began to emerge during the COVID-19 pandemic. Following a period of cessation of some services in the NHS and a restart, there is likely to be additional demand for NHS services caused by delayed appointments, delayed presentations, and investigations. This could result in an increased demand for U.K. non-NHS services, which could result in Babylon GP at Hand experiencing cost pressures.

We cannot predict the timing, strength, or duration of any economic slowdown or any subsequent recovery generally, or any industry in particular. If the conditions in the general economy and the markets in which we operate worsen from present levels, our business, financial condition and results of operations could be materially adversely affected.

Failure to adequately expand our direct sales force will impede our growth.

We believe that our future growth will depend on the continued development of our direct sales force and its ability to obtain new customers and to manage our existing customer base. Identifying and recruiting qualified personnel and training them requires significant time, expense and attention. It can take some time from the initial date of hire before a new sales representative is fully trained and productive. Additionally, if we cannot retain members of our direct sales force then this will impact our business adversely, given we will lose trained members and have to spend a corresponding amount of time on hiring and training replacements. Our business may be adversely affected if our efforts to expand and train our direct sales force do not generate a corresponding increase in revenue. In particular, if we are unable to hire, develop and retain sufficient numbers of productive direct sales personnel or if new direct sales personnel are unable to achieve desired productivity levels in a reasonable period of time, sales of our services will suffer and our growth will be impeded.

We may make investments in or acquire other companies or technologies in the future, which could divert our management's attention, result in dilution to our shareholders, and otherwise disrupt our operations, and we may have difficulty integrating any such acquisitions successfully or realizing the anticipated benefits therefrom, any of which could have an adverse effect on our business, financial condition and results of operations.

We made investments in DayToDay in 2019 and Higi in 2020, acquired the remaining equity interests in DayToDay and Higi in late 2021, and our affiliates acquired the assets of First Choice Medical Group in 2020 and the entire issued share capital of the Meritage Medical Network in 2021. In the future, we may seek to acquire or invest in businesses, applications, services, or technologies that we believe could complement or expand our existing and future offerings, enhance our technical capabilities, or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable acquisitions, whether or not they are consummated. In addition, we have limited experience in acquiring other businesses and may have difficulty integrating acquired businesses or assets, retaining key employees of acquired businesses or otherwise realizing any of the anticipated benefits of acquisitions. If we acquire additional businesses, we may not be able to integrate the acquired operations and technologies successfully, or effectively manage the combined business following the acquisition. Integration may prove to be difficult due to the necessity of integrating personnel with disparate business backgrounds, different geographical locations and who may be accustomed to different corporate cultures.

We also may not achieve the anticipated benefits from any acquired business due to a number of factors, including:

- inability to integrate or benefit from acquired technologies or services in a profitable manner;
- unanticipated costs or liabilities, including legal liabilities, associated with the acquisition;
- difficulties and additional expenses associated with supporting legacy products and hosting infrastructure of the acquired business;
- difficulty converting the customers of the acquired business into our current and future offerings and contract terms, including disparities in the revenue model of the acquired company;
- diversion of management's attention or resources from other business concerns;
- adverse effects on our existing business relationships with customers, members, or strategic partners as a result of the acquisition;
- complexities associated with managing the geographic separation of the combined businesses and consolidating multiple physical locations;
- the potential loss of key employees;
- difficulty integrating employees from the acquired business into our employee framework;
- acquisition targets not having as robust internal controls over financial reporting as would be expected of a public company;
- us becoming subject to new regulations as a result of an acquisition, including if we acquire a business serving customers in a regulated industry or acquire a business with customers or operations in a country in which we do not already operate;
- possible cash flow interruption or loss of revenue as a result of transitional matters;
- use of substantial portions of our available cash to consummate the acquisition; and
- changes in our business plan.

We may issue equity securities or incur indebtedness to pay for any such acquisition or investment, and make equity awards under our stock incentive plans to attract, retain, compensate and incentivize employees of businesses that we acquire, which could adversely affect our business, financial condition or results of operations. Any such issuances of additional Class A ordinary shares may cause shareholders to experience significant dilution of their ownership interests and the per share value of our Class A ordinary shares to decline.

In addition, a significant portion of the purchase price of any companies we acquire may be allocated to acquired goodwill and other intangible assets, which must be assessed for impairment at least annually. As an example, as a result of a decrease in our publicly quoted share price and market capitalization continuing into 2022, we conducted an interim test of impairment on reporting units with goodwill or other intangible assets, consisting of both the Higi reporting unit and the IPA reporting unit as of June 30, 2022. As a result of this analysis, we identified an impairment charge of \$24.8 million for the Higi reporting unit, primarily allocated between Goodwill for \$14.3 million, Other intangible assets for \$4.3 million and Property plant and equipment for \$6.3 million. No impairment charge was determined for the IPA reporting unit. Subsequently, in the fourth quarter of fiscal year 2022, we identified a separate triggering event as it was determined that the assets under the Higi and IPA reporting units, were more likely than not going to be disposed prior to the end of their previously determined useful lives. Accordingly, we recognized an impairment charge for Higi's assets classified as held for sale for \$35.0 million in the fourth quarter of 2022. This impairment charge primarily consisted of a \$20.6 million impairment charge to the Higi reporting unit's Goodwill along with a \$14.3 million impairment valuation allowance against Higi's other assets held for sale. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our results of operations based on this impairment assessment process, which could adversely affect our results of operations.

In addition, we may decide to divest acquired businesses that no longer align with the core objectives of our business plan. For example, in October 2022, we announced plans to sell the IPA Business, which is interchangeable with "IPA reporting unit" referenced above.

We may enter into collaborations, in-licensing arrangements, joint ventures, strategic alliances or partnerships with third-parties that may not result in the development of commercially viable solutions or the generation of significant future revenues.

In the ordinary course of our business, we may enter into collaborations, in-licensing arrangements, joint ventures, strategic alliances, partnerships or other arrangements to provide our services, develop products and pursue new markets. Proposing, negotiating and implementing collaborations, in-licensing arrangements, joint ventures, strategic alliances or partnerships may be a lengthy and complex process. Other companies, including those with substantially greater financial, marketing, sales, technology or other business resources, may compete with us for these opportunities or arrangements. We may not identify, secure, or complete any such transactions or arrangements in a timely manner, on a cost-effective basis, on acceptable terms or at all. We have limited institutional knowledge and experience with respect to these business development activities, and we may also not realize the anticipated benefits of any such transaction or arrangement. In particular, these collaborations may not result in the development of products or services that achieve commercial success or result in significant revenues and could be terminated prior to developing any products. Additionally, contractual negotiations may result in us not owning, or jointly owning with a third party, the intellectual property rights in products and other works developed under our collaborations, joint ventures, strategic alliances or partnerships.

Additionally, we may not be in a position to exercise sole decision making authority regarding the transaction or arrangement, which could create the potential risk of creating impasses on decisions, and our future collaborators may have economic or business interests or goals that are, or that may become, inconsistent with our business interests or goals. It is possible that conflicts may arise with our collaborators, such as conflicts concerning the achievement of performance milestones, or the interpretation of significant terms under any agreement, such as those related to financial obligations or the ownership or control of intellectual property developed during the collaboration. If any conflicts arise with any future collaborators, they may act in their self-interest, which may be adverse to our best interest, and they may breach their obligations to us. In addition, we may have limited control over the amount and timing of resources that any future collaborators devote to our or their future products. Disputes between us and our collaborators may result in litigation or arbitration which would increase our expenses and divert the attention of our management. Further, these transactions and arrangements will be contractual in nature and will generally be terminable under the terms of the applicable agreements and, in such event, we may not continue to have rights to the products or services resulting from such transaction or arrangement or may need to purchase such rights at a premium. Additionally, as would be standard for collaborations of such nature, we may have indemnity obligations in respect of, amongst other things, intellectual property and data privacy obligations, which, if triggered, could adversely affect our business, financial condition or results of operations.

We are currently party to, and may enter into future, in-bound intellectual property license agreements. We may not be able to fully protect the intellectual property licensed to us or maintain those licenses. Our licensors may retain the right to prosecute, enforce and defend the intellectual property rights licensed to us, in which case we would depend on the ability of our licensors to obtain, maintain and enforce intellectual property protection for the licensed intellectual property. These licensors may determine not to enforce the licensed intellectual property against other companies or may pursue such

litigation less aggressively than we would. In addition, such licenses may only provide us with non-exclusive rights, which could allow other third parties, including our competitors, to utilize the licensed intellectual property rights. Further, our in-bound license agreements may impose various diligence, commercialization, payment or other obligations on us. Our licensors may allege that we have breached our license agreement with them, and accordingly seek to terminate our license, which could adversely affect our freedom to operate or our competitive business position and harm our business prospects.

Our use of open source software could adversely affect our ability to offer our solutions and subject us to possible litigation.

We use open source software in connection with our existing and future offerings. Some of these licenses may contain requirements that we make available source code for modifications or derivative works we create based upon the open source software, and that we license such modifications or derivative works under the terms of a particular open source license or other license granting third-parties certain rights of further use. By the terms of certain open source licenses, we could be required to release the source code of our proprietary software and to make our proprietary software available under open source licenses, if we combine and/or distribute our proprietary software with open source software in certain manners. Although we have a policy on how open source software may be used in our offerings and we monitor our use of open source software, we cannot be sure that all open source software is reviewed prior to use in our proprietary software, that our programmers have not incorporated into our proprietary software open source software subject to such unfavorable license terms, or that they will not do so in the future. Additionally, the terms of many open source licenses to which we are subject have not been interpreted by U.S. or foreign courts. There is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide our existing and future offerings to our customers and members. In addition, the terms of open source software licenses may require us to provide software that we develop using such open source software, to others, including our competitors, on unfavorable license terms. As a result of our current or future use of open source software, we may face claims or litigation, be required to release our proprietary source code, pay damages for breach of contract, re-engineer our technology, discontinue sales in the event that re-engineering cannot be accomplished on a timely basis, or take other remedial action that may divert resources away from our development efforts, any of which could harm our business.

Our business could be disrupted by catastrophic events and man-made problems, such as power disruptions, cyberattacks, data security breaches and incidents, and terrorism.

Our systems are vulnerable to damage or interruption from the occurrence of any catastrophic event, including earthquake, fire, flood, tsunami, or other weather event, power loss, telecommunications failure, software or hardware malfunction, cyber-attack, ransomware, war, terrorist attack or incident of mass violence, which could result in lengthy interruptions in access to our platform or data. Certain of these events may become more frequent or intense as a result of climate change. Acts of terrorism, including malicious internet-based activity, could cause disruptions to the internet or the economy as a whole. Even with our disaster recovery arrangements, access to our platform or data could be interrupted. If our systems were to fail or be negatively impacted as a result of a natural disaster or other event, our ability to deliver our platform and solution to our customers and members would be impaired or we could lose critical data or our data could be corrupted. If we are unable to successfully execute on our disaster recovery and business continuity plans in the event of a disaster or emergency, our business, financial condition, and results of operations would be harmed.

We have implemented a business continuity and disaster recovery program designed to manage business interruption, which is continually evolving. Specifically, our architecture is designed in availability zones to enable continuity when one or more zones is disrupted by moving traffic in the event of a problem, and the ability to recover in a short period of time. However, should our disaster recovery program fail to effectively support the movement of traffic in a timely or complete manner in the event of a catastrophe such as a natural disaster or sophisticated cyberattack, our business and results of operations may be harmed.

We do not carry business interruption insurance sufficient to compensate us for the potentially significant losses, including the potential harm to our business, financial condition and results of operations that may result from interruptions in access to our platform as a result of system failures.

We are subject to risks related to climate change.

There are inherent climate-related risks wherever business is conducted. Certain of the facilities we rely on, including third-party infrastructure, are located in areas that have experienced, and are projected to continue to experience, various meteorological phenomena (such as drought, heatwaves, wildfire, storms, and flooding, among others) or other

catastrophic events that may disrupt our or our suppliers' operations, require us to incur additional operating or capital expenditures, or otherwise adversely impact our business, financial condition, or results of operations. Climate change may increase the frequency and/or intensity of such events. For example, in certain areas, there has been an increase in power shutoffs associated with wildfire prevention. While we may take various actions to mitigate our business risks associated with climate change, this may require us to incur substantial costs and may not be successful, due to, among other things, the uncertainty associated with the longer-term projections associated with managing climate risk.

Additionally, we expect to be subject to increased regulations, reporting requirements, standards or expectations regarding the environmental impacts of our business. For example, the SEC has published proposed rules that would require companies to provide significantly expanded climate-related disclosures in their periodic reporting, which may require us to incur significant additional costs to comply and impose increased oversight obligations on our management and board of directors. The expectations of various stakeholders, including customers and employees, regarding such matters likewise continues to evolve. Changing market dynamics, global and domestic policy developments, and the increasing frequency and impact of meteorological phenomena have the potential to disrupt our business, the business of our suppliers and/or customers, or otherwise adversely impact our business, financial condition, or results of operations.

Increasing attention to, and scrutiny of, environmental, social, and governance matters could increase our costs, harm our reputation or otherwise adversely impact our business.

Companies across industries are facing increasing scrutiny from a variety of stakeholders related to their ESG and sustainability practices. Expectations regarding voluntary ESG initiatives and disclosures and consumer demand for alternative forms of energy may result in increased costs (including but not limited to increased costs related to compliance, stakeholder engagement, contracting and insurance), changes in demand for certain products, enhanced compliance or disclosure obligations, or other adverse impacts to our business, financial condition, or results of operations.

While we may at times engage in voluntary initiatives (such as voluntary disclosures, certifications, or goals, among others) to improve the ESG profile of our company or to respond to stakeholder expectations, such initiatives may be costly and may not have the desired effect. Expectations around companies' management of ESG matters continues to evolve rapidly, in many instances due to factors that are out of our control. For example, we may ultimately be unable to complete certain initiatives or targets, either on the timelines initially announced or at all, due to technological, cost, or other constraints, which may be within or outside of our control. Moreover, actions or statements that we may take based on expectations, assumptions, or third-party information that we currently believe to be reasonable may subsequently be determined to be erroneous or be subject to misinterpretation. If we fail to, or are perceived to fail to, comply with or advance certain ESG initiatives (including the timeline and manner in which we complete such initiatives), we may be subject to various adverse impacts, including reputational damage and potential stakeholder engagement and/or litigation, even if such initiatives are currently voluntary. For example, there have been increasing allegations of greenwashing against companies making significant ESG claims due to a variety of perceived deficiencies in performance or methodology, including as stakeholder perceptions of sustainability continue to evolve.

Certain market participants, including major institutional investors and capital providers, use third-party benchmarks and scores to assess companies' ESG profiles in making investment or voting decisions. Unfavorable ESG ratings could lead to increased negative investor sentiment towards us, which could negatively impact our share price as well as our access to and cost of capital. To the extent ESG matters negatively impact our reputation, it may also impede our ability to compete as effectively to attract and retain employees or customers, which may adversely impact our operations. In addition, we expect there will likely be increasing levels of regulation, disclosure-related and otherwise, with respect to ESG matters. For example, the SEC has proposed rules that would require companies to provide significantly expanded climate-related disclosures in their periodic reporting, which may require us to incur significant additional costs to comply, including the implementation of significant additional internal controls processes and procedures regarding matters that have not been subject to such controls in the past, and impose increased oversight obligations on our management and board of directors. This and other stakeholder expectations will likely lead to increased costs as well as scrutiny that could heighten all of the risks identified in this risk factor. Additionally, many of our customers and suppliers may be subject to similar expectations, which may augment or create additional risks, including risks that may not be known to us.

A pandemic, epidemic or outbreak of an infectious disease in the United States, the United Kingdom or worldwide, including the outbreak of new variants or waves of COVID-19, could adversely affect our business.

If a pandemic, epidemic or outbreak of an infectious disease occurs in the United States, the United Kingdom or worldwide, our business may be adversely affected. The severity, magnitude and duration of the current COVID-19 pandemic is uncertain and rapidly changing. As of the date of this Annual Report, the extent to which the COVID-19 pandemic may impact our business, results of operations and financial condition remains uncertain. Furthermore, because of our business model, the full impact of the COVID-19 pandemic may not be fully reflected in our results of operations and overall financial condition until future periods.

Adverse market conditions resulting from the spread of COVID-19, including new variants or waves, could materially adversely affect our business and the value of our Class A ordinary shares. Numerous state and local jurisdictions, including all markets where we operate, have imposed, and others in the future may impose, “shelter-in-place” orders, quarantines, executive orders and similar government orders and restrictions for their residents to control the spread of COVID-19. Such orders or restrictions have resulted in largely remote operations in the U.S. and hybrid operations in the U.K., work stoppages among some vendors and suppliers, slowdowns and delays, travel restrictions and cancellation of events and have restricted the ability of our front-line outreach teams to host and attend community events, among other effects, thereby significantly and negatively impacting our operations. Other disruptions or potential disruptions include restrictions on the ability of our personnel to travel; inability of our suppliers to manufacture goods and to deliver these to us on a timely basis, or at all; inventory shortages or obsolescence; delays in actions of regulatory bodies; diversion of or limitations on employee resources that would otherwise be focused on the operations of our business, including because of sickness of employees or their families or the desire of employees to avoid contact with groups of people; business adjustments or disruptions of certain third parties; and additional government requirements or other incremental mitigation efforts. The extent to which the COVID-19 pandemic impacts our business will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity and spread of COVID-19 and the actions to contain COVID-19 or treat its impact, including availability, acceptance and efficacy of vaccines and boosters among others. In addition, the COVID-19 virus disproportionately impacts older adults, which describes many of our members.

It is not currently possible to reliably project the direct impact of COVID-19 on our operating revenues and expenses. Key factors include the duration and extent of the outbreak in our service areas as well as societal and governmental responses. Members may continue to be reluctant to seek necessary care given the risks of the COVID-19 pandemic. This could have the effect of deferring healthcare costs that we will need to incur to later periods and may also affect the health of members who defer treatment, which may cause our costs to increase in the future. Further, as a result of the COVID-19 pandemic, we may experience slowed growth or a decline in new member demand. We also may experience increased internal and third-party medical costs as we provide care for members suffering from COVID-19. This increase in costs may be significant given the number of our members who are under capitation or value-based care agreements. There is also a risk that, as restrictions stemming from the COVID-19 pandemic are rolled back, our medical expenses may increase in the near-to-medium term as individuals who may have delayed getting routine medical treatment during the COVID-19 pandemic begin making appointments to do so. Further, we may face increased competition due to changes to our competitors’ products and services, including modifications to their terms, conditions, and pricing that could materially adversely impact our business, results of operations, and overall financial condition in future periods.

Due to the COVID-19 pandemic, we may not be able to document the health conditions of our members as completely as we have in the past. Medicare pays capitation using a “risk adjustment model,” which compensates providers based on the health status (acuity) of each individual member. Payers with higher acuity members receive more, and those with lower acuity members receive less. Medicare requires that a member’s health issues be documented annually regardless of the permanence of the underlying causes. Historically, this documentation was required to be completed during an in-person visit with a member. As part of the Coronavirus Aid, Relief and Economic Security Act, or CARES Act, Medicare is allowing documentation for conditions identified during video visits with members. However, given the disruption caused by COVID-19, it is unclear whether we will be able to document the health conditions of our members as comprehensively as we did in prior years, which may adversely impact our revenue in future periods.

Also, under the CARES Act, the U.S. Department of Health and Human Services distributed Medicare Grants to healthcare providers to offset the impacts of the COVID-19 pandemic related expenses and lost revenues, also known as the Provider Relief Funds. Grants received are subject to the terms and conditions of the program, including that such funds may only be used to prevent, prepare for, and respond to the COVID-19 pandemic and will reimburse only for health care related expenses or lost revenues that are attributable to the COVID-19 pandemic. Recipients are not required to repay these funds, provided that they attest to and comply with certain terms and conditions, including not using the funds to reimburse expenses or losses that other sources are obligated to reimburse. We will continue to monitor our compliance with the terms and conditions of the Provider Relief Funds, including demonstrating that the distributions received have

been used for healthcare-related expenses or lost revenue attributable to the COVID-19 pandemic. If we are unable to attest to or comply with current or future terms and conditions our ability to retain some or all of the distributions received may be impacted.

The extent and continued impact of the COVID-19 pandemic on our business will depend on certain developments, including: the duration and spread of the outbreak; government responses to the pandemic; the impact on our customers and our sales cycles; the impact on customer, industry, or employee events; and the effect on our partners and supply chains, all of which are uncertain and cannot be predicted. Because of our business model, the full impact of the COVID-19 pandemic may not be fully reflected in our results of operations and overall financial condition until future periods.

To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section, including but not limited to those relating to cyber-attacks and security vulnerabilities, interruptions or delays due to third parties, or our ability to raise additional capital or generate sufficient cash flows necessary to expand our operations.

Any failure to offer high-quality implementation, member enrollment and ongoing support may adversely affect our relationships with our customers, and in turn our business, results of operations and financial condition.

Though we assist with targeted marketing campaigns, we do not control our customers’ enrollment schedules. As a result, if our customers do not allocate the internal resources necessary for a successful enrollment for their population, or enrollment launch date is delayed, we could incur significant costs, our enrollment rate may decline, customers could become dissatisfied and decide not to increase utilization of our solution or not to implement our solution beyond an initial period prior to their term commitment. In addition, competitors with more efficient operating models and/or lower implementation costs could jeopardize our customer relationships.

In implementing and using our solutions, our members depend on our member support to resolve issues in a timely manner. We may be unable to respond quickly enough to accommodate short-term increases in demand for member support. We also may be unable to modify the nature, scope and delivery of our services or member support to compete with changes in solutions provided by our competitors. Increased member demand for support could increase costs and adversely affect our financial condition and results of operations. Our sales are highly dependent on our reputation and on positive recommendations from our existing members, and customers. Any failure to maintain high-quality member support, or a market perception that we do not maintain high-quality member support, could adversely affect our reputation, our ability to sell our solutions, and in turn our business, financial condition and results of operations.

Our sales and implementation cycle can be long and unpredictable and requires considerable time and expense. As a result, our sales and revenue are difficult to predict and may vary substantially from period to period, which may cause our results of operations to fluctuate significantly.

The timing of our sales and related revenue recognition is difficult to predict because of the length and unpredictability of our sales cycle. The sales cycle for our solution from initial contact with a potential customer to enrollment launch varies widely by customer, ranging from less than one month to over a year. Some of our customers, especially in the case of our large customers and government entities, undertake a significant and prolonged evaluation process, including to determine whether our solutions meet their unique healthcare needs, which frequently involves evaluation of not only our solution but also of other available solutions, which has in the past resulted in extended sales cycles. Our sales efforts involve educating our customers about the ease of use, technical capabilities and potential benefits of our solution. Once a customer enters into an agreement with us, we then explain the benefits of our solutions again to eligible employees to encourage them to sign up as a member. During the sales cycle, we invest significant human resources and we expend significant time and money on sales and marketing activities, which lowers our operating margins, particularly if no sale occurs. For example, there may be unexpected delays in a customer’s internal procurement processes, particularly for some of our larger customers and government entities for which our products represent a very small percentage of their total procurement activity. There are many other factors specific to customers that contribute to the timing of their purchases and the variability of our revenue recognition, including the strategic importance of a particular project to a customer, budgetary constraints, funding authorization, and changes in their personnel. In addition, the significance and timing of our product enhancements, and the introduction of new products by our competitors, may also affect our customers’ purchases. Even if a customer decides to purchase our solutions, there are many factors affecting the timing of our recognition of revenue, which makes our revenue difficult to forecast. For example, once a customer enters into an agreement with us, we work with them to identify the eligible population and then launch an enrollment

process. Time from signing to launch typically takes an average of at least three to six months. We do not receive any payment from our customers until members enroll and begin using our solution, which could be months following signing a subscription agreement for our solution. For all of these reasons, it is difficult to predict whether a sale will be completed, the particular period in which a sale will be completed or the period in which revenue from a sale will be recognized.

It is possible that in the future we may experience even longer sales cycles, more complex customer needs, higher upfront sales costs and less predictability in completing some of our sales as we continue to expand our direct sales force, expand into new territories and market additional solutions and services. If our sales cycle lengthens or our substantial upfront sales and implementation investments do not result in sufficient sales to justify our investments, our revenue could be lower than expected and it could have a material adverse effect on our business, financial condition and results of operations.

Failure to obtain or maintain an insurance license, a certificate of authority or an equivalent authorization allowing our participation in downstream risk-sharing arrangements with payers could subject us to significant penalties and adversely impact our operations.

Regulation of downstream risk-sharing arrangements, including, but not limited to, global risk and other value-based arrangements, varies significantly from state to state. We therefore expect significant uncertainty regarding whether our operations fall within the scope of certain laws or regulations.

If a state in which we currently operate, or a new geography, views our participation in risk-sharing arrangements as the assumption of insurance risk, the arrangement may fall within the purview of state insurance or managed care laws. If so, in connection with our continued operations or our expansion into new geographies, we may be required to obtain a state insurance or managed care license (or some other type of registration) and comply with the state's insurance or managed care laws and regulations. Such laws and regulations may subject us to significant oversight by state regulators in the form of periodic reporting and audits, required financial reserves and refraining from taking certain actions without prior regulatory approval. The majority of states do not explicitly address whether and in what manner the state regulates the transfer of risk by a payer to a downstream entity, and in such states, regulators may nonetheless interpret statutes and regulations to regulate such activity. If downstream risk-sharing arrangements are not regulated directly in a particular state, the state regulatory agency may nonetheless require oversight by the licensed payer as the party to such a downstream risk-sharing arrangement. Such oversight is accomplished via contract and may include the imposition of reserve requirements and reporting obligations. Failure to comply with these direct and indirect oversight laws can result in significant monetary penalties, administrative fines, fraud or misrepresentation charges, denial of future insurer applications or loss of membership or suspension of membership growth.

Foreign currency exchange rate fluctuations and restrictions on the repatriation of cash could adversely affect our results of operations, financial position and cash flows.

Our business is exposed to fluctuations in exchange rates. Although our reporting currency is the U.S. dollar, we operate in different geographical areas and transact in a range of currencies in addition to the U.S. dollar, such as pound sterling. As a result, movements in exchange rates may cause our revenue and expenses to fluctuate, impacting our profitability, financial position and cash flows. Future business operations and opportunities, including any continued expansion of our business outside the United States, may further increase the risk that cash flows resulting from these activities may be adversely affected by changes in currency exchange rates. In the event we are unable to offset these risks, there may be a material adverse impact on our business and operations. In appropriate circumstances where we are unable to naturally offset our exposure to these currency risks, we may enter into derivative transactions to reduce such exposures. Even where we implement hedging strategies to mitigate foreign currency risk, these strategies might not eliminate our exposure to foreign exchange rate fluctuations and involve costs and risks of their own, such as ongoing management time and expertise, external costs to implement the strategies and potential accounting implications. Nevertheless, exchange rate fluctuations may either increase or decrease our revenues and expenses as reported in U.S. dollars. Moreover, foreign governments may restrict transfers of cash out of the country and control exchange rates. There can be no assurance that we will be able to repatriate earnings generated, or cash held, by us and our subsidiaries due to exchange control restrictions or the requirements to hold cash locally to meet regulatory solvency requirements. This could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Government Regulation

In the United States, we conduct business in a heavily regulated industry, and if we fail to comply with these laws and government regulations, or if the rules and regulations change or the approach that regulators take in classifying our products and services under such regulations change, we could incur penalties or be required to make significant changes to our operations or experience adverse publicity, which could have a material adverse effect on our business, financial condition, and results of operations.

The U.S. healthcare industry is heavily regulated and closely scrutinized by federal, state and local governments. Comprehensive statutes and regulations govern the manner in which we provide and bill for services and collect reimbursement from governmental programs and private payers, our contractual relationships with our providers, vendors and customers, our marketing activities and other aspects of our operations. Of particular importance are:

- the federal physician self-referral law, commonly referred to as the Stark Law, that, subject to limited exceptions, prohibits physicians from referring Medicare or Medicaid patients to an entity for the provision of certain “designated health services” if the physician or a member of such physician’s immediate family has a direct or indirect financial relationship (including an ownership interest or a compensation arrangement) with the entity, and prohibit the entity from billing Medicare or Medicaid for such designated health services. The Stark Law is violated if the financial arrangement does not meet an applicable exception, regardless of any intent by the parties to induce or reward referrals or the reasons for the financial relationship and the referral;
- the federal Anti-Kickback Statute that prohibits the knowing and willful offer, payment, solicitation or receipt of any bribe, kickback, rebate or other remuneration (i) in return for referring or to induce the referral of an individual for the furnishing, or arranging for the furnishing, of items or services paid for in whole or in part by any federal health care program, such as Medicare and Medicaid, and (ii) ordering, leasing, purchasing or recommending or arranging for the ordering, purchasing or leasing of items, services, good, or facility paid for in whole or in part by any federal health care program, such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute or Stark Law constitutes a false or fraudulent claim for purposes of the False Claims Act;
- the criminal healthcare fraud provisions of HIPAA and related rules that prohibit knowingly and willfully executing a scheme or artifice to defraud any healthcare benefit program or falsifying, concealing or covering up a material fact or making any material false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;
- the federal False Claims Act that imposes civil liability on individuals or entities that, among other things, knowingly submit false or fraudulent claims for payment to the government, or knowingly make, or cause to be made, a false statement in order to have a false claim paid, or retain identified Medicare or Medicaid overpayments and allows for qui tam or whistleblower suits by private individuals on behalf of the government;
- various federal healthcare-focused criminal laws that impose criminal liability for intentionally submitting false or fraudulent claims, or making false statements, to the government;
- reassignment of payment rules that prohibit certain types of billing and collection practices in connection with claims payable by the Medicare or Medicaid programs;
- similar state law provisions pertaining to anti-kickback, self-referral and false claims issues, some of which may apply to items or services reimbursed by any payer, including patients and commercial insurers;
- state laws that prohibit general business corporations, such as us, from practicing medicine, controlling physicians’ medical decisions or engaging in some practices such as splitting fees with physicians;
- state laws, regulations, interpretative guidance, and policies requiring certain modality and other actions to establish a provider-patient relationship, deliver care, or prescribe medications as part of a telehealth service;
- state laws, regulations and policies relating to licensure and the practice of telehealth services across state lines;
- state laws, regulations, interpretative guidance, and policies regarding the dispensing or delivery of medications and devices;
- state laws, regulations, interpretative guidance, and policies regarding reporting requirements and patient consent, education, and follow-up related to treatment, including treatment and education for certain specific topics, such as, contraception, HIV and other STIs and state reporting for HIV, STIs, and infectious diseases;
- laws that regulate debt collection practices as applied to our debt collection practices;

- a provision of the Social Security Act that imposes penalties on healthcare providers who fail to disclose, or refund known overpayments;
- federal and state laws that prohibit providers from billing and receiving payment from Medicare and Medicaid for services unless the services are medically necessary, adequately and accurately documented, and billed using codes that accurately reflect the type and level of services rendered;
- federal and state laws and policies that require healthcare providers to maintain licensure, certification or accreditation to enroll and participate in the Medicare and Medicaid programs, to report certain changes in their operations to the agencies that administer these programs; and
- with respect to medical devices, such as the Higi Smart Stations, FDA authority over medical device marketing, including assessment and oversight of safety and effectiveness and over “promotional labeling,” and Federal Trade Commission (“FTC”) authority over “advertising.”

Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws. We have implemented a compliance program to maintain compliance with these laws, however instances of non-compliance may prove costly. Failure to comply with these laws and other laws can result in civil and criminal penalties such as fines, damages, overpayment, recoupment, imprisonment, loss of enrollment status and exclusion from the Medicare and Medicaid programs. Medicare and Medicaid programs represent a large portion of our revenue in the United States and exclusion from future participation in these programs would significantly reduce our revenue for years to come. The risk of our being found in violation of these laws and regulations is increased by the fact that many of them have not been fully interpreted by the regulatory authorities or the courts, and their provisions are sometimes open to a variety of interpretations. Our failure to accurately anticipate the application of these laws and regulations to our business or any other failure to comply with regulatory requirements could create liability for us and negatively affect our business. Any action against us for violation of these laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management’s attention from the operation of our business and result in adverse publicity.

To enforce compliance with the federal laws, the U.S. Department of Justice (the “DOJ”) and the OIG have recently increased their scrutiny of healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Dealing with investigations can be time- and resource-consuming and can divert management’s attention from the business. Any such investigation or settlement could increase our costs or otherwise have an adverse effect on our business. In addition, because of the potential for large monetary exposure under the federal False Claims Act, which provides for treble damages and significant penalties per false claim or statement, healthcare providers often resolve allegations without admissions of liability for significant and material amounts to avoid the uncertainty of treble damages that may be awarded in litigation proceedings. Such settlements often contain additional compliance and reporting requirements as part of a consent decree, settlement agreement or corporate integrity agreement. Given the significant size of actual and potential settlements, it is expected that the government will continue to devote substantial resources to investigating healthcare providers’ compliance with the healthcare reimbursement rules and fraud and abuse laws.

The laws, regulations and standards governing the provision of healthcare services may change significantly in the future. On June 24, 2022, the U.S. Supreme Court issued its decision in *Dobbs v. Jackson Women’s Health Organization*, holding that the Constitution of the United States does not confer a right to an abortion and overturning both *Roe v. Wade* (1973) and *Planned Parenthood v. Casey* (1992). As a practical matter, the decision will make it difficult or impossible for some pregnant individuals to obtain certain sexual or reproductive health services in a substantial number of U.S. states.

The *Dobbs* decision has triggered widespread legal uncertainty concerning the delivery of reproductive and family planning services. About half of the U.S. states are expected to or already have laws that prohibit or heavily limit abortion services. These state laws largely regulate healthcare providers and patients, although some state laws capture other parties that “aid and abet” the violation of these laws. However, some of these laws are being challenged in state and federal courts on various legal grounds, the U.S. President signed an executive order on July 8, 2022 aimed at protecting abortion rights, and a number of states are following suit by passing legislation to protect patients who seek abortion services.

Our business has been adversely impacted by the *Dobbs* decision because we must now invest, and expect to need to continue to invest, substantial resources to monitor the status of legal developments that may impact our and our clinicians’ ability to provide telehealth services related to sexual and reproductive health. If we fail to fully comply with any of these changing laws to the extent that they apply to our business, as a result of ambiguity in the law or otherwise, we

may be subject to monetary liabilities, injunctions or other negative consequences. In addition, changes in insurance coverage for sexual and reproductive health services under health plans that we contract with could adversely impact our ability to provide and be paid for such services. We cannot assure you that any new or changed healthcare laws, regulations or standards will not materially adversely affect our business. We cannot assure you that a review of our business by judicial, law enforcement, regulatory or accreditation authorities will not result in a determination that could adversely affect our operations.

Additionally, the healthcare industry is subject to antitrust scrutiny. The federal government and most states have enacted antitrust laws that prohibit certain types of conduct deemed to be anti-competitive. The FTC, the Antitrust Division of the DOJ and state Attorneys General actively review and, in some cases, take enforcement action against business conduct and acquisitions in the healthcare industry. Private parties harmed by alleged anti-competitive conduct can also bring antitrust suits. Violations of antitrust laws may be punishable by substantial penalties, including significant monetary fines and treble damages, civil penalties, criminal sanctions and consent decrees and injunctions prohibiting certain activities or requiring divestiture or discontinuance of business operations. If antitrust enforcement authorities conclude that we violate any antitrust laws, we could be subject to enforcement actions that could have a material adverse effect on our business, financial condition, cash flows and results of operations.

The impact of healthcare reform legislation and other changes in the healthcare industry and in healthcare spending on us is currently unknown, but may adversely affect our business, financial condition and results of operations.

Our revenue is dependent on the healthcare industry and could be affected by changes in healthcare spending and policy. The healthcare industry is subject to changing political, regulatory and other influences.

In the United States, the Affordable Care Act (“ACA”) made major changes in how healthcare is delivered and reimbursed, and increased access to health insurance benefits to the uninsured and underinsured population of the United States. Since the adoption of ACA, there have been an increased number of individuals with Medicaid and private insurance coverage, increasingly, reimbursement policies tie payment to quality, alternative payment methodologies, including the Medicare Shared Savings Program, have been adopted or piloted, enforcement of fraud and abuse laws have increased and utilized expanded powers adopted as a part of ACA and the use of information technology has been encouraged.

Since its enactment in March 2010, there have been judicial, executive and Congressional legislative challenges to certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA.

Other legislative changes have been proposed and adopted since the ACA was enacted. These changes include aggregate reductions to Medicare payments to providers, which began in 2013 and will remain in effect through 2032, with the exception of a temporary suspension from May 1, 2020 through March 31, 2022, unless additional Congressional action is taken. In January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. Finally, under the Medicare Access and CHIP Reauthorization Act of 2015, or MACRA, Medicare payment for performance initiatives for physicians commenced, beginning in 2019.

We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments and other third-party payers will pay for healthcare products and services, which could adversely affect our business, financial condition and results of operations.

If we fail to comply with applicable data interoperability and information blocking rules, our business, financial condition and results of operations could be adversely affected.

The 21st Century Cures Act, or the Cures Act, which was passed and signed into law in December 2016, includes provisions related to data interoperability, information blocking and patient access. In March 2020, the HHS Office of the National Coordinator for Health Information Technology, or ONC, and CMS finalized and issued complementary rules that are intended to clarify provisions of the Cures Act regarding interoperability and information blocking, and include, among other things, requirements surrounding information blocking. The companion rules will transform the way in which healthcare providers, health IT developers, health information exchanges/health information networks, or HIEs/HINs, and health plans share patient information, and create significant new requirements for healthcare industry participants. For

example, the ONC rule, which went into effect on April 5, 2021, prohibits healthcare providers, health IT developers of certified health IT, and HIEs/HINs from engaging in practices that are likely to interfere with, prevent, materially discourage, or otherwise inhibit the access, exchange or use of electronic health information, or EHI, also known as “information blocking.” To further support access and exchange of EHI, the ONC rule identifies eight “reasonable and necessary activities” as exceptions to information blocking activities, as long as specific conditions are met. Any failure to comply with these rules could have a material adverse effect on our business, results of operations and financial condition. Since enforcement of these rules are relatively recent, there is not clarity around compliance expectations for many of Babylon’s specific business operations, which could result in Babylon’s unforeseen failure to comply with the rules despite best efforts otherwise.

We expect to be treated as resident in the United Kingdom for tax purposes, but may be treated as a dual resident company for United Kingdom tax purposes.

Our board of directors conducts our affairs so that the central management and control of the company is exercised in the United Kingdom. As a result, we expect to be treated as resident in the United Kingdom for U.K. tax purposes. Accordingly, we expect to be subject to U.K. taxation on our income and gains, except where an exemption applies. However, we may be treated as a dual resident company for U.K. tax purposes. As a result, our right to claim certain reliefs from U.K. tax may be restricted, and changes in law or practice in the United Kingdom could result in the imposition of further restrictions on our right to claim U.K. tax reliefs.

Evolving government regulations may result in increased costs or adversely affect our results of operations.

In a regulatory climate that is uncertain, our operations may be subject to direct and indirect adoption, expansion or reinterpretation of various laws and regulations. Compliance with these future laws and regulations may require us to change our practices at an indeterminable and possibly significant initial monetary and recurring expense. These additional monetary expenditures may increase future overhead, which could have a material adverse effect on our results of operations.

We have identified what we believe are the areas of government regulation that, if changed, would be costly to us. These include:

- rules governing the practice of medicine by physicians;
- laws relating to licensure requirements for physicians and other licensed health professionals;
- laws limiting the corporate practice of medicine and professional fee-splitting;
- laws governing the issuances of prescriptions in an online setting;
- cybersecurity and privacy laws;
- laws and licensure requirements relating to telemedicine;
- laws and regulatory requirements relating to artificial intelligence (which are likely to become more prominent across multiple jurisdictions in the coming years, following the European Commission’s proposal for an EU Regulation on Artificial Intelligence and other recent developments referred to under the subheading “—*European Union*” below);
- laws and regulatory requirements relating to medical devices including software as a medical device, under U.K. law, EU law and the Federal Food, Drug, and Cosmetic Act (the “FDCA”) and the FDA’s enforcement discretion relating to “device” regulatory requirements;
- laws and regulations relating to the manner in which we provide and bill for services and collect reimbursement from governmental programs and private payers (e.g., the physician self-referral law or Anti-Kickback Statute);
- laws and regulations related to the acceptance of risk for medical expenses; and
- laws and rules relating to the distinction between independent contractors and employees. There could be laws and regulations applicable to our business that we have not identified or that, if changed, may be costly to us, and we cannot predict all the ways in which implementation of such laws and regulations may affect us.

Changes in law or regulation in any jurisdiction in which we operate may lead to increased costs and/or resourcing requirements, delays, or may require product features to be modified or discontinued. As an example, the current up-classification of many software as medical devices in the EU as a result of the recently enforced Medical Regulation (EU) No 2017/745 (“EU Medical Devices Regulation”) places a burden on manufacturers, including us, to comply with additional requirements (see “*Business — Regulatory Environment — Medical Device Regulation — Regulation of Medical Devices in the European Union*”). Some devices will now require to be certified by a notified body while they were only subject to self-assessment conformity under the former EU Medical Devices Directive. As a result of the transition, notified body review times have lengthened, and product introductions or modifications could be delayed or canceled, which could adversely affect our ability to grow our business.

Moreover, there is an increasing trend in the EU, United Kingdom and United States towards regulation of AI and the protection of citizens from harm caused by AI, although no specific substantive legislation has been enacted in these jurisdictions to date.

European Union

- On April 21, 2021, the European Commission published its proposal for an EU Regulation on AI (the “Draft Regulation”). The proposal was supplemented by a compromise text issued on November 29, 2021 by the Presidency of the European Council. The Draft Regulation is not current EU law. It will proceed through a detailed legislative process (which is expected to take several years) and, if enacted, will also provide for a transition period to enable affected parties to comply. As with previous EU legislation relating to technology (such as the EU General Data Protection Regulation (“GDPR”)), it is likely that the final text will be significantly different from the Draft Regulation.
- The Draft Regulation applies to providers, users, importers and distributors of AI systems. It establishes a risk-based framework of requirements and enforcement mechanisms for various AI use cases. This includes “high-risk” AI systems, which (among other criteria) encompass products or components that are subject to Regulation (EU) 2017/745 on medical devices.
- The Draft Regulation, if enacted, would have extra-territorial effect and would apply to:
 - providers (established within or outside the EU) that supply or put an AI system into service in the EU;
 - users of AI systems located within the EU; and
 - providers and users located outside the EU, if the output produced by the AI system is used in the EU.
- Our mobile app (including our AI-driven digital health tools, Triage and Healthcheck) is currently available for download within the EU. We could be determined to be a provider, given that we develop the app and put it onto the market.
- If we were determined to be a provider of high-risk AI systems, our substantive obligations would include (among other measures) implementation of compliant risk-management and data governance systems, creation and maintenance of technical documentation, record-keeping requirements, detailed transparency obligations and post-market monitoring. Although we have many of these in place already, the specific requirements may vary. The Draft Regulation also requires high-risk AI systems to be CE-marked following a conformity assessment procedure. These measures could create additional costs (e.g., additional hires for product and compliance teams) and potential delays in the development and deployment of our AI-based products and services within the EU. If we fail to comply, we may be subject to fines or other penalties.
- Certain obligations in the Draft Regulation apply to users of high-risk AI systems, which could include our commercial partners and licensees. A user is any entity or person under whose authority a provider’s AI system is operated (rather than a human end-user). These obligations include ensuring input data is relevant for the intended purpose, monitoring the operation of the AI system and keeping logs generated by the system. As a result, we may be required to implement additional operational procedures and contractual protections (with potentially negative impacts on commercial partnership and licensing revenues) to enable our partners and licensees to comply with their own obligations when using our AI.
- If we were not determined to be a provider of high-risk AI systems, we could still be required to adhere to certain transparency standards under the Draft Regulation.

United Kingdom

- The Draft Regulation would not be part of U.K. law in light of Brexit. However, it would apply indirectly to parties in the U.K. through the extra-territorial effect detailed above (i.e., U.K.-based providers/users would need to comply if supplying or using AI systems, or their output, within the EU). Our mobile app is currently available for download in the EU. On September 22, 2021, the U.K. government published a national AI strategy (the “AI Strategy”), setting out a ten-year plan to invest in the U.K.’s AI ecosystem, transition the U.K. to an AI-enabled economy, and focus on national and international governance of AI technologies. The AI Strategy includes plans to create a “trusted and pro-innovation” AI governance regime. We continue to monitor the output of the AI Strategy to assess its potential impact on the regulation of our business. Recent developments and outputs include the publication of the Algorithmic Transparency Standard by the U.K. Central Digital and Data Office in November 2021 (which is currently being piloted among public sector organizations in the U.K. but could, if it becomes more broadly applicable to those providing public sector services, create new transparency reporting obligations for our NHS offering through Babylon GP at Hand). The U.K. Medicines and Healthcare Products Regulatory Agency (“MHRA”) also collaborated with the FDA to issue joint Guiding Principles on Good Machine Learning Practice for Medical Device Development in October 2021, as described further under the subheading “— United States” below.

United States

- Policy and legislative developments in the United States over the past two years suggest a greater focus on the regulation of AI, with a particular emphasis on algorithmic accountability and mitigation of algorithmic bias/discrimination.
- The Executive Order on Maintaining American Leadership in Artificial Intelligence (No. 13,859) (issued on February 11, 2019), included a guiding principle of “fostering public trust and confidence in AI technologies.” House Resolution 153 on Supporting the Development of Guidelines for Ethical Development of Artificial Intelligence (issued by the U.S. House of Representatives on February 27, 2019 but not yet adopted) sets out aims for the “safe, responsible and democratic development” of AI, through principles such as transparency, privacy, accountability, access, fairness and safety.
- The most significant legislative development was the introduction in Congress of the bill for the federal Algorithmic Accountability Act on April 10, 2019 (the “Bill”), which would require independent impact assessments to be conducted on certain “critical” automated decision systems (i.e., those having any legal, material or similarly significant effect on a consumer’s life) to assess their accuracy, fairness, bias, discrimination, privacy and security, where the relevant organization meets certain threshold criteria (based primarily on revenue and volume of data held). The Bill would also impose additional requirements around reporting, transparency and the taking of measures to mitigate any material negative impact of an automated decision system. The Bill did not advance in 2019, but was introduced in the U.S. Senate and in the U.S. House of Representatives on February 3, 2022.
- If enacted and if applicable to us, the Bill’s requirement to carry out detailed impact assessments and comply with reporting, transparency and impact mitigation requirements could create additional costs (including additional hires for compliance teams) and delays in our engineering and product development processes. The Bill would also not prevent the introduction of further legislation at the state level which might, if applicable, impose additional (potentially separate or overlapping) requirements on us. An early example is the bill for the New Jersey Algorithmic Accountability Act (introduced on May 20, 2019), which is similar in scope and effect to the Bill and is still moving through the New Jersey legislative process.
- In October 2021, the MHRA collaborated with the FDA to issue joint Guiding Principles on Good Machine Learning Practice for Medical Device Development. The Guiding Principles are intended to inform the development of Good Machine Learning Practice in relation to the development of AI-and machine learning-based medical devices. Although our Triage/Symptom Checker product is not currently regulated as a medical device in the United States, the guidelines include a number of good practice measures that already form part of our product development and operational processes.

In the jurisdictions in which we operate, even where we believe we are in compliance with all applicable laws, due to the uncertain regulatory environment, certain jurisdictions may determine that we are in violation of their laws. In the event that we must remedy such violations, we may be required to modify our services and products in a manner that undermines our solution’s attractiveness to our customers, consumers or providers or experts, we may become subject to

fines or other penalties or, if we determine that the requirements to operate in compliance in such jurisdictions are overly burdensome, we may elect to terminate our operations in such places. In each case, our revenue may decline and our business, financial condition and results of operations could be materially adversely affected.

Additionally, the introduction of new services may require us to comply with additional, yet undetermined, laws and regulations. Compliance may require obtaining appropriate licenses or certificates, increasing our security measures and expending additional resources to monitor developments in applicable rules and ensure compliance. The failure to adequately comply with these future laws and regulations may delay or possibly prevent some of our products or services from being offered to customers, or their members and patients, which could have a material adverse effect on our business, financial condition and results of operations.

Changes to the regulatory environment and market for health insurance in the United States could affect the adoption of our products and services and our future revenue.

Our business interacts closely with the U.S. health insurance system, which is evolving and subject to a changing regulatory environment. Our future financial performance will depend in part on growth in the market for private health insurance, as well as our ability to adapt to regulatory developments.

Changes and developments in the health insurance system in the United States could reduce demand for our services and harm our business. For example, there has been an ongoing national debate relating to the health insurance system in the United States. Certain elected officials have introduced proposals to expand the Medicare program, ranging from proposals that would create a new single-payer national health insurance program for all United States residents, replacing virtually all other sources of public and private insurance, to more incremental approaches, such as lowering the age of eligibility for the Medicare program, expanding Medicare to a larger population, or creating a new public health insurance option that would compete with private insurers. Additionally, proposals to establish a single-payer or government-run health care system at the state level have been introduced in some of our key states, such as New York and California.

At the federal level, President Biden and Congress may consider other legislation and/or executive orders to change elements of the ACA. In December 2019, a federal appeals court held that the individual mandate portion of the ACA was unconstitutional and left open the question whether the remaining provisions of the ACA would be valid without the individual mandate. On November 10, 2020, the U.S. Supreme Court heard oral arguments in this matter, and in June 2021, the Supreme Court held that Texas and other challengers had no legal standing to challenge the ACA, upholding the ACA. On January 28, 2021, President Biden issued an Executive Order that states it is the policy of his administration to protect and strengthen Medicaid and the ACA, and to make high-quality healthcare accessible and affordable to all Americans, and directs the Secretary of HHS to consider opening a special enrollment period for uninsured and under-insured Americans to seek individual market coverage through the federal health insurance marketplace. On the same day, in response to the President's Executive Order, CMS announced a special enrollment period from February 15, 2021 through May 15, 2021, which was extended to August 15, 2021 due to the COVID-19 public health emergency, for uninsured and under-insured individuals and families to seek coverage through the federal health insurance marketplace. The Executive Order also directs federal agencies to examine agency actions to determine whether they are consistent with the Administration's commitment regarding the ACA, and begin rulemaking to suspend, revise, or rescind any inconsistent actions. Areas of focus include policies or practices that may reduce affordability of coverage, present unnecessary barriers to individuals and families attempting to access Medicare or ACA coverage, or undermine protections for people with preexisting conditions. We continue to evaluate the effect that the ACA and its possible modifications, repeal and replacement may have on our business.

There may also be changes on the state level that could adversely impact our business. For example, in December 2022, the California Department of Health Care Services ("DHCS"), announced that it will be contracting with five commercial managed care plans to deliver Medi-Cal services to Medi-Cal managed care members in 21 counties across the state starting in January 2024. If the Medi-Cal managed care plans that we currently contract with change as a result of this DHCS request for proposal and procurement process, and we are unable to secure new contracts with the new Medi-Cal managed care plans, the demand in our services may decrease and harm our business.

Opposition in the United Kingdom to the involvement of private sector providers in the delivery of healthcare services could adversely affect our business.

Our business in England interacts closely with the NHS, including through our delivery of our Babylon GP at Hand offering. The involvement of independent sector providers in the NHS is a regularly discussed topic. Independent providers have long played a role in the delivery of services in the NHS. Whilst we are unaware that a central record of independent sector spend by the NHS is retained, critics claim that spend in this area has increased over time and undermines the NHS core values. In the recent past, both Labour and Conservative governments have used independent providers to increase patient choice and competition, as well as increasing capacity to provide services. In recent years, there have been large-scale attempts to procure services from providers, including independent sector providers, which have received criticism and created delays. Tenders and contracts have been abandoned, and the topic of the “privatization of the NHS” continues to be debated by stakeholders, including patients, the general public, physicians, the media and politicians. It is unlikely that the debate around the “privatization of the NHS” will entirely subside, and it will remain a risk to our business.

The U.K Department of Health and Social Care (“DHSC”) published the “Provider Selection Regime: supplementary consultation on the detail of proposals for regulations” for the procurement of healthcare services. This closed on March 28, 2022, but DHSC has not yet responded to feedback it received. The legal framework for the procurement of health services is to date unchanged. The Health and Care Act 2022 received royal assent on April 28, 2022 but not all of the Act is in force yet. The Act abolished clinical commissioning groups (“CCGs”) and established 42 integrated care boards (“ICBs”) on July 1, 2022.

There is a risk that the ICBs could challenge how the Babylon GP at Hand contractual structure operates, or that the legislation regarding the persons eligible to enter into a general medical services contract could change such that the contractual structure no longer complies with the legislation. The Babylon GP at Hand contractual structure presently relies on four individuals holding the general medical services contract in their individual capacity. While we have broad control regarding two of these individuals due to their employment arrangements with us, we largely rely on our working relationship with the other two. Any scrutiny, investigation, or litigation with regard to our arrangement could have a material adverse effect on our business, financial condition and results of operations, particularly if we are unable to restructure our operations and arrangements to comply with applicable laws or we are required to restructure at a significant cost, or if we were subject to penalties or other adverse action.

We are subject to export and import control laws and regulations that could impair our ability to compete in international markets or subject us to liability if we violate such laws and regulations.

We and our products in many cases are subject to U.S. import and export controls and trade and economic sanctions regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations, and various economic and trade sanctions regulations administered by the U.S. Treasury Department’s Office of Foreign Assets Control. These laws prohibit the shipment or provision of certain products and solutions to certain countries, governments and persons targeted by U.S. sanctions. Exports of our products and services must be made in compliance with these laws and regulations when applicable. If in the future we are found to be in violation of U.S. sanctions or export control laws, it could result in civil and criminal penalties, including loss of export privileges and substantial fines for us and for the individuals working for us.

In addition, various countries regulate the import and export of certain encryption and other technology, including import and export permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our solution or permit the use of our platform in those countries.

Changes in our solution, or future changes in export and import regulations, may prevent our customers with international operations from deploying our platform globally or, in some cases, prevent the export or import of our solution to certain countries, governments or persons altogether. Any change in export or import regulations, economic sanctions or related legislation or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our platform by, or in our decreased ability to export or sell subscriptions to our platform to, existing or potential customers with international operations. Any decreased use of our platform or limitation on our ability to export or sell our solution would likely adversely affect our business, financial condition and results of operations.

We are also subject to other laws and regulations governing our international operations, including regulations administered by the governments of the United Kingdom and the United States, and authorities in the EU, including applicable export control regulations, economic sanctions and embargoes on certain countries and persons, anti-money laundering laws, import and customs requirements and currency exchange regulations. While we have mechanisms to

identify high-risk individuals and entities before contracting with them, an instance of non-compliance with all such applicable laws could result in our being subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses. Likewise, any investigation of any potential violations of such laws by U.K., U.S., or other authorities could also have an adverse impact on our reputation, our business, results of operations and financial condition.

We are subject to the U.K. Bribery Act, the U.S. Foreign Corrupt Practices Act and other anti-corruption laws and anti-money laundering laws. Failure to comply with these laws could subject us to penalties and other adverse consequences.

Our operations are subject to anti-corruption laws, including the U.K. Bribery Act 2010 (the “Bribery Act”), the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”), the U.S. domestic bribery statute at 18 U.S.C. §201, the U.S. Travel Act, and other anti-corruption laws and anti-money laundering laws that apply in countries where we do business. The Bribery Act, the FCPA and these other anti-corruption laws generally prohibit us and our employees, agents, representatives, business partners, and third-party intermediaries from authorizing, promising, offering, or providing, directly or indirectly, improper or prohibited payments, or anything else of value, to recipients in the public or private sector in order to obtain or retain business or gain some other business advantage.

We sometimes leverage third parties to sell our products and conduct our business abroad. Under the Bribery Act, we may also be liable for failing to prevent a person associated with us from committing a bribery offense. We, our employees, agents, representatives, business partners and our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and may be held liable for the corrupt or other illegal activities of these employees, agents, representatives, business partners or third-party intermediaries even if we do not explicitly authorize those activities. While we have mechanisms to identify high-risk individuals and entities before contracting with them, we operate in a number of jurisdictions that pose a high risk of potential Bribery Act or FCPA violations. We cannot assure you that all of our employees, agents, representatives, business partners or third-party intermediaries will not take actions that violate applicable law, for which we may be ultimately held responsible. As we increase our international sales and business, our risks under these laws may increase.

These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While we have policies and procedures to address compliance with those laws, we cannot assure you that none of our employees, agents, representatives, business partners or third-party intermediaries will take actions that violate our policies and applicable law, for which we may be ultimately held responsible. In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which our international operations might be subject or the manner in which existing laws might be administered or interpreted.

Any allegations or violation of the FCPA, the Bribery Act or other applicable anti-bribery and anti-corruption laws and anti-money laundering laws could result in whistleblower complaints, sanctions, settlements, prosecution, enforcement actions, fines, damages, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions, or suspension or debarment from government contracts, all of which may have an adverse effect on our reputation, business, results of operations, and prospects. Responding to any investigation or action will likely result in a materially significant diversion of management’s attention and resources and significant defense costs and other professional fees.

Certain of our software products could become subject to extensive regulatory oversight by the FDA, which may increase the cost of conducting, or otherwise harm, our business.

The FDA has authority to regulate medical devices, which are subject to extensive and rigorous regulation including with respect to their design, development, manufacturing, testing, labeling, packaging, safety, efficacy, premarket review, marketing, sales, distribution, import and export. A “device” is broadly defined under the FDCA to mean an instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, or other similar or related article, including a component part or accessory which is, among other things, intended for use in the diagnosis of diseases or other conditions or in the cure, mitigation, treatment or prevention of disease, or which is intended to affect the structure or function of the body and does not achieve its primary intended purpose through chemical action and is not dependent upon being metabolized for the achievement of such purpose. The FDA considers certain software functions with these intended uses to constitute devices. However, the 21st Century Cures Act amended the FDCA to exclude from the definition of a “device” certain types of software, including software used for administrative support of a healthcare facility; software intended for maintaining or encouraging a healthy lifestyle and unrelated to the diagnosis, cure, mitigation, prevention, or treatment of a disease or condition; certain software intended to transfer, store, convert formats, or display the equivalent of

paper medical charts; and software designed for transferring, storing, or displaying medical device data or in vitro diagnostic data; and certain clinical decision support software.

In addition, the FDA has issued guidance establishing certain policies pursuant to which it has indicated it will exercise enforcement discretion and will not apply its regulatory authorities with respect to certain kinds of software that may otherwise fall within the definition of a device. For example, the FDA has established a compliance policy for certain products that may fall within the definition of a device, but that are intended for only “general wellness use” and present a low risk to the safety of users and other persons. The FDA defines a “general wellness use” to be (i) an intended use that relates to maintaining or encouraging a general state of health or a healthy activity, or (ii) an intended use that relates the role of healthy lifestyle with helping to reduce the risk or impact of certain chronic diseases or conditions and where it is well understood and accepted that healthy lifestyle choices may play an important role in health outcomes for the disease or condition. For such low-risk products, FDA does not intend to examine whether the product constitutes a medical device, and if the product is a medical device, whether the product complies with the premarket review and post-market regulatory requirements of the FDCA. As such, if a medical device falls within the definition of a “low risk general wellness product,” the product may be subject to enforcement discretion under the FDA’s compliance policy for such products, meaning that the FDA will not enforce its medical device authorities with respect to that product. In addition, the FDA has established an enforcement discretion policy for certain mobile medical apps that otherwise fall within the definition of a medical device but do not pose a risk to patient safety in the event of a failure to function as intended.

We believe certain of our currently marketed applications are not regulated by the FDA as medical devices, or alternatively, that even if our products are medical devices, they are subject to FDA’s current enforcement discretion policies applicable to software products. However, the FDA may disagree with our determination and may conclude that such applications are medical devices requiring premarket authorization, which we have not obtained, and post-market regulatory requirements, with which we have not complied. If the FDA makes this determination with respect to any software that we either believe is not a device or is a device but qualifies for enforcement discretion, we could be required to cease commercial distribution of the software or recall the offering pending receipt of any required marketing authorization, and we could be subject to untitled letters, warning letters, fines, injunctions, consent decrees and civil penalties, operating restrictions, partial suspension or total shutdown of production, delays in or refusal to grant clearances or approvals, prohibitions on sales of our products, criminal prosecution, other enforcement action, litigation, and negative publicity, any of which could materially, adversely affect our business. In addition, there is a risk that the FDA could alter its enforcement discretion policies, which could subject our software to more stringent medical device regulations even if the FDA were to agree with our assertion that our software is not subject to regulation by the FDA currently.

In addition, if the FDA determines that any of our current or future software products are regulated as medical devices and not otherwise subject to enforcement discretion, we would become subject to various requirements under the FDCA and the FDA’s implementing regulations, which could result in higher than anticipated costs and have a material adverse effect on our reputation, business, financial condition and results of operations.

Certain of our products and operations are subject to extensive regulation as medical devices in the United States and other jurisdictions.

We currently market certain products, including the Higi Smart Health Stations, which are regulated as medical devices by the FDA in the United States and by comparable foreign regulatory authorities in other jurisdictions. The FDA and foreign regulatory agencies regulate, among other things, with respect to medical devices their design, development, manufacturing, testing, labeling, packaging, safety, efficacy, premarket review or certification, marketing, sales, distribution, import and export.

In the United States, before we can market a new medical device, or a new use of, new claim for or significant modification to an existing medical device, we must first receive clearance from the FDA under Section 510(k) of the FDCA, grant of a *de novo* classification request, or approval of pre-market approval, or PMA, application from the FDA, unless an exemption from pre-market review applies. In the 510(k) clearance process, the FDA must determine that a proposed device is “substantially equivalent” to a device legally on the market, known as a “predicate” device, with respect to intended use, technology and safety and effectiveness, in order to clear the proposed device for marketing. Clinical data is sometimes required to support substantial equivalence. The PMA pathway requires an applicant to demonstrate the safety and effectiveness of the device based, in part, on extensive data, including, but not limited to, technical, preclinical, clinical trial, manufacturing and labeling data. The PMA process is typically required for devices that are deemed to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices. However, some devices are automatically subject to the PMA pathway regardless of the level of risk they pose because they have not previously been classified into a

lower risk class by the FDA. Manufacturers of these devices may request that FDA review such devices in accordance with the *de novo* classification procedure, which allows a manufacturer whose novel device would otherwise require the submission and approval of a PMA prior to marketing to request down-classification of the device on the basis that the device presents low or moderate risk. If the FDA agrees with the down-classification, the applicant will then receive authorization to market the device. This device type can then be used as a predicate device for future 510(k) submissions. The process of obtaining regulatory clearances or approvals, or completing the *de novo* classification process, to market a medical device can be costly and time consuming, and we may not be able to successfully obtain pre-market reviews on a timely basis, if at all. Any delay in, or failure to receive or maintain, clearance or approval for our product candidates could prevent us from generating revenue from these product candidates and adversely affect our business operations and financial results.

Even if granted, a 510(k) clearance, *de novo* classification, PMA approval, or similar authorization or certification from other regulators for any future product may substantial restrictions on how such device is marketed or sold, and the FDA and other regulatory authorities or bodies will continue to place considerable restrictions on our products and operations. For example, with respect to 510(k)-cleared medical devices, certain modifications to such devices that have not been previously cleared may require us to submit a new 510(k) premarket notification and obtain clearance, or to submit a PMA and obtain FDA approval prior to implementing the change. The FDA requires every manufacturer to make this determination in the first instance, but the FDA may review any manufacturer's decision. The FDA may not agree with our decisions regarding whether new marketing authorizations are necessary. We have made modifications to 510(k)-cleared products in the past and have determined based on our review of the applicable FDA regulations and guidance that, in certain instances, new marketing authorizations were not required. We may make modifications or add additional features in the future that we believe do not require FDA premarket review. If the FDA disagrees with these determinations and requires us to submit new marketing applications for modifications to our products, we may be required to cease marketing or to recall the modified product until we obtain clearance or approval, and we may be subject to significant regulatory fines or penalties. If the FDA requires us to go through a lengthier, more rigorous examination for future products or modifications to existing products than we had expected, product introductions or modifications could be delayed or canceled, which could adversely affect our ability to grow our business.

Subject to transitional provisions, to sell medical devices in EU member states, our products must comply with the general safety and performance requirements of the EU Medical Devices Regulation (Regulation (EU) No 2017/745). Compliance with these requirements is a prerequisite to be able to affix the European Conformity ("CE") mark to our products, without which they cannot be sold or marketed in the EU. To demonstrate compliance with the general safety and performance requirements, we must undergo a conformity assessment procedure, which varies according to the type of medical device and its (risk) classification. Except for low-risk medical devices (Class I), where the manufacturer can self-assess the conformity of its products with the general safety and performance requirements (except for any parts which relate to sterility, metrology or reuse aspects), a conformity assessment procedure requires the intervention of a notified body (see "*Business — Regulatory Environment — Medical Device Regulation — Regulation of Medical Devices in the European Union*").

The aforementioned EU rules are generally applicable in the European Economic Area ("EEA") (which consists of the 27 EU member states plus Norway, Liechtenstein and Iceland). Non-compliance with the above requirements would also prevent us from selling our products in these three countries.

On June 26, 2022, the MHRA published its response to a 10-week consultation on the post-Brexit regulatory framework for medical devices and diagnostics. The MHRA seeks to amend the U.K. Medical Devices Regulations 2002 (which are based on EU legislation, primarily the EU Medical Devices Directive 93/42/EEC and the EU In Vitro Diagnostic Medical Devices Directive 98/79/EC), in particular to create a new access pathway to support innovation, create an innovative framework for regulating software and artificial intelligence as medical devices, reform in vitro diagnostic medical devices regulation and foster sustainability through the reuse and remanufacture of medical devices. Regulations implementing the new regime were originally scheduled to come into force in July 2023, but the Government has recently confirmed that this date has been postponed until July 2024. Devices which have valid certification issued by EU notified bodies under the EU Medical Devices Regulation or Medical Devices Directive are subject to transitional arrangements. In its consultation response, the MHRA indicated that the future U.K. regulations will allow devices certified under the EU Medical Devices Regulation to be placed on the market in Great Britain under the CE mark until either the certificate expires or for five years after the new regulations take effect, whichever is sooner. Devices certified under the EU Medical Devices Directive could continue to be placed on the market until either the certificate expires or for three years after the new regulations take effect, whichever is sooner. Following these transitional periods, it is expected that all medical devices will require a U.K. Conformity Assessment ("UKCA") mark. Manufacturers may choose to use the UKCA mark

on a voluntary basis prior to the regulations coming into force. However, from July 2024, products which do not have existing and valid certification under the EU Medical Devices Directive or EU Medical Devices Regulation and are therefore not subject to the transitional arrangements will be required to carry the UKCA mark if they are to be sold into the market in Great Britain. UKCA marking will not be recognized in the EU. The rules for placing medical devices on the market in Northern Ireland, which is part of the U.K., differ from those in Great Britain (England, Scotland and Wales) and continues to be based on EU law.

Under the terms of the Ireland/Northern Ireland Protocol, Northern Ireland currently follows EU rules on medical devices, including the EU Medical Devices Regulations, and devices marketed in Northern Ireland require assessment according to the EU regulatory regime. Such assessment may be conducted by an EU notified body, in which case a CE mark is required before placing the device on the market in Northern Ireland. Alternatively, if a U.K. approved body conducts such assessment, a 'UKNI' mark is applied and the device may only be placed on the market in Northern Ireland and not the EU. On February 27, 2023, the U.K. Government and the European Commission reached a political agreement on the "Windsor Agreement" which will revise the Protocol on Ireland/Northern Ireland in order to address some of the perceived shortcomings in its operation. Under the proposed changes, Northern Ireland would be reintegrated under the regulatory authority of the MHRA with respect to medicinal products. These proposed changes need to be codified and agreed by the respective parliaments of the U.K. and EU before taking effect. There could be additional uncertainty and risk around what these changes will mean to our business.

The FDA and similar foreign governmental authorities also have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture of a product or in the event that a product poses an unacceptable risk to health. Manufacturers may, under their own initiative, recall a product if any material deficiency in a device is found. A government-mandated or voluntary recall of our products could occur as a result of an unacceptable risk to health, component failures, manufacturing errors, design or labeling defects or other deficiencies and issues. Under the FDA's medical device reporting regulations, we are required to report to the FDA any incident in which our product may have caused or contributed to a death or serious injury or in which our product malfunctioned and, if the malfunction were to recur, would likely cause or contribute to death or serious injury. Similar requirements exist in foreign jurisdictions. If we do not adequately address problems associated with our devices, we may face additional regulatory enforcement action. We may also be required to bear other costs or take other actions that may have a negative impact on our sales as well as face significant adverse publicity or regulatory consequences, which could harm our business, including our ability to market our products in the future.

In addition, the manufacture of medical devices in the United States must comply with the FDA's Quality System Regulation, or QSR. Manufacturers must register their manufacturing facilities, list the products with the FDA, and comply with requirements relating to labeling, marketing, complaint handling, adverse event and medical device reporting, reporting of corrections and removals, and import and export. The FDA monitors compliance with the QSR and these other requirements through periodic inspections. Similar requirements exist in foreign jurisdictions. If our facilities or those of our manufacturers or suppliers are found to be in violation of applicable laws and regulations, or if we or our manufacturers or suppliers fail to take satisfactory corrective action in response to an adverse inspection or audit, the FDA, other regulatory authorities and notified bodies (when applicable) could take enforcement action, including any of the following sanctions:

- adverse publicity, untitled letters, warning letters, fines, injunctions, consent decrees and civil penalties;
- customer notifications or repair, replacement, refunds, detention or seizure of our products;
- operating restrictions or partial suspension or total shutdown of production;
- refusing or delaying requests for 510(k) clearance or PMA approvals or foreign regulatory authorizations or certifications of new products or modified products;
- withdrawing 510(k) clearances, PMA approvals or foreign regulatory authorizations or certifications that have already been granted;
- refusing to issue certificates to foreign governments needed to export products for sale in other countries;
- refusing to grant export approval for our products; or
- pursuing criminal prosecution.

Any of these sanctions could impair our ability to produce our products and product candidates in a cost-effective and timely manner in order to meet our customers' demands and could have a material adverse effect on our reputation, business, results of operations and financial condition. We may also be required to bear other costs or take other actions that may have a negative impact on our future sales and our ability to generate profits.

Failure to comply with applicable transfer pricing and similar regulations could harm our business and financial results.

In many countries, including the United States and the United Kingdom, we are subject to transfer pricing and other tax regulations designed to ensure that appropriate levels of income are reported as earned in each jurisdiction and are taxed accordingly. We are subject to the risk that governmental authorities could audit our transfer pricing and related practices and assert that additional taxes are owed. In the event that the audits or assessments are concluded adversely to us, we may or may not be able to offset or mitigate the consolidated effect.

The enactment of legislation implementing changes in tax legislation or policies in different geographic jurisdictions including the United Kingdom and the United States could materially impact our business, financial condition and results of operations.

We conduct business globally and file income tax returns in multiple jurisdictions. Our consolidated effective income tax rate could be materially adversely affected by several factors, including: changing tax laws, regulations and treaties, or the interpretation thereof; tax policy initiatives and reforms under consideration (such as those related to the Organization for Economic Co-Operation and Development's ("OECD") Base Erosion and Profit Shifting, or BEPS, project, the European Commission's state aid investigations and other initiatives); the practices of tax authorities in jurisdictions in which we operate; the resolution of issues arising from tax audits or examinations and any related interest or penalties. Such changes may include (but are not limited to) the taxation of operating income, investment income, dividends received or (in the specific context of withholding tax) dividends, royalties and interest paid.

We are unable to predict what tax reforms may be proposed or enacted in the future or what effect such changes would have on our business, but such changes, to the extent they are brought into tax legislation, regulations, policies or practices in jurisdictions in which we operate, could increase the estimated tax liability that we have expensed to date and paid or accrued on our Consolidated Balance Sheets, and otherwise affect our future results of operations, cash flows in a particular period and overall or effective tax rates in the future in countries where we have operations, reduce post-tax returns to our shareholders and increase the complexity, burden and cost of tax compliance.

The applicability of value-added, sales, use, withholding and other tax laws or regulations on our business is uncertain. Adverse tax laws or regulations could be enacted or existing laws could be applied to us or our customers, which could subject us to additional tax liability and related interest and penalties, increase the costs of our solution and adversely impact our business.

The application of tax laws and regulations to services provided electronically is evolving. New income, sales, use, value-added or other tax laws, statutes, rules, regulations, or ordinances could be enacted at any time (possibly with retroactive effect), and could be applied solely or disproportionately to services provided over the internet or could otherwise materially affect our financial position and results of operations.

In addition, different tax jurisdictions have differing rules and regulations governing sales, use, value-added and other taxes, and these rules and regulations can be complex and are subject to varying interpretations that may change over time. Existing tax laws, statutes, rules, regulations, or ordinances could be interpreted, changed, modified, or applied adversely to us (possibly with retroactive effect). Although our customer contracts typically provide that our customers must pay all applicable sales and similar taxes, our customers may be reluctant to pay back taxes and associated interest or penalties, or we may determine that it would not be commercially feasible to seek reimbursement. In addition, we or our customers could be required to pay additional tax amounts on both future as well as prior sales, and possibly fines or penalties and interest for past due taxes. If we are required to collect and pay back taxes and associated interest and penalties, and if the amount we are required to collect and pay exceeds our estimates and reserves, or if we are unsuccessful in collecting such amounts from our customers, we could incur potentially substantial unplanned expenses, thereby adversely impacting our operating results and cash flows. Imposition of such taxes on our services going forward or collection of sales tax from our customers in respect of prior sales could also adversely affect our sales activity and have a negative impact on our operating results and cash flows.

Furthermore, a tax authority may disagree with tax positions that we have taken, which could result in increased tax liabilities. For example, Her Majesty's Revenue & Customs, or HMRC, or another tax authority could challenge our allocation of income by tax jurisdiction and the amounts paid between our affiliated companies pursuant to our intercompany arrangements and transfer pricing policies, including methodologies for valuing developed technology and amounts paid with respect to our intellectual property development. Similarly, a tax authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable connection, often referred to as a "permanent establishment" under international tax treaties, and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions. In addition, a tax authority may take the position that material income tax liabilities, interest and penalties are payable by us, where there has been a technical violation of contradictory laws and regulations that are relatively new and have not been subject to extensive review or interpretation, in which case we expect that we might contest such assessment. High-profile companies can be particularly vulnerable to aggressive application of unclear requirements. Many companies must negotiate their tax bills with tax inspectors who may demand higher taxes than applicable law appears to provide. Contesting such an assessment may be lengthy and costly and if we were unsuccessful in disputing the assessment, the implications could increase our anticipated effective tax rate, where applicable.

Risks Related to Intellectual Property and Legal Proceedings

If we are unable to obtain, maintain and enforce intellectual property protection for our technology or if the scope of our intellectual property protection is not sufficiently broad, others may be able to develop and commercialize technology substantially similar to ours, and our ability to successfully commercialize our technology may be adversely affected.

Our business depends on internally developed technology and content, including software, databases, confidential information and know-how, the protection of which is crucial to the success of our business. We rely on a combination of registered and unregistered rights, including patents and registered trademarks, as well as trade secret and copyright laws and confidentiality procedures and contractual provisions to protect our intellectual property rights in our internally developed technology and content, as well as our brand. We may, over time, increase our investment in protecting our intellectual property through additional patent, trademark and other intellectual property filings. Effective patent, trade-secret, copyright and trademark protection is expensive and time-consuming to develop and maintain, both in terms of initial and ongoing registration requirements and the costs of defending our rights. These measures, however, may not be sufficient to offer us meaningful protection.

Much of our technology and software is maintained as trade secrets and not protected by patents. Our employees, consultants and other parties (including independent contractors and companies with which we conduct business) may unintentionally or willfully disclose our trade secret information or technology to competitors. Enforcing a claim that a third party illegally disclosed or obtained and is using any of our internally developed information, technology or content is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, courts outside the United States are sometimes less willing to protect trade secrets, know-how and other proprietary information. We rely, in part, on non-disclosure, confidentiality and assignment-of-invention agreements (or equivalent contractual provisions) with our employees, independent contractors, consultants and companies with which we conduct business to protect our trade secrets, know-how and other intellectual property and internally developed information. These agreements may not be self-executing (i.e., they may require further legislative or judicial action before they can take effect or become enforceable), or they may be breached and we may not have adequate remedies for such breach. Moreover, third parties may independently develop similar or equivalent proprietary information or otherwise gain access, whether authorized or unauthorized, to our trade secrets, know-how and other internally developed information.

If we are unable to protect our intellectual property and other IP and other proprietary rights, our competitive position and our business could be harmed, as third parties may be able to commercialize and use technologies and software products that are substantially the same as ours without incurring the development and/or licensing costs that we have incurred. Any of our owned or licensed intellectual property rights could be challenged, invalidated, circumvented, infringed or misappropriated. Any of our trade secrets and other confidential information could be disclosed in an unauthorized manner to third parties or otherwise misappropriated. In addition, our intellectual property rights may not be sufficient to provide us with freedom to operate or technology that will permit us to take advantage of current market trends or otherwise sufficient to provide us with competitive advantages, which could result in costly redesign efforts, discontinuance of certain offerings or other competitive harm.

Monitoring unauthorized use of our intellectual property is difficult and costly. From time to time, we may seek to analyze our competitors' services, and may in the future seek to enforce our intellectual property against potential infringement. However, the steps we have taken to protect our intellectual property may not be adequate to prevent infringement or misappropriation of our intellectual property. We may not be able to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property. Any inability to meaningfully protect or assert our intellectual property rights could result in harm to our ability to compete and reduce demand for our technology. Moreover, our failure to develop and properly manage new intellectual property could adversely affect our market positions and business opportunities.

Uncertainty may result from changes to intellectual property legislation and from interpretations of intellectual property laws by applicable courts and agencies in any of the jurisdictions in which we operate. Accordingly, we may be unable to obtain and maintain the intellectual property rights necessary to provide us with a competitive advantage. Our failure to obtain, maintain and enforce our intellectual property rights could therefore have a material adverse effect on our business, financial condition and results of operations.

Third parties may initiate legal proceedings alleging that we are infringing or otherwise violating their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on our business, financial condition and results of operations.

Our commercial success depends on our ability to develop and commercialize our services and use our internally developed technology without infringing the intellectual property or proprietary rights of third parties. Intellectual property disputes can be costly to defend and may cause our business, operating results and financial condition to suffer. As the market for digital healthcare, both in the United States and globally, expands and more patents are issued, the risk increases that there may be patents issued to third parties that relate to our technology of which we are not aware or that we must challenge to continue our operations as currently contemplated. Whether merited or not, we may face allegations that we, our customers or other parties indemnified by us have infringed or otherwise violated the patents, trademarks, copyrights or other intellectual property rights of third parties. Such claims may be made by competitors seeking to obtain a competitive advantage. Additionally, in recent years, individuals and groups have begun purchasing intellectual property assets for the purpose of making claims of infringement and attempting to extract settlements. We may also face allegations that our employees have misappropriated the intellectual property or proprietary rights of their former employers or other third parties. It may be necessary for us to initiate litigation to defend ourselves in order to determine the scope, enforceability and validity of third-party intellectual property or proprietary rights, or to establish our respective rights. We may not be able to successfully settle or otherwise resolve such adversarial proceedings or litigation.

If we are unable to successfully settle future claims on terms acceptable to us, we may be required to engage in or to continue claims, regardless of whether such claims have merit. This can be time-consuming, divert management's attention and financial resources and can be costly to evaluate and defend. Results of any such litigation are difficult to predict and may require us to stop commercializing or using our technology, obtain licenses, modify our services and technology while we develop non-infringing substitutes or incur substantial damages, settlement costs or face a temporary or permanent injunction prohibiting us from marketing or providing the affected services (which may cause us to breach contractual obligations). If we require a third-party license, it may not be available, either on reasonable terms or at all, and we may have to pay substantial royalties, upfront fees or grant cross-licenses to intellectual property rights relating to our products, services or solutions. We may also have to redesign our products, services or solutions so they do not infringe third-party intellectual property rights, which may not be possible or may require substantial monetary expenditures and time, during which our technology may not be available for commercialization or use. Even if we have an agreement with a third party to indemnify us against such costs, the indemnifying party may be unable to uphold its contractual obligations. If we cannot or do not obtain a third-party license on reasonable terms or at all, or obtain similar technology from another source, our revenue and earnings could be adversely impacted.

From time to time, we may be subject to legal proceedings and claims in the ordinary course of business with respect to intellectual property. We are not currently subject to any claims from third parties asserting infringement of their intellectual property rights. Some third parties may be able to sustain the costs of complex litigation more effectively than us because they have substantially greater resources. Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our Class A ordinary shares. Moreover, any uncertainties resulting from the initiation and continuation of any legal proceedings could have a material adverse effect on

our ability to raise the funds necessary to continue our operations. Assertions by third parties that we infringe or otherwise violate their intellectual property rights could therefore have a material adverse effect on our business, financial condition and results of operations.

We may become subject to medical liability claims, which could cause us to incur significant expenses and may require us to pay significant damages if not covered by insurance.

Our business entails the risk of medical liability claims against both our providers and us. We carry insurance (and in relation to clinical negligence claims in the United Kingdom arising from care delivered within Babylon GP at Hand NHS primary medical services, we are indemnified by a national state-backed indemnity scheme under NHS Resolution) covering medical malpractice claims in amounts that we believe are appropriate in light of the risks attendant to our business and/or as required under applicable law, and the physician-owned entities with which we partner carry insurance for themselves and each of their healthcare professionals (our providers). However, successful medical liability claims could result in substantial damage awards that exceed the limits of our and our providers' insurance coverage. In addition, professional liability insurance is expensive and insurance premiums may increase significantly in the future, particularly as we expand our services. As a result, adequate professional liability insurance may not be available to our providers or to us in the future at acceptable costs or at all.

Any claims made against us that are not fully covered by insurance could be costly to defend against, result in substantial damage awards against us and divert the attention of our management and our providers from our operations, which could have a material adverse effect on our business, financial condition and results of operations. In addition, any claims may adversely affect our business or reputation.

We have been, and may in the future become subject to litigation or regulatory investigations, which could cause us to incur significant expenses, pay significant damages or harm our business.

Our business entails the risk of legal claims against us, and we have been and may in the future become subject to litigation. Claims against us may be asserted by or on behalf of a variety of parties, including our customers, our members, users of our products, vendors, government agencies, our current or former employees, our shareholders, or entities in which we invest and/or their shareholders. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, covered by adequate insurance. Although we carry public liability and product liability insurance, as well as medical malpractice insurance in amounts that we believe are appropriate considering the risks attendant to our business, successful claims could result in substantial damage awards that exceed the limits of our insurance coverage.

In addition, any determination that we are acting in the capacity of a healthcare provider, or exercising undue influence or control over a healthcare provider, or any adverse determination by a data protection authority or other applicable regulatory body in respect of our users' data, may subject us to claims not covered by our insurance coverage, or could result in significant sanctions against us and our clinicians, additional compliance requirements, expense, and liability to us. In addition, insurance coverage is expensive and insurance premiums may increase significantly in the future, particularly as we expand our solutions. As a result, adequate coverage may not be available to us or to our providers in the future at acceptable costs or at all. We generally intend to defend ourselves vigorously; however, we cannot be certain of the ultimate outcomes of any claims that may arise in the future. Resolution of some of these types of matters against us may result in our having to pay significant fines, judgments, or settlements, which, if uninsured, or if the fines, judgments, and settlements exceed insured levels, could adversely impact our earnings and cash flows, thereby harming our business and the trading price of our Class A ordinary shares. For example, fines or assessments could be levied against us under domestic or foreign data privacy laws or under authority of privacy enforcing governmental entities (such as the FTC or the HHS) or as a result of private actions, such as class actions based on data breaches or based on private rights of action. Additionally, a successful product liability, warranty, or other similar claim against us could have an adverse effect on our business, operating results, and financial condition.

Certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage, which could adversely impact our results of operations and cash flows, expose us to increased risks that would be uninsured and adversely impact our ability to attract directors and officers. In addition, such litigation could result in increased scrutiny by government authorities having authority over our business, such as the FTC, the HHS, Office for Civil Rights, and state attorneys general.

In England, Babylon and Babylon GP at Hand are both registered providers with the CQC. In the event of an enforcement action arising from a clinical incident by either provider, there is a risk of fines. These can be modest Fixed Penalty Fines (for example for noncompliance with notification deadlines, or an administrative step in relation to duty of candor); however, if the enforcement action relates to matters of safe care, fines can be more significant and relate to the provider's turnover. This type of enforcement action is ring-fenced to the legal entity that is registered, but remains a risk for any healthcare provider registered with the CQC. Other regulators in the sector can also impose fines, for example the Health and Safety executive, for non-clinical care incidents, and the U.K. Information Commissioner's Office for data protection breaches, security incidents or non-compliance with data protection legislation.

We are also subject to various regulations as to the use of certain medical technology. In certain jurisdictions, the rules governing the application of our technology may not readily align with the nature of our products and services, in which case we may incur costs and delays in communicating with authorities, obtaining clearances in those markets or penalties for failure to conform to certain registration requirements. For example, we have in the past and expect to continue to have interactions with the MHRA and regulatory authorities in certain other jurisdictions about the proper classification of certain products and services, which may result in requiring us to re-register different products and services or changing, reducing functionality of or access to certain of our products and services.

The Higi Smart Health Station business exposes us to the risk of product liability claims that is inherent in the testing, manufacturing and marketing of medical devices, including those which may arise from the misuse (including system hacking or other unauthorized access by third parties to our systems) or malfunction of, or design flaws in, the Higi station products. Notably, the classification of the Higi station as a Class II medical device in the U.S. is likely to weaken our ability to rely on federal preemption of state law claims that assert liability against us for harms arising from use of the Higi station. We may be subject to product liability claims if our products cause, or merely appear to have caused, an injury. Claims may be made by end users, customers, healthcare providers or others selling our products. We may be subject to claims against us even if the apparent injury is due to the actions of others or misuse of the Higi station or a partner device. Our customers, either on their own or following the advice of their physicians, may use Higi station products in a manner not described in the products' labeling and that differs from the manner in which it was used in clinical studies and cleared by the FDA. Defending a suit, regardless of merit, could be costly, could divert management attention and might result in adverse publicity, which could result in the withdrawal of, or inability to recruit, clinical trial volunteers or result in reduced acceptance of the Higi station products in the market.

In addition, in the United States and other jurisdictions, medical device manufacturers have been the target of numerous government prosecutions and investigations alleging violations of law, including claims asserting impermissible off-label promotion of medical devices, payments intended to influence the referral of federal or state healthcare business, and submission of false claims for government reimbursement. We cannot rule out the possibility that the government or other third parties could interpret these laws differently and challenge our practices under one or more of these laws. This likelihood of allegations of non-compliance is increased by the fact that under certain federal and state laws applicable to the Higi station business, individuals, known as relators, may bring an action on behalf of the government alleging violations of such laws, and potentially be awarded a share of any damages or penalties ultimately awarded to the applicable government body. Any action against us alleging a violation of these laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's time and attention from the operation of our business, and have a material effect on our business.

Risks Related to Information Technology and Data

Cyberattacks, security breaches and incidents, and other disruptions have compromised and could in the future compromise sensitive information related to our business or members, or prevent us from accessing critical information or from serving customers and expose us to liability, which could adversely affect our business and our reputation.

In the ordinary course of our business, we collect, store, use and disclose sensitive data, including protected health information ("PHI"), and other types of personal data (as defined in the GDPR and the U.K. GDPR) or personally identifiable information ("PII"). We also process and store, and use additional third party service providers to process and store sensitive information including intellectual property and other proprietary business information, including that of our members and customers (collectively, together with PHI, personal data, and PII, "Confidential Data"). We manage and maintain our platform and Confidential Data utilizing a combination of on-site systems, managed data center systems and cloud-based computing center systems.

We are highly dependent on information technology infrastructure, networks and systems, including the internet and various hardware and software systems such as cloud technologies (collectively, “IT Systems”), to securely process, transmit and store Confidential Data and to conduct many other critical internal and external operations. Cyberattacks and security breaches involving our IT Systems, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, employee or contractor error, negligence or malfeasance, and bugs, misconfigurations or other vulnerabilities can create system disruptions, shutdowns or unauthorized disclosure or modifications of Confidential Data, causing for example, member health information to be accessed or acquired without authorization or to become publicly available. We utilize third-party service providers for important aspects of the collection, storage, transmission and security of Confidential Data, and therefore rely on third parties to manage functions that have material cybersecurity risks. Because of the sensitivity of Confidential Data that we and our service providers collect, store, transmit, and otherwise process, the security of our IT Systems and other aspects of our services, including those provided or facilitated by our third-party service providers, is critically important to our operations and business strategy. We take certain administrative, physical and technological measures in response to these risks, such as by conducting privacy and security impact assessments, and seeking contractual privacy and security commitments from service providers who handle Confidential Data.

We have experienced cyber and other security incidents in the past and continue to experience them from time to time. Despite protective measures taken by us and by third-party service providers, our IT Systems and Confidential Data are and remain vulnerable to cyberattacks and cybersecurity risks posed by hackers or viruses, failures or breaches due to third-party action, employee negligence or error, malfeasance or other disruptions (for example, due to ransomware), bugs, misconfigurations, or other hardware or software vulnerabilities, including supply chain related vulnerabilities and failures during the process of upgrading or replacing software, databases or components thereof, and a host of other cybersecurity threats. We expect the frequency and impact of cyberattacks to accelerate as threat actors are becoming increasingly sophisticated, for example, in using tactics and techniques designed to circumvent security controls, avoid detection, and obfuscate forensic evidence, such that we may be unable to timely or effectively detect, identify, investigate or remediate attacks in the future.

A cyberattack, security breach or incident, or other privacy or data protection violation, that leads to disclosure or unauthorized use, modification of, or other processing, or that prevents access to or otherwise impacts the confidentiality, security, availability or integrity of Confidential Data that we or our subcontractors maintain or otherwise process, could harm our reputation, compel us to comply with breach notification laws, cause us to incur significant costs for remediation, fines, penalties, notification to individuals, regulators, and the media, and for measures intended to repair or replace systems or technology and to prevent future occurrences, potential increases in insurance premiums, and require us to verify the accuracy of database contents or be subject to audits from regulators or customers, resulting in increased costs and loss of revenue. If we are unable to prevent such security breaches or privacy violations or implement satisfactory remedial measures, or if it is perceived that we have been unable to do so, our operations could be disrupted, we may be unable to provide access to our platform, and we could suffer a loss of customers or users or a decrease in the use of our platform, and we may suffer loss of reputation, harm to our market position, adverse impacts on customer, user and investor confidence, financial loss, governmental investigations, litigation or other actions, regulatory or contractual penalties, and other claims and liability. In addition, security breaches and incidents and other unauthorized access to, or acquisition or processing of, Confidential Data can be difficult to detect, and any delay in identifying such incident, mitigating and otherwise responding to any incidents, or in providing any notification of such incidents may lead to increased liability and impact to operations.

Any such breach or incident, or disruption to or interruption of our systems or any of our third-party information technology partners or other vendors who process Confidential Data, could compromise our networks or data security processes, disrupt our operations, and sensitive information could be destroyed, corrupted, or inaccessible or could be accessed, obtained, or disclosed by unauthorized parties, publicly disclosed, lost or stolen. Any such interruption in access, improper access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws and regulations that protect the privacy of member information or other personal information and regulatory fines or penalties. Unauthorized access, loss or dissemination could also disrupt our operations, including our ability to perform our services, provide member assistance services, conduct research and development activities, collect, process, and prepare company financial information, provide information about our current and future solutions and engage in other user and clinician education and outreach efforts. Any such breach or incident could also result in the loss or compromise of our trade secrets and other proprietary information, which could adversely affect our business and competitive position. While we maintain insurance covering certain security and privacy damages and claim expenses, we may not carry insurance or maintain coverage sufficient to compensate for all loss and liability and in any event, insurance coverage would not address the reputational damage that could result from a security incident.

Our audit committee, which reports to our full board of directors, is responsible for overseeing our cybersecurity risk management processes.

Our use, disclosure, and other processing of information relating to individuals, including health information, is subject to privacy protection laws and regulations, and our failure to comply with those laws and regulations or to adequately secure the information we hold and that is processed in our business could result in significant liability or reputational harm and, in turn, a material adverse effect on our client base, member base and revenue.

Numerous state and federal laws and regulations govern the collection, dissemination, use, privacy, confidentiality, security, availability, integrity, and other processing of PHI and PII. For example, HIPAA establishes a set of national privacy and security standards for the protection of PHI by health plans, healthcare clearinghouses and certain healthcare providers, referred to as covered entities, and the business associates with whom such covered entities contract for services, as well as their covered subcontractors. Our U.S. entities that directly provide healthcare services are covered entities under HIPAA. Our U.S. entities are both covered entities under HIPAA and business associates under HIPAA.

HIPAA requires covered entities and business associates to develop and maintain policies and procedures with respect to the use, disclosure and protection of PHI, including the adoption of administrative, physical and technical safeguards to protect such information. HIPAA also implemented the use of standard transaction code sets and standard identifiers that covered entities must use when submitting or receiving certain electronic healthcare transactions, including activities associated with the billing and collection of healthcare claims.

HIPAA imposes mandatory penalties for certain violations. Entities that are found to be in violation of HIPAA as the result of a breach of unsecured PHI, a complaint about privacy practices or an audit by HHS may be subject to significant civil, criminal and administrative fines and penalties and/or additional reporting and oversight obligations if required to enter into a resolution agreement and corrective action plan with HHS to settle allegations of HIPAA non-compliance. However, a single breach incident can result in violations of multiple standards. HIPAA also authorizes state attorneys general to file lawsuits on behalf of their residents. Courts may award damages, costs and attorneys' fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to sue us in civil court for violations of HIPAA, its standards have been used as the basis for duty of care in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI.

In addition, HIPAA mandates that the Secretary of HHS conduct periodic compliance audits of HIPAA covered entities and business associates for compliance with HIPAA. It also tasks HHS with establishing a methodology whereby harmed individuals who were the victims of breaches of unsecured PHI may receive a percentage of the civil monetary penalty fine paid by the violator.

HIPAA further requires that patients be notified of any unauthorized acquisition, access, use or disclosure of their PHI that compromises the privacy or security of such information, with certain exceptions related to unintentional or inadvertent use or disclosure by employees or authorized individuals. HIPAA specifies that such notifications must be made "without unreasonable delay and in no case later than 60 calendar days after discovery of the breach." If a breach affects 500 patients or more, it must be reported to HHS without unreasonable delay, and HHS will post the name of the breaching entity on its public website. Breaches affecting 500 patients or more in the same state or jurisdiction must also be reported to the local media. If a breach involves fewer than 500 people, the covered entity must record it in a log and notify HHS at least annually.

In addition to HIPAA, numerous other federal, state, and foreign laws and regulations protect the confidentiality, privacy, availability, integrity and security of PHI and other types of PII. These laws and regulations in many cases are more restrictive than, and may not be preempted by HIPAA. These laws and regulations can be uncertain, contradictory, and subject to change or differing interpretations, and we expect new laws, rules and regulations regarding privacy, data protection, and information security to be proposed and enacted in the future.

For example, the CCPA provides certain privacy rights for California residents. The CCPA also provides for civil penalties and a private right of action for violations, which has increased the likelihood of, and risks associated with, data breach litigation. Additionally, the California Privacy Rights Act ("CPRA") significantly amends the CCPA and generally went into effect on January 1, 2023. The CPRA imposes additional data protection obligations on covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It also creates a new California data protection agency authorized to issue

substantive regulations and could result in increased privacy and information security enforcement. Additionally, US employee and business to business data has not been previously scrutinized for privacy rights compliance within Babylon, so there is the possibility that the regulators will not find Babylon compliant, or they may choose to interpret the CPRA in unpredictable ways resulting in Babylon's being found non-compliant and subject to the same fines, investigations, and reputational harm. Enforcement of these new rights begins July 1, 2023. We continue to monitor developments related to the CPRA, and anticipate needing to incur additional costs and expenses associated with compliance with CPRA compliance. Similar laws have passed in Virginia, Colorado, Connecticut, and Utah and have been proposed in other states and at the federal level, reflecting a trend toward more stringent privacy legislation in the United States. Many obligations under legislative proposals remain uncertain, and we cannot fully predict their impact on our business. If we fail to comply with any of these laws or standards, we may be subject to investigations, enforcement actions, civil litigation, fines and other penalties, all of which may generate negative publicity and have a negative impact on our business.

Further, the FTC and many state Attorneys General continue to enforce federal and state consumer protection laws against companies for online collection, use, dissemination and security practices that appear to be unfair or deceptive. For example, according to the FTC, failing to take appropriate steps to keep consumers' personal information secure can constitute unfair acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act. The FTC expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities. The lack of specificity in their standards and jurisdictional scope leaves the opportunity for Babylon to be subject to significant fines and suffer great reputational harm.

Outside of the United States, we, along with a significant number of our customers, are subject to laws, rules, regulations, guidance and industry standards related to data privacy and cyber security, and restrictions or technological requirements regarding the collection, use, storage, protection, retention or transfer of data. For example, the GDPR and the U.K. GDPR impose comprehensive data privacy compliance obligations in relation to our collection, processing, sharing, disclosure, transfer and other use of personal data, including a principal of accountability and the obligation to demonstrate compliance through policies, procedures, training and audit each impose strict requirements for processing the personal data of individuals. Further, under the GDPR and the U.K. GDPR, fines of up to €20 million (£17.5 million in the U.K.) or up to 4% of the annual global revenue of the noncompliant company, whichever is greater, could be imposed for certain violations. The EU and U.K. fining regimes run in parallel and we may be exposed to fines in both jurisdictions arising from the same infringement.

Depending on the contractual relationship with our relevant counterparty, we are required to comply with the GDPR and the U.K. GDPR as a "Data Controller" and a "Data Processor" as appropriate. In 2018, we appointed a Data Protection Officer to oversee and supervise our compliance with GDPR and the U.K. GDPR. As a result of case law and regulatory changes in relation to transfers of personal data outside of the United Kingdom and Europe (particularly those transfers to the United States), we have made considerable changes to our contractual data transfer template agreements and data transfer risk assessments.

Globally, governments and agencies have adopted and could in the future adopt, modify, apply or enforce laws, policies, regulations, and standards covering user privacy, data security, technologies such as cookies that are used to collect, store and/or process data, online, the use of data to inform marketing, the taxation of products and services, unfair and deceptive practices, and the collection (including the collection of information), use, processing, transfer, storage and/or disclosure of data associated with unique individual internet users. More generally, new laws, regulations, or legislative actions regarding data privacy and security (together with applicable industry standards) may increase the costs of doing business and could have a material adverse impact on our operations and cash flows.

Additionally, the Rwanda Data Protection Law provides additional protections for our operations in Rwanda and will go into effect on October 15, 2023. While much of the structure of the law is similar to the GDPR, the law covers data that has not been previously subject to data protection laws. Therefore, there is an opportunity for error and there is uncertainty with regards to the law's enforcement. If Babylon is found in violation of the Rwanda Data Protection Law, Babylon could be subject to both civil and criminal fines based on a percentage of Babylon's annual turnover or other civil or criminal penalties up to and including imprisonment and a ban on processing data subject to Rwanda Data Protection Law.

This complex, dynamic legal landscape regarding privacy, data protection, and information security creates significant compliance issues for us and our customers and potentially exposes us to additional expense, adverse publicity and liability. While we have implemented measures in an effort to comply with applicable laws and regulations relating to

privacy, data protection, and data security, some PHI and other PII or confidential information is transmitted to us or processed by third parties and service providers, who may not implement adequate security and privacy measures, and it is possible that laws, rules and regulations relating to privacy, data protection, or information security may be interpreted and applied in a manner that is inconsistent with our practices or those of third parties. If we or these third parties are accused of having violated such laws, rules or regulations, it could result in claims, proceedings, regulatory investigations and other proceedings, damages, liabilities, and government-imposed fines, penalties (including audits and enforcement actions to stop data processing activities), orders requiring that we or these third parties change our or their practices, or criminal charges, which could adversely affect our business. Complying with these various laws and regulations could cause us to incur substantial costs or require us to change our business practices, systems and compliance procedures in a manner adverse to our business.

We expect that there will continue to be new proposed laws, regulations and industry standards relating to privacy, data protection, marketing, consumer communications and data security in the United States, the EU and other jurisdictions, and we cannot determine the impact such future laws, regulations and standards may have on our business. Future laws, regulations, standards and other obligations or any changed interpretation of existing laws or regulations could impair our ability to develop and market new services and maintain and grow our customer base and increase revenue.

Any disruption of service at our third-party data and call centers or Amazon Web Services could interrupt or delay our ability to deliver our services to our customers.

We currently host our platform and serve our customers primarily using Amazon Web Services (“AWS”), a provider of cloud infrastructure services. We do not have control over the operations of the facilities of our data and call center providers or AWS. Also, there are limited auditing rights for us to exercise against such data processors under Article 28 of the GDPR. As such, there is a greater risk of not being able to confirm compliance and meet other contractual obligations, such as obligations to customers that we have sufficient controls in place with third party suppliers. These facilities are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, cyber security attacks, terrorist attacks, power losses, telecommunications failures and similar events. The occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice, or other unanticipated problems could result in lengthy interruptions in our solution. The facilities also could be subject to break-ins, computer viruses, sabotage, intentional acts of vandalism and other misconduct. Our solutions’ continuing and uninterrupted performance is critical to our success. Because our solutions and services are used by our members for health purposes, it is critical that our solutions be accessible without interruption or degradation of performance. Members may become dissatisfied by any system failure that interrupts our ability to provide our solutions to them. Outages could lead to the triggering of our service level agreements and the issuance of credits to our customers, in which case, we may not be fully indemnified for such losses pursuant to our agreement with AWS. We may not be able to easily switch our AWS operations to another cloud provider if there are disruptions or interference with our use of AWS. Sustained or repeated system failures would reduce the attractiveness of our solution to customers and members and result in contract terminations, thereby reducing revenue. Moreover, negative publicity arising from these types of disruptions could damage our reputation and may adversely impact use of our solution. We may not carry sufficient business interruption insurance to compensate us for losses that may occur as a result of any events that cause interruptions in our service.

Neither our third-party data and call center providers nor AWS have an obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew our agreements with these providers on commercially reasonable terms, if our agreements with our providers are prematurely terminated, or if in the future we add additional data or call center providers, we may experience costs or downtime in connection with the transfer to, or the addition of, new providers. If these providers were to increase the cost of their services, we may have to increase the price of our solutions, and our operating results may be adversely impacted.

We rely on internet infrastructure, bandwidth providers, third-party computer hardware and software and other third parties for providing services to our customers and members, and any failure or interruption in the services provided by these third parties could expose us to litigation and negatively impact our relationships with customers and members, adversely affecting our operating results.

Our ability to deliver our digital services depends on the development and maintenance of the infrastructure of the internet by third parties. This includes maintenance of a reliable network backbone with the necessary speed, data capacity, bandwidth capacity and security. Our services are designed to operate without interruption. However, we may experience future interruptions and delays in services and availability from time to time. In the event of a catastrophic event with respect to one or more of our systems, we may experience an extended period of system unavailability, which could

negatively impact our relationship with customers and members. Outages could lead to the triggering of our service level agreements and the issuance of credits to our customers, in which case, we may not be fully indemnified for such losses pursuant to our agreement with our service providers. In addition, sustained or repeated system failures would reduce the attractiveness of our solution to customers and members and result in contract terminations, thereby reducing revenue. Moreover, negative publicity arising from these types of disruptions could damage our reputation and may adversely impact use of our solution. To operate without interruption, both we and our service providers must guard against:

- damage from fire, power loss, natural disasters and other force majeure events outside our control;
- communications failures;
- software and hardware errors, failures, and crashes;
- security breaches and incidents, computer viruses, hacking, denial-of-service and ransomware attacks, and similar disruptive problems; and
- other potential interruptions.

We also rely on software licensed from third parties in order to offer our services. These licenses are generally commercially available on varying terms. However, it is possible that this software may not continue to be available on commercially reasonable terms, or at all. Any loss of the right to use any of this software could result in delays in the provisioning of our services until equivalent technology is either developed by us, or, if available, is identified, obtained and integrated. Furthermore, our use of additional or alternative third-party software would require us to enter into license agreements with third parties, and integration of our software with new third-party software may require significant work and require substantial investment of our time and resources.

Also, any interruption in the services provided by our third-party service providers, undetected errors or defects in third-party software could prevent the deployment or impair the functionality of our software, delay new updates or enhancements to our solution, result in a failure of our solution, and injure our reputation. For example, we rely on third-party billing provider software to transmit the actual claims to payers based on the specific payer billing format. If this provider experiences an interruption in service or makes changes to its invoicing system, we may experience delays in claims processing. If we are required to switch to a different software provider to handle claim submissions, we may experience delays in our ability to process these claims and receipt of payments from payers, or possibly denial of claims for lack of timely submission, which would have an adverse effect on our revenue and our business.

There can be no assurance that any security measures that we or our third-party service providers, including third party providers of data services or cloud infrastructure services, have implemented will be effective against current or future security threats, and we cannot guarantee that our systems and networks or those of our third-party service providers have not been breached or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our systems and networks or the systems and networks of third parties that support us and our services. While we maintain measures designed to protect the integrity, confidentiality and security of our data and other data we maintain or otherwise process, our security measures or those of our third-party service providers could fail and result in unauthorized access to or disclosure, modification, misuse, loss or destruction of such data.

Neither our service providers nor our licensors have an obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew our agreements with such parties on commercially reasonable terms or if our agreements with our providers are prematurely terminated, or if in the future we add additional service providers, we may experience costs or downtime in connection with the transfer to, or the addition of, new providers. If these providers were to increase the cost of their services, we may have to increase the price of our solutions, and our operating results may be adversely impacted.

Risks Related to Ownership of our Class A Ordinary Shares and Operating as a Public Company

The trading price of our Class A ordinary shares has been and may continue to be volatile, and the value of our Class A ordinary shares may decline.

We cannot predict the prices at which our Class A ordinary shares will trade. The market price of our Class A ordinary shares may fluctuate substantially. In addition, the trading price of our Class A ordinary shares has been and may continue to be volatile and subject to fluctuations in response to various factors, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our Class A ordinary shares.

In addition, the market for technology or healthcare stocks and the stock market in general have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of an issuer and have experienced a loss of investor confidence, which could cause the trading price of our Class A ordinary shares to decline for reasons unrelated to our business, financial condition or results of operations. The trading price of our Class A ordinary shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. In the past, following periods of volatility in the trading price of a company's securities, securities class action litigation has often been brought against that company. If our share price is volatile, we may become the target of securities litigation. Securities litigation could result in substantial costs and divert our management's attention and resources from our business. This could have an adverse effect on our business, financial condition and results of operations.

If we fail to comply with the NYSE's continued listing requirements and rules, the NYSE may delist our Class A ordinary shares, which could negatively affect our company, the price of our Class A ordinary shares and your ability to sell our Class A ordinary shares.

We are required to meet certain quantitative tests as well as corporate governance and other qualitative standards to maintain the listing of our Class A ordinary shares on the NYSE. In 2022, the NYSE notified us that we had fallen below its compliance standards under Section 802.01C of the NYSE Listed Company Manual, because the average closing price of our Class A ordinary shares was less than \$1.00 over a consecutive 30 trading-day period. To cure this deficiency, we implemented a 1-for-25 reverse share split, which was effective as of December 15, 2022. The NYSE notified us that we had regained compliance as of December 30, 2022. We cannot assure you that the 1-for-25 reverse share split will not have an adverse impact on the liquidity of our Class A ordinary shares, or that we will continue to meet all of the NYSE's continued listing requirements and rules.

If the NYSE delists our Class A ordinary from trading on its exchange and we are not able to list our Class A ordinary shares on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including among other things, by: decreasing availability of market quotations for our Class A ordinary shares; resulting in a determination that our Class A ordinary shares are a "penny stock" which will require brokers trading in our Class A ordinary shares to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities; reducing the liquidity and market price of our Class A ordinary shares; reducing the number of investors willing to hold or acquire our Class A ordinary shares, which could negatively impact our ability to raise equity financing; limiting our ability to issue additional securities or obtain additional financing in the future; decreasing the amount of news and analyst coverage of us; and causing us reputational harm with investors, our employees, and parties conducting business with us.

An active trading market for our securities may not develop or be sustained, which would adversely affect the liquidity and price of our Class A ordinary shares.

An active trading market for our securities may not develop or, if developed, it may not be sustained. The lack of an active market may impair your ability to sell our securities at the time you wish to sell them or at a price that you consider reasonable. In addition, price volatility may be greater if the public float and trading volume of our Class A ordinary shares is low. Since our Class A ordinary shares began trading on a post-1-for-25 reverse share split basis on December 16, 2023 through March 10, 2023, our average daily trading volume on the NYSE has been approximately 60,160 shares. An inactive market may also impair our ability to raise capital by selling Class A ordinary shares and may impair our ability to acquire other businesses or technologies using our Class A ordinary shares as consideration, which, in turn, could materially adversely affect our business.

Additionally, if our securities are delisted from the NYSE and are quoted on the OTC Bulletin Board (an inter-dealer automated quotation system for equity securities that is not a national securities exchange), the liquidity and price of our securities may be more limited than if we were quoted or listed on the NYSE, the Nasdaq Stock Market LLC, or another national securities exchange.

As a result of the Business Combination, the Internal Revenue Service may not agree that we should be treated as a non-U.S. corporation for U.S. federal income tax purposes.

For U.S. federal income tax purposes, a corporation is generally considered a U.S. "domestic" corporation (or U.S. tax resident) if it is organized in the United States, and a corporation is generally considered a "foreign" corporation

(or non-U.S. tax resident) if it is not a U.S. corporation. Because Babylon is an entity incorporated in the Bailiwick of Jersey, it would generally be classified as a foreign corporation (or non-U.S. tax resident) under these rules. Section 7874 of the Internal Revenue Code of 1986, as amended (the “Code”) and the Treasury regulations promulgated thereunder, however, contain specific rules that may cause a non-U.S. corporation to be treated as a U.S. corporation for U.S. federal income tax purposes. If it were determined that Babylon is treated as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code and the Treasury regulations promulgated thereunder, Babylon would be liable for U.S. federal income tax on its income in the same manner as any other U.S. corporation and certain distributions made by Babylon to non-U.S. holders of Babylon may be subject to U.S. withholding tax.

Based on the Business Combination with Alkuri in October 2021, and certain factual assumptions, Babylon is not expected to be treated, as a result of the Business Combination, as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code. However, the application of Section 7874 of the Code is complex and is subject to detailed regulations (the application of which is uncertain in various respects and would be impacted by changes in such U.S. Treasury regulations with possible retroactive effect) and is subject to certain factual uncertainties. Accordingly, there can be no assurance that the Internal Revenue Service (“IRS”) will not challenge our status as a foreign corporation under Section 7874 of the Code or that such challenge would not be sustained by a court or that Babylon will not determine that changes in facts result in a conclusion that Babylon will be treated as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code.

If the IRS were to successfully challenge under Section 7874 of the Code Babylon’s status as a foreign corporation for U.S. federal income tax purposes, Babylon and certain Babylon shareholders would be subject to significant adverse tax consequences, including a higher effective corporate income tax rate on Babylon and future withholding taxes on certain Babylon shareholders, depending on the application of any income tax treaty that might apply to reduce such withholding taxes.

Investors in Babylon should consult their own advisors regarding the tax consequences if the classification of Babylon as a non-U.S. corporation is not respected.

We are an “emerging growth company,” and our election to comply with the reduced disclosure requirements as a public company may make our Class A ordinary shares less attractive to investors.

We are an “emerging growth company” as that term is used in the JOBS Act, and we may remain an emerging growth company until the earlier of (i) the last day of the fiscal year (A) following the fifth anniversary of the first sale of the units of Alkuri pursuant to an effective registration statement on Form S-1 under the Securities Act of 1933, as amended (the “Securities Act”), (B) in which we have total annual gross revenue of at least \$1.235 billion, or (C) in which we are deemed to be a large accelerated filer, which means the market value of our outstanding ordinary shares that are held by non-affiliates exceeds \$700 million as of the prior June 30, and (ii) the date on which we have issued more than \$1.0 billion in non-convertible debt during the prior three year period.

For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the independent auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We may choose to take advantage of some, but not all, of these reduced reporting burdens. Accordingly, the information we provide to our shareholders may be different than the information you receive from other public companies in which you hold stock.

After December 31, 2022, we started filing our reports and registration statements with the SEC as a U.S. domestic issuer, resulting in significant additional costs and expenses to us.

Prior to December 31, 2022, we filed our periodic reports and registration statements with the SEC as a foreign private issuer. To qualify as a foreign private issuer, which is tested as of June 30, either (a) more than 50% of our outstanding voting securities must be either directly or indirectly owned of record by non-residents of the United States or (b)(i) a majority of our executive officers or directors may not be U.S. citizens or residents, (ii) more than 50% of our assets cannot be located in the United States and (iii) our business must be administered principally outside the United States.

As of June 30, 2022, we did not satisfy the foreign private issuer test described above because our Founder, who as of that date beneficially owned voting securities representing in excess of 50% of the voting rights of our outstanding voting securities, had established residency in the United States. As a result, as of January 1, 2023, we are required to file with the SEC periodic and current reports and registration statements on U.S. domestic issuer forms, which are more detailed and extensive than the forms available to a foreign private issuer. We are also required to comply with U.S. federal proxy requirements and Regulation FD (Fair Disclosure), and our officers, directors and principal shareholders are now subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In addition, we may be required to make changes in our corporate governance practices in accordance with various SEC and NYSE rules. The regulatory, compliance and any other additional requirements, including the transition of our financial reporting from International Financial Reporting Standards to U.S. GAAP, that we are subject to as a U.S. domestic issuer have resulted in and could lead us to incur significant additional legal, accounting and other expenses.

Our issuance of a significant number of additional Class A ordinary shares in connection with any future financings, acquisitions, investments, under our stock incentive plans, or otherwise will dilute all other shareholders and our stock price could decline as a result.

We expect to issue additional Class A ordinary shares in the future that will result in dilution to all other shareholders. We expect to grant equity awards to employees, directors, and consultants under our stock incentive plans. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in complementary companies, products or technologies and issue equity securities to pay for any such acquisition or investment, and make equity awards under our stock incentive plans to attract, retain, compensate and incentivize employees of businesses that we acquire. Any such issuances of additional capital stock may cause shareholders to experience significant dilution of their ownership interests and the per share value of our Class A ordinary shares to decline.

Pursuant to our 2021 Equity Incentive Plan (the “2021 Plan”), our board of directors, or our remuneration committee or an officer to the extent authority has been delegated by the board of directors, is authorized to grant stock options and other equity-based awards to our employees, directors and consultants. The 2021 Plan provides for an automatic share reserve increase, or “evergreen” feature, whereby the share reserve will automatically be increased on January 1st of each year commencing on January 1, 2022 and ending on and including January 1, 2031, in an amount equal to the least of: (i) 1,813,408 Class A ordinary shares; (ii) 5% of the total number of all classes of our shares that have been issued as at December 31st of the preceding calendar year, in each case, subject to applicable law and our having sufficient authorized but unissued shares; and (iii) such number of Class A ordinary shares as our board of directors may designate prior to the applicable January 1. In addition, the 2021 Plan provides for recycling of a maximum of 956,091 Class A ordinary shares underlying 2021 Plan awards and options granted under our legacy Long-Term Incentive Plan and Company Share Option Plan, in each case which have expired, lapsed, terminated or meet other recycling criteria set forth in the 2021 Plan. If the number of shares available for future grant under the 2021 Plan increases by the maximum amount each year under the evergreen feature and the recycled share provisions, or if the 2021 Plan is otherwise amended to increase the maximum aggregate number of Class A ordinary shares that may be issued pursuant to awards under the 2021 Plan, our shareholders may experience additional dilution, which could cause our stock price to fall.

A significant portion of our total outstanding Class A ordinary shares are or will be registered for resale and may be sold into the market in the future. This could cause the market price of our Class A ordinary shares to drop significantly, even if our business is doing well.

Sales of a substantial number of our Class A ordinary shares could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our Class A ordinary shares.

As of the date of this Annual Report, we have registered for resale or other disposition, from time to time, (i) on a registration statement on Form F-3 (Registration No. 333-264594), 14,375,696 of our Class A ordinary shares, 14,238,877 of which were issued in connection with the PIPE Investment and certain of which were issued to certain of our affiliates and affiliates of Alkuri in connection with the Business Combination (or Class A ordinary shares that were issued to our Founder upon conversion of his Class B ordinary shares to Class A ordinary shares on November 1, 2022), 136,484 of which were issued in connection with the acquisition of Higi and 335 of which were issued upon exercise of options under our equity compensation plans, by the selling shareholders identified in the Form F-3 prospectus and (ii) on a registration statement on Form F-3 (Registration No. 333-268551), 7,596,979 of our Class A ordinary shares that were issued in our

2022 Private Placement, by the selling shareholders identified in the Form F-3 prospectus. We intend to post-effectively amend each Form F-3 into a Form S-3. In addition, we have filed, and will in the future file, registration statements on Form S-8 in respect of certain Class A ordinary shares that we may issue from time to time pursuant to existing or future awards under our equity compensation plans. None of the shares registered in these registration statements are subject to lock-up restrictions, except for the Earnout Shares, as further discussed in Note 3 in the consolidated financial statements included in this Annual Report.

In addition, we plan to file a registration statement Form S-3 to register for resale or disposition, from time, of 534,911 Class A ordinary shares to be issued to the AlbaCore Bridge Note Subscribers and 105,298 Class A ordinary issued to the AlbaCore AlbaCore Existing Note Subscribers upon exercise of their warrants, in connection with the closing of the transactions under the Bridge Facility Agreement.

As the Class A ordinary shares (other than the Earnout Shares) registered or to be registered pursuant to these registration statements can be freely sold in the public market, the market price of our Class A ordinary shares could decline if the shareholders sell their shares or are perceived by the market as intending to sell them.

We do not currently intend to pay dividends on our Class A ordinary shares and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our Class A ordinary shares.

We have never declared or paid any cash dividends on our shares and we do not anticipate paying any cash dividends on our shares in the foreseeable future. We intend to retain all available funds and any future earnings to fund the development and expansion of our business. Pursuant to the Companies (Jersey) Law 1991, we may only pay a dividend if the directors who authorize the dividend make a prior solvency statement in the required statutory form. In addition, the terms of our Existing Notes issued to the AlbaCore Existing Note Subscribers and Bridge Facility notes issued to the AlbaCore Bridge Note Subscribers include, and any future indebtedness would likely contain, limitations on our ability to pay or declare dividends or distributions on our share capital. Therefore, you are not likely to receive any dividends on your Class A ordinary shares for the foreseeable future and the success of an investment in our Class A ordinary shares will depend upon any future appreciation in the price of our Class A ordinary shares. There can be no assurance that the price of our Class A ordinary shares will appreciate above the price that a shareholder purchased its Class A ordinary shares.

Some of our management team has limited experience managing a public company, and our management is required to devote substantial time to compliance with our public company responsibilities and corporate governance practices.

Members of our management team and other personnel have limited experience managing a publicly traded company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage us as a public company that is subject to significant regulatory oversight, reporting obligations under the federal securities laws, including the new reporting obligations that we are subject to as part of our transition from foreign private issuer to U.S. domestic issuer beginning on January 1, 2013, public company corporate governance practices and the continuous scrutiny of securities analysts and investors. These new obligations and constituents require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, financial condition and results of operations.

We have identified material weaknesses in our internal control over financial reporting and if our remediation of such material weaknesses is not effective, or if we fail to develop and maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired.

We may be required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting as of the end of 2022. In addition, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting in our first annual report required to be filed with the SEC following the date we are no longer an “emerging growth company.” Both of these assessments, due to the breadth and depth of control operating effectiveness testing to be performed, may identify deficiencies in internal controls over financial reporting that have not previously been identified.

In connection with the audits of our financial statements for the years ended December 31, 2022, 2021 and 2020, we identified certain control deficiencies in the design and operation of our internal control over financial reporting that

constituted material weaknesses. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. Specifically, we have identified (i) that we lack timely, documented evidence of management review controls related to areas of significant judgment and estimation uncertainty and non-routine transactions and (ii) that we have insufficient segregation of duties and evidence of management oversight to support the implementation and execution of some of our controls.

At the time of the filing of this Annual Report, these material weaknesses have not been remediated. However, we are in the process of designing and implementing measures to improve our internal control over financial reporting to remediate the material weaknesses related to our financial reporting for the years ended December 31, 2022, 2021 and 2020. Significant enhancements in our internal controls over financial reporting implemented in 2022 include:

- More timely and precise documentation and review procedures relating to areas of significant judgment and estimation uncertainty and non-routine transactions.
- Hiring additional accounting and advisory resources, including those with expertise in SEC reporting and technical accounting; and
- Design and Implementation of a more formal segregation of duties controls policy across our financial reporting systems and the re-design of our key controls over financial reporting

While we are designing and implementing measures to remediate the material weaknesses, we cannot predict the success of such measures or the outcome of our assessment of these measures at this time. We can give no assurance that these measures will remediate either of the deficiencies in internal control or that additional material weaknesses in our internal control over financial reporting will not be identified in the future. Our failure to implement and maintain effective internal control over financial reporting could result in errors in our financial statements that may lead to a restatement of our financial statements or cause us to fail to meet our reporting obligations. If a material weakness was identified and we are unable to assert that its internal control over financial reporting is effective, or when required in the future, if our independent registered public accounting firm is unable to express an unqualified opinion as to the effectiveness of the internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our Class A ordinary shares could be adversely affected and we could become subject to litigation or investigations by the NYSE, the SEC, or other regulatory authorities, which could require additional financial and management resources.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our results of operations could be adversely affected.

The preparation of financial statements in conformity with U.S. GAAP and our key metrics require management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes and amounts reported in our key metrics. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*.” The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities and equity and the amount of revenue and expenses that are not readily apparent from other sources. We evaluate our estimates and judgments, including those considered to involve a significant level of estimation uncertainty and reasonably likely to have a material impact on the consolidated financial statements of the Company. Estimates meeting this definition include our impairment analyses over the carrying value of long-lived assets (including goodwill and intangible assets), certain assumptions for revenue recognition, the accounting for premium deficiency reserves, IBNR within claims expense and the accounting for business combinations (collectively referred to as our “critical accounting estimates”). Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our Class A ordinary shares.

U.S. holders that directly or indirectly own 10% or more of our equity interests may be subject to adverse U.S. federal income tax consequences under rules applicable to U.S. shareholders of controlled foreign corporations.

A non-U.S. corporation generally is classified as a controlled foreign corporation for U.S. federal income tax purposes (a “CFC”), if “10% U.S. equityholders” own, directly, indirectly or constructively, more than 50% of either (i) the total combined voting power of all classes of stock of such corporation entitled to vote or (ii) the total value of the stock of

such corporation. We believe that Babylon was a CFC in 2022. Although we believe that the ownership of the total combined voting power of all classes of stock of Babylon entitled to vote or of the total value of the stock of Babylon owned by 10% U.S. equityholders did not exceed 50% at the beginning of 2023, there can be no assurance that Babylon will not be treated as a CFC in 2023 and in the future. In addition, in part because we have one or more U.S. subsidiaries, our non-U.S. subsidiaries that are classified as corporations for U.S. federal income tax purposes (if any) generally will be CFCs regardless of whether Babylon is treated as a CFC.

A U.S. holder that owns (or is treated as owning directly or indirectly, including by applying certain attribution rules) 10% or more of the combined voting power of all classes of our stock entitled to vote of a CFC or the total value of the CFC's equity interests (including equity interests attributable to a deemed exercise of options and convertible debt instruments), or a "10% U.S. equityholder," is generally required to report annually and include in their U.S. federal taxable income their *pro rata* share of the CFC's "Subpart F income" and, in computing their "global intangible low-taxed income," their *pro rata* share of the CFC's "tested income" and the amount of certain U.S. property (including certain stock in U.S. corporations and certain tangible assets located in the United States) held by the CFC regardless of whether such CFC makes any distributions. In addition, a portion of any gains realized on the sale of stock of a CFC by a 10% U.S. equityholder may be treated as ordinary income. A 10% U.S. equityholder is also subject to additional U.S. federal income tax information reporting requirements with respect to any CFC and substantial penalties may be imposed for noncompliance. We cannot provide any assurances that Babylon will assist U.S. holders in determining whether Babylon or any of its subsidiaries are treated as a CFC for U.S. federal income tax purposes or whether any U.S. holder is treated as a 10% U.S. equityholder with respect to any of such CFC or furnish to any holder information that may be necessary to comply with reporting and tax paying obligations if Babylon, or any of its subsidiaries, is treated as a CFC for U.S. federal income tax purposes. Each U.S. holder should consult its own tax advisor regarding the CFC rules and whether such U.S. holder may be a 10% U.S. equityholder for purposes of these rules.

Our U.S. shareholders may suffer adverse tax consequences if we are classified as a "passive foreign investment company."

A non-U.S. corporation generally will be a passive foreign investment company ("PFIC") for any taxable year if either (i) at least 75% of its gross income is passive income or (ii) at least 50% of its assets (determined based on a quarterly average) are held for the production of, or produce, passive income (such test described in clause (ii), the "Asset Test"). Passive income generally includes, among other things, dividends, interest, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets. In making this determination, the non-U.S. corporation is treated as earning its proportionate share of any income and owning its proportionate share of any assets of any corporation in which it holds, directly or indirectly, a 25% or greater interest by value of the stock. While the Asset Test is generally performed based on the fair market value of the assets, special rules apply with respect to the Asset Test in the case of the assets held by CFCs. PFIC status is determined annually and requires a factual determination that depends on, among other things, the composition of a company's income, assets and activities in each taxable year, and can only be made annually after the close of each taxable year, and is thus subject to significant uncertainty. Furthermore, the value of our gross assets is likely to be determined in part by reference to our market capitalization, which may fluctuate significantly. Based on the current and anticipated composition of our and our subsidiaries' income, assets, structure and operations and certain factual assumptions, including our market capitalization, there is a substantial risk that we may be considered a PFIC for the taxable year ended December 31, 2022. If we have a substantial balance of cash and cash equivalents which are passive assets for purposes of the PFIC determination, and therefore a decline in our market capitalization may make our classification as a PFIC more likely for the current or future taxable years. Accordingly, there can be no assurance that we will not be a PFIC for any taxable year.

If we are a PFIC for any taxable year during which a U.S. holder holds our ordinary shares, certain adverse U.S. federal income tax consequences could apply to such U.S. holder. Prospective U.S. holders should consult their tax advisors regarding the potential application of the PFIC rules to them.

A U.S. holder is a beneficial owner of a Class A ordinary share who or that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity that is treated as a corporation for U.S. federal income tax purposes) that is created or organized (or treated as created or organized) in or under the laws of the United States or any state thereof or the District of Columbia;

- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if (1) a U.S. court can exercise primary supervision over the administration of such trust and one or more United States persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in place to be treated as a United States person.

Techniques employed by short sellers may drive down the market price of our Class A ordinary shares.

Short selling is the practice of selling securities that the seller does not own but rather has borrowed from a third party with the intention of buying identical securities back at a later date to return to the lender. The short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. As it is in the short seller's interest for the price of the security to decline, many short sellers publish, or arrange for the public disclosure of, negative opinions and allegations regarding the relevant issuer and its business prospects in order to create negative opinions and allegations regarding the relevant issuer and its business prospects in order to create negative market momentum and generate profits for themselves after selling a security short. If we were to become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we could have to expend a significant amount of resources to investigate such allegations and/or defend ourselves. We may not be able to defend against any such short seller attacks, and may be constrained in the manner in which we can proceed against the relevant short seller by principles of freedom of speech, applicable state law or issues of commercial confidentiality.

Risks Related to Our Incorporation in Jersey

Your rights and responsibilities as a shareholder are governed by Jersey law, which differs in some material respects from the rights and responsibilities of shareholders of U.S. companies.

We are organized under the laws of the Bailiwick of Jersey, Channel Islands, a British crown dependency that is an island located off the coast of Normandy, France. Jersey is not a member of the EU. Jersey legislation regarding companies is largely based on English corporate law principles. The rights and responsibilities of the holders of our ordinary shares are governed by our Amended and Restated Memorandum and Articles of Association (as amended, the "Babylon Articles") and by Jersey law, including the provisions of the Jersey Companies Law. These rights and responsibilities differ in some material respects from the rights and responsibilities of shareholders in U.S. corporations.

In particular, Jersey law significantly limits the circumstances under which shareholders of companies may bring derivative actions and, in most cases, only the corporation may be the proper claimant or plaintiff for the purposes of maintaining proceedings in respect of any wrongful act committed against it. Neither an individual nor any group of shareholders has any right of action in such circumstances. Jersey law also does not afford appraisal rights to dissenting shareholders in the form typically available to shareholders of a U.S. corporation.

It may be difficult to enforce a U.S. judgment against us or our directors and officers outside the United States, or to assert U.S. securities law claims outside of the United States.

A number of our directors and executive officers are not residents of the United States, and the majority of our assets and the assets of these persons are located outside the United States. As a result, it may be difficult or impossible for investors to effect service of process upon us within the United States or other jurisdictions, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

Investors may also have difficulties pursuing an original action brought in a court in a jurisdiction outside the United States, including Jersey, for liabilities under the securities laws of the United States. The Babylon Articles provide that, unless we consent in writing to the selection of an alternative forum, the Courts of Jersey shall (to the fullest extent permitted by law) be the sole and exclusive forum for derivative shareholder actions, actions for breach of fiduciary duty by our directors and officers, actions arising out of the Jersey Companies Law or actions arising out of or in connection with the Babylon Articles (pursuant to any provisions of Jersey law) or otherwise relating to the constitution or conduct of the company itself (other than any such action of the company that may arise out of a breach of any federal law of the United States or the laws of any U.S. state). The exclusive forum provision would not prevent derivative shareholder actions based on claims arising under U.S. federal securities laws from being raised in a U.S. court and would not prevent a U.S. court from asserting jurisdiction over such claims. In addition, unless the company consents in writing to the selection

of an alternative forum, U.S. federal district courts shall be the sole and exclusive form for any resolution of any complaint asserting a cause of action arising under the Securities Act or the Exchange Act.

Although we believe these exclusive forum provisions will benefit us by providing increased consistency in the application of U.S. federal securities laws and the laws of Jersey in the types of lawsuits to which they apply, these provisions may limit a shareholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or any of our directors, shareholders, officers, or others, or may increase the cost of doing so, both of which may discourage lawsuits with respect to such claims. Our shareholders have not been deemed to have waived our compliance with the U.S. federal securities laws and the rules and regulations thereunder as a result of our exclusive forum provision. Further, in the event a court finds the exclusive forum provisions contained in the Babylon Articles to be unenforceable or inapplicable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our results of operations.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Babylon operates a number of key hubs. In the U.K., we are located at 1 Knightsbridge Green, London SW1X 7QA, for which the term of our lease expires in September 2024. This consists of over 63,000 square feet of office space, which includes an approximately 5,000 square foot roof terrace. Babylon GP at Hand also provides clinical services from five leased premises in the U.K.

In the United States, Austin, Texas is the prime hub for which we signed a sublease for a permanent Austin office in 2022, which consists of over 37,000 square feet of office space, with an expiration date of March 31, 2029.

In addition, as a result of the acquisitions of Meritage, FCMG and Higi, we lease premises in Chicago, Illinois, Fresno and Petaluma, California.

We also lease premises in Rwanda, and due to the acquisition of DayToDay, have flexible workspace arrangements in three cities in India.

We believe that our leased properties and flexible workspace arrangements are generally suitable to meet our needs for the foreseeable future.

In addition, to the extent we require additional space in the future, we believe that it would be readily available on commercially reasonable terms. At present there are no plans to significantly upgrade any existing premises, other than the build out of our Austin office.

The majority of property, plant and equipment is made up of healthcare stations found in retail pharmacies and groceries that provide free screenings of blood pressure, weight, pulse and body mass index. These devices were acquired in the acquisition of Higi. The remaining property, plant and equipment is related to computer equipment, fixtures and fittings, and leasehold improvements.

Item 3. Legal Proceedings

We are a party to various lawsuits, claims, regulatory investigations and other legal proceedings that arise in the ordinary course of our business. While the outcomes of these matters are uncertain, management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our Class A ordinary shares trade on the NYSE under the symbol “BBLN”.

Holders

At March 1, 2023, there were approximately 137 shareholders of record of our 24,860,752 Class A ordinary shares.

Dividends

We have not paid any cash dividends on our Class A ordinary shares to date.

Subject to Babylon agreeing with any member that all or any part of the Class A ordinary shares held by such member from time to time shall be subject to provisions set out in a separate agreement, the holders of such Class A ordinary shares are entitled to receive dividends in proportion to the number of Class A ordinary shares held by them. Holders of Class A ordinary shares are entitled, in proportion to the number of Class A ordinary shares held by them, to participate in a return of assets upon a liquidation/winding-up. Holders of deferred shares are not entitled to receive any dividend or distribution declared, nor are they entitled to share in any surplus on a winding up of Babylon.

We may not pay any dividend (whether in cash or assets) unless our directors who are to authorize the dividend have made a statutory solvency statement that, immediately following the date on which the payment is proposed to be made, we are able to discharge its liabilities as they fall due and, having regard to certain prescribed factors including the directors’ intentions regarding the management of Babylon, Babylon is able to continue to carry on business and discharge its liabilities as they fall due for the 12 months immediately following the date on which the payment is proposed to be made (or until Babylon is dissolved on a solvent basis, if earlier).

Dividends may not be debited to the company’s nominal capital account or any capital redemption reserve, but may be debited to a share premium account. Jersey law does not require that a company has positive profit and loss, retained earnings or similar in order for a dividend to be lawfully paid.

The foregoing also applies to certain types of other distributions made by a Jersey company.

Additionally, any decision to declare and pay dividends in the future will be made at the discretion of our board of directors and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions, statutory requirements, and other factors that our board of directors may deem relevant.

We do not currently intend to pay any dividends on our Class A ordinary shares.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information for all equity compensation plans at December 31, 2022, under which the equity securities of the Company were authorized for issuance:

Plan Category ⁽¹⁾	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽²⁾	Weighted-average exercise price of outstanding options, warrants and rights (\$) ⁽³⁾	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	1,694,892	1.87	779,131

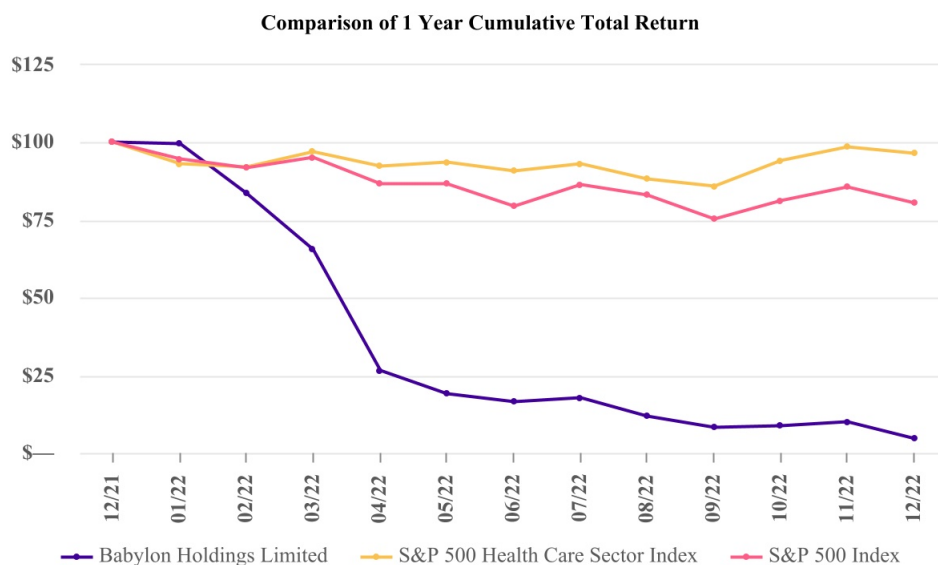
(1) No equity compensation plans exist that were not approved by security holders

(2) Reflects 368,069 shares of Class A ordinary shares to be issued upon exercise of outstanding options, 702,823 outstanding Restricted Stock Units (“RSUs”) that were issued under the Babylon Holdings Limited 2021 Equity Incentive Plan (“2021 Plan”) and 624,000 outstanding Performance Stock Units (“PSUs”) that were issued under the 2021 Plan.

(3) The weighted average exercise price is calculated based on the weighted average exercise prices of outstanding options and further reduced for the weighted average impact for the lack of exercise prices for PSUs and RSUs.

Performance Graph

The following graph compares the cumulative return on (i) our Class A ordinary shares, (ii) the Standard & Poor’s 500 Stock Index (“S&P 500”) and (iii) the Standard and Poor’s 500 Health Care Sector Index (“S&P 500 Health”) over the period of time covered in the graph. This graph assumes that \$100 was invested in our Class A ordinary shares and in each of the S&P 500 and the S&P 500 Health on December 31, 2021 and assumes reinvestment of dividends. The comparisons reflected in the graph are not intended to forecast the future performance of our Class A ordinary shares and may not be indicative of our future performance.



Item 6. Reserved

Not applicable.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Executive Overview

We are a leading digital-first, value-based care company. Founded in 2013, our mission is to make high-quality healthcare accessible and affordable for everyone on Earth. We believe we are poised to reengineer the global healthcare market to better align system-wide incentives and to shift the focus from reactive sick care to preventative healthcare, resulting in better member health, improved member experience and reduced costs. To achieve this goal, we are leveraging our highly scalable, digital-first platform combined with high quality virtual clinical operations and affiliated provider networks to provide an integrated, end-to-end healthcare solution. We combine artificial intelligence and broader technologies with human expertise to deliver modern healthcare.

We monetize our products and services in three primary ways:

- *Value-Based Care*, or VBC, in which we manage a defined subset or the entire medical costs of a member population and assume financial responsibility for member healthcare services. During the years ended December 31, 2022, 2021, and 2020, 92.5%, 68.2%, and 32.9%, respectively, of our revenue was derived from VBC arrangements.
- *Clinical Services*, in which our affiliated providers deliver medical consultations, typically on a fee-for-service (“FFS”), or a combination of capitation fee and FFS basis under a risk-based agreement. During the years ended December 31, 2022, 2021, and 2020, 4.9%, 13.1%, and 36.1%, respectively, of our revenue was derived from clinical services.
- *Software Licensing*, in which we predominantly sell our digital suite of products to partners who may provide care through their own medical networks. During the years ended December 31, 2022, 2021, and 2020, 2.6%, 18.7%, and 31.0%, respectively, of our revenue was derived from software licensing.

As of December 31, 2022, our VBC, software licensing and/or clinical service offerings supported patients in 15 countries. We have scaled our VBC offering rapidly over the last year to become one of the largest VBC networks in the United States, with 261 thousand U.S. VBC members as of December 31, 2022, and we expect to remain focused on U.S. growth. Our company has developed as follows:

- 2013: Founded by our Chief Executive Officer, Dr. Ali Parsadoust.
- 2014: Became the first digital-first health service provider to be registered with the Care Quality Commission (“CQC”), the healthcare services regulator and inspector in England. In response to primary care doctor shortages in the United Kingdom, Babylon contracted with the NHS to offer a technology platform to improve accessibility to primary care and to doctors, proving out the ability to tackle accessibility with high quality in a very advanced U.K. healthcare market.
- 2015: Began providing clinical services through our virtual care platform, offering diagnoses, advice and treatments via medical professionals to patients on a remote basis.
- 2016: First expanded outside the United Kingdom, launching in Rwanda. We sought to prove our model in a more challenging environment and partnered with the Bill and Melinda Gates Foundation and the government of Rwanda, a country with limited resources and infrastructure for healthcare.
- 2017: Made our technology available for licensing to corporate and institutional clients.
- 2018: Launched our agreement with Prudential in Asia, and since then have been rolling out our Symptom Checker and Health Assessment solutions across 11 countries in Asia.
- 2019: Launched our partnership with TELUS Health (“TELUS”) in Canada, the Canadian parent holding company of various telecommunication and other subsidiaries. TELUS agreed to use our platform to deliver digital health services across Canada through a joint venture named Babylon Health Canada Limited. We sold Babylon Health Canada Limited to TELUS in January 2021 and entered into a seven-year agreement to license our white-labeled digital platform to TELUS Health, allowing TELUS Health to provide integrated clinical services to members through a TELUS-branded version of the Babylon digital platform.
- 2020: Entered the U.S. market with a clinical services network and formed our first end-to-end digital, integrated VBC service, Babylon 360.
- 2021: Became a public company in the United States, with our Class A ordinary shares and warrants listed on the NYSE, upon completing a merger (the “Business Combination”) with Alkuri, on October 21, 2021. In addition,

we completed a private placement of our Class A ordinary shares to certain investors for an aggregate purchase price of \$224 million (the “PIPE Investment”).

- 2022: Partnered with Ambetter Health to provide digital-first value-based care services to Commercial Exchange members across 6 U.S. states from January 2023, as well as extending key partnership with Bupa in the U.K. to cover 2.3 million customers.

We have also completed certain investments and acquisitions in recent years that have helped improve our ability to deliver our products in services:

- **Fresno Health Care.** In October 2020, we acquired certain portions of the Fresno Health Care business of FirstChoice Medical Group (“FCMG”) for \$25.7 million. This acquisition was intended to advance the growth of our value-based care services, by transitioning members to digital-first tools that will enable members to access our virtual care network in conjunction with the existing physical access to services.
- **Meritage Medical Network.** In April 2021, we acquired Meritage for \$31.0 million. This acquisition was intended to expand the growth of our value-based care services, by transitioning over 20,000 Medicare Advantage and Commercial Health Maintenance Organization (“HMO”) patients within the Meritage network to digital-first tools that will enable members to access our virtual care network in conjunction with the existing physical access to services. On October 12, 2022, we announced that we intend to sell our IPA Business, including Meritage Medical Network, a network of physicians which provides physical care in California, in order to focus on our core business model through further investment in digital-first contracts. We have initiated the formal process for the sale of the IPA Business.
- **Higi.** On December 7, 2021, we exercised our option to acquire the remaining 74.7% outstanding equity interest in Higi SH Holdings, Inc. (“Higi”) pursuant to the Second Amended and Restated Agreement and Plan of Merger, dated October 29, 2021 (the “Higi Acquisition Agreement”). The closing of this acquisition occurred on December 31, 2021. The exercise price of the option to acquire the remaining Higi equity stake included the payment of \$4.6 million in cash and the issuance of 136,480 Class A ordinary shares at the closing, the payment of \$5.4 million at the closing to satisfy the principal and interest payable by a subsidiary of Higi pursuant to a promissory note in favor of ALP Partners Limited, an entity owned by our founder and Chief Executive Officer \$0.3 million in cash and issuance of up to 19,631 additional Class A ordinary shares after the expiration of a 15-month indemnification holdback period, and the issuance of 79,200 restricted stock units for Higi continuing employees and consultants in respect of Class A ordinary shares, of which 49,502 were vested at closing. Higi provides digital healthcare services via a network of Smart Health Stations located in the United States, and makes health kiosks found in retail pharmacies and grocery stores that provide free screenings of blood pressure, weight, pulse and body mass index.

We have experienced rapid revenue growth as we have recently expanded our VBC offerings. Our Total revenue for the years ended December 31, 2022, 2021, and 2020 was \$1,109.7 million, \$320.8 million, and \$79.3 million, our Claims expense was \$1,017.0 million, \$219.6 million, and \$25.1 million, our Clinical care delivery expense was \$80.6 million, \$69.8 million, and \$42.1 million, our Platform & application expenses were \$29.9 million, \$32.7 million, and \$32.2 million, our Research & development expenses were \$79.2 million, \$68.5 million, and \$80.5 million, our Sales, general & administrative expenses were \$227.9 million, \$187.2 million, and \$90.7 million, our Premium deficiency reserve income / (expense) was \$31.3 million, \$46.5 million and \$5.6 million, our Impairment expense was \$64.1 million, zero, and zero, our Depreciation and amortization expenses were \$12.1 million, \$9.2 million and \$4.0 million, and our Loss from Operations was \$369.8 million, \$312.7 million, and \$201.0 million, respectively.

Our Net loss was \$221.4 million, \$83.4 million, and \$213.0 million, our EBITDA was \$(177.8) million, \$(63.0) million, and \$(201.0) million, and our Adjusted EBITDA was \$(274.5) million, \$(212.2) million, and \$(183.0) million for the years ended December 31, 2022, 2021, and 2020, respectively. EBITDA and Adjusted EBITDA are non-GAAP measures. For a description of how we calculate EBITDA and Adjusted EBITDA, a reconciliation to the most directly comparable U.S. GAAP measure, and the limitations of these non-GAAP financial measures, see “—Key Business and Financial Metrics—Non-GAAP Measures.”

Impact of the COVID-19 Pandemic

The rapid spread of COVID-19 around the world (the “Pandemic”) has altered the behavior of businesses and people, with significant negative effects on national, state and local economies, the duration of which remains unknown at

this time. Many state governors issued executive orders permitting physicians and other healthcare professionals licensed in other states to practice in their state without any additional licensure or by using a temporary, expedited or abbreviated licensure or registration process. In addition, changes were made to the Medicare and Medicaid programs (through legislative changes, and the exercise of regulatory discretion and authority) to increase access to telehealth services by, among other things, increasing reimbursement, permitting the enrollment of out of state providers and eliminating prior authorization requirements. It is uncertain how long these COVID-19 related regulatory changes will remain in effect and whether they will continue beyond this public health emergency period.

It is not currently possible to predict the ultimate financial impact of COVID-19 on our business, results of operations and financial condition. Key factors will include the extent to which changes in the behavior of people during the Pandemic result in a permanent change in their behavior, a longer-term reversion back to pre-Pandemic behaviors or a significant immediate reversion in behaviors as the impacts of the Pandemic become more manageable because of global vaccination programs.

Merger Agreement

In June 2021, we entered into a Merger Agreement, by and among Alkuri, Babylon and certain other parties which, among other things, provided for the Business Combination, in which our merger subsidiary merged with and into Alkuri, with Alkuri surviving as a wholly-owned subsidiary of Babylon. Following the consummation of the Business Combination, our Class A ordinary shares have been traded on the NYSE, and we have been developing the functions and resources necessary to operate as a public company, including employee-related costs and equity compensation, which has resulted in increased operating expenses when compared to our time as a private company and may continue to increase.

Key Business and Financial Metrics

We review a number of operating and financial metrics, including the following key metrics and non-GAAP measures, to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions. Governmental and other economic factors affecting our operations are discussed in “Item 1. Business.”

	For the Year Ended December 31,		
	2022	2021	2020
	\$'000	\$'000	\$'000
Revenue:			
Value-based care	1,026,251	218,758	26,038
Clinical services	54,480	42,017	28,631
Software licensing revenue	28,938	60,052	24,603
Total revenue	1,109,669	320,827	79,272
Claims expense	(1,017,003)	(219,625)	(25,120)
Clinical care delivery expense	(80,624)	(69,831)	(42,134)
Platform & application expenses	(29,897)	(32,723)	(32,209)
Research & development expenses	(79,155)	(68,473)	(80,538)
Sales, general & administrative expenses	(227,937)	(187,172)	(90,687)
Premium deficiency reserve income / (expense)	31,311	(46,533)	(5,639)
Impairment expense	(64,066)	—	—
Depreciation and amortization expenses	(12,050)	(9,185)	(3,955)
Loss from operations	(369,752)	(312,715)	(201,010)
EBITDA	(177,770)	(62,974)	(201,015)
Adjusted EBITDA	(274,499)	(212,150)	(182,983)

The breakout of U.S. VBC Members by health insurance program type, and information about the number of Global managed care members, is shown below:

	For the Year Ended December 31,		
	2022	2021	2020
Medicaid	79 %	84 %	88 %
Medicare	15 %	7 %	12 %
Commercial	6 %	9 %	—
Total U.S. VBC Members⁽¹⁾	261,000	167,000	66,000

(1) Rounded to the nearest thousands.

Our key business and financial metrics are explained in detail below.

Revenues

Revenue is derived from capitation revenue under our VBC contracts with U.S. health plans and healthcare providers, clinical service revenue from the provision of clinical services, and software licensing revenue from technology licensing agreements for the use of our digital healthcare platform.

Value-Based Care Revenue. Value-based care revenue consists primarily of capitation revenue for the delivery of VBC services under VBC contracts with U.S. health plans and healthcare providers. Under VBC contracts, we manage the healthcare needs of our members in a centralized manner, where we negotiate a per-member-per-month (“PMPM”) or capitation allocation, often based on a percentage of the payer’s premium or Medical Loss Ratio (“MLR”) with the payer. We assume financial responsibility for member healthcare services, which means that, throughout the measurement period, the total actual medical costs are compared to the capitation allocation. At the end of the measurement period, we will either receive all or part of any savings, as compared to the capitation allocation or will be responsible for all or part of excess costs above the capitation allocation. Capitation revenue under VBC contracts is not dependent upon the volume of specific care services provided, nor the utilization of our digital healthcare platform.

A small portion of the capitation revenue received under VBC contracts is variable, as the contracts contain provisions for performance-based incentives, performance guarantees and risk shares where amounts received are dependent upon factors such as contractual terms, quality metrics, member-specific attributes, and healthcare service costs. Capitation revenue is estimated using the most likely amount methodology and amounts are only included in revenue to the extent that it is probable that a significant reversal of cumulative revenue will not occur once any uncertainty is resolved. Such uncertainties may only be resolved several months after the end of the reporting period because of the availability of sufficient reliable data relating to factors such as quality metrics, member specific attributes and healthcare service costs. Subsequent changes in capitation fees and the amount of capitation revenue to be recognized by us are reflected in subsequent periods. The amount of variable capitation revenue recognized is expected to increase as the number of members we provide VBC services to increases.

Value-based care revenue is recognized gross when it is assessed that the performance obligation relates to the whole of the patient journey with the Group responsible for arranging, providing and controlling the value-based care services provided to the attributed members. This is a significant judgement when assessing the performance obligation. For the year ended December 31, 2022, revenue related to value-based care arrangements totaling \$1,026.3 million (2021: \$218.8 million, 2020: \$26.0 million) was recognized gross.

Clinical Services Revenue. Clinical services revenue is represented by our provision of clinical services to business and private users. Clinical service fees are FFS fees or a combination of FFS and capitation fees, including PMPM subscription fees for the provision of virtual consultations. PMPM subscription fees give members access to our clinical services over the contractual period as set forth in the arrangement. FFS revenue is based on contracted rates determined in agreed-upon compensation schedules.

Software Licensing Revenue. Software licensing revenue relates to a business customer obtaining a right to use and/or access our digital services. Where we have determined that the customer obtains a right to access our artificial intelligence (“AI”) services, we recognize revenue on a straight-line basis over the contractual term beginning when the customer has access to the service. Where we identify that the customer obtains a right to use license, we recognize revenue from the license upfront at the point in time at which the license is granted and the software is made available to the customer. In these licensing arrangements, we primarily provide digital services to corporate entities, and these corporate entities are considered our customers since the contract is for services that represent our ordinary business.

Use of Estimates in Software Licensing Revenue. Certain of the Group's contracts with customers include promises to transfer multiple services to a customer. The Group assesses the promises in a contract and identifies distinct or bundled performance obligations in the contract. If multiple performance obligations are identified in the contract the transaction price is allocated to each performance obligation on a relative stand-alone selling price basis, for which the Group recognizes revenue as or when the performance obligations under the contract are satisfied. For certain contracts, significant judgments are made by management to determine (i) the appropriate costs of providing the product or service and (ii) the selection of market data which underlines our estimate for the stand-alone selling price of each distinct performance obligation that applies the expected cost plus margin approach.

Claims Expense

Claims expense includes the costs of healthcare services rendered by third parties on behalf of patients that the Company is contractually obligated to pay, which includes estimates for medical expenses incurred but not yet reported ("IBNR") using actuarial processes that are applied on a systematic and consistent basis. This process includes the development of estimates described below. Claims expense also includes other external costs incurred in the delivery of healthcare services including insurance premiums and recoveries.

Use of Estimates in Claims Expense. Claims expense includes estimates of our obligations for medical care services that have been rendered on behalf of our members, but for which claims have either not yet been received or processed. We utilize both internal and independent actuaries to develop estimates for IBNR using actuarial processes that are applied on a systematic and consistent basis. These estimates use actuarial methods that are commonly used by health insurance actuaries and meet Actuarial Standards of Practice. These actuarial methods consider factors, such as historical data for payment patterns, membership risk profile and demographics, geographical location of members, seasonal variances, membership volume, utilization patterns, as well as other medical cost trends.

Each period, we re-examine previously established Claims payable estimates based on actual claim submissions and other changes in facts and circumstances. As the Claims payable estimates recorded in prior periods develop, we adjust the amount of the estimates and include the changes in estimates in claims expenses in the period in which the change is identified.

Actuarial Standards of Practice generally require that the medical claims liability estimates be adequate to cover obligations under moderately adverse conditions. Moderately adverse conditions are situations in which the actual claims are expected to be higher than the otherwise estimated value of such claims at the time of estimate. In many situations, the claims amount ultimately settled will be different than the estimate that satisfies the Actuarial Standards of Practice. We include in our IBNR an estimate for medical claims liability under moderately adverse conditions, which represents the risk of adverse deviation of the estimates in its actuarial method of reserving.

We believe that Claims payable is adequate to cover future claims payments required. However, such estimates are based on knowledge of current events and anticipated future events. Therefore, the actual liability could differ materially from the amounts provided.

Clinical Care Delivery Expense

Clinical care delivery expense includes the internal costs that we incur in the provision of healthcare services to patients, which is substantially composed of employee-related expenses such as salaries and wages for Babylon healthcare professionals. Other costs within Clinical care delivery expense include operating costs incurred for the delivery of healthcare services to patients, such as occupancy, medical supplies, and other support-related costs.

Platform & Application Expenses

Platform & application expenses are costs of revenue related to our digital healthcare platform. These costs primarily include employee-related salaries, benefits, stock-based compensation, as well as contractor and consultant expenses, for individuals that are engaged in providing professional services related to support and maintenance of the digital healthcare platform, as well as third-party application costs, hosting services and other direct costs. We expect our Platform & application expenses to increase commensurate with increased maintenance attributable to new contracts and continuing development of our technology platform offset by reductions as a result of the cost-reduction actions initiated in the third and fourth quarter of 2022.

Research & Development Expenses

Research & development expenses primarily include employee-related salaries, benefits, stock-based compensation, as well as contractor and consultant expenses for individuals that are engaged in performing activities to develop and enhance our digital healthcare platform as well as third-party application costs, hosting services and other indirect costs. It includes research costs and development costs that do not meet the criteria for capitalization and are expensed as incurred. We expect our Research & development expenses to continue to decline due to the cost-reduction actions initiated in the third and fourth quarter of 2022.

Sales, General & Administrative Expenses

Sales, general & administrative expenses include employee-related expenses, contractors and consultants' expense, stock-based compensation, property and facility related expenses, directors and officers insurance, IT and hosting, marketing, training and recruiting expenses. Enterprise IT and hosting costs are primarily software subscriptions, and domain and hosting costs. We expect our Sales, general & administrative expenses to decrease as a result of execution of our publicly announced cost-reduction actions initiated in the third and fourth quarter of 2022. Our Sales, general & administrative expenses may fluctuate as a percentage of our total revenue from period to period due to the nature and timing of expenses, as well as increases in Sales, general & administrative expenses that we have incurred to operate as a public company. However, we expect Sales, general & administrative expenses to decline as a percentage of revenue over time through leverage of costs that are scalable relative to increases in revenue.

Premium Deficiency Reserve Income / (Expense)

Premium deficiency reserve is a liability balance based on actuarial estimates for anticipated losses on value-based-care contracts reassessed by management when it becomes probable that future losses will be incurred. The reserve balance is the sum of expected future costs, claims adjustment expenses, and maintenance costs that exceed future premiums under contracts excluding consideration from investment income. Losses or gains from these reassessments are recorded in the period in which such losses were identified and reflected within the Consolidated Statement of Operations and Other Comprehensive Loss. Premium deficiency reserves are amortized over the period in which losses are expected to be incurred and expected to have an offsetting impact on operating losses in that period.

Use of Estimates in Premium Deficiency Reserves. Our Premium deficiency reserve income/expenses may fluctuate from period to period as a percentage of total revenue and value-based care revenue. This is due to the significant uncertainty and varying nature of key inputs into the measurement of the reserves, driving the income or expense in the period. These key inputs include the contractual rates within value-based care contracts, forecasted benefit and member population changes, contractual periods, risk adjustments and claims costs forecasts associated with our member populations and allocation of operating costs to these contracts.

Impairment Expense

As a result of our Higi and IPA reporting units meeting held for sale criteria in the fourth quarter of 2022, we are required to measure these reporting units at the lower of their carrying values or fair values less costs to sell. Management made certain judgements when assessing if this sale qualified for the presentation and disclosure requirements of a discontinued operation as defined under ASC 205, Presentation of Financial Statements, and concluded that the sale is not a strategic shift and therefore is not considered a discontinued operation. We estimated the fair value less costs to sell of the Higi reporting unit as of December 31, 2022 by revising our estimated future cash flows and business volumes used in our interim impairment test, including revenues and margin to reflect our best estimates at this time. We also updated certain significant inputs into the valuation model, including the discount rate which increased by 1% and lowering our terminal growth rate by 1%. Both of which reflecting, in part, higher market rates of interest and market volatility. Further, we decreased projected revenue by approximately 10% to 15% due to lower results of operations for the Higi reporting unit when compared to our prior estimates. Our updates to our discount rate and estimated future cash flows each had a significant impact to the estimated fair value of our Higi reporting unit. This required us to recognize an impairment charge for Higi's assets classified as held for sale of \$35.0 million in the fourth quarter of 2022. This impairment charge primarily consisted of a \$20.6 million impairment charge to the Higi reporting unit's Goodwill along with a \$14.3 million impairment valuation allowance against other assets held for sale. This valuation allowance used against the Higi reporting unit classified as held for sale is subject to subsequent adjustments for changes in its fair value less cost to sell, as a result in changes to the underlying significant assumptions and estimates, but will never exceed the cumulative losses previously recognized. No impairment charge was determined for the IPA reporting unit as part of this annual impairment test or held for sale classification. Refer to Note 10 in our consolidated financial statements for disclosure of the sensitivities of the underlying significant estimates and assumptions used for the IPA Business impairment analyses.

Prior to this classification of Higi and IPA reporting units as held for sale, we identified a triggering event for the decrease in our publicly quoted share price and market capitalization as of June 30, 2022. As a result of identification of a

triggering event, we estimated the fair value of the Higi reporting unit at June 30, 2022 using a discounted cash flow projection, a form of the income approach. As part of the interim impairment test, we reduced our estimated future cash flows and business volumes used in the purchase price allocation at the time of acquisition, including revenues, margin, and capital expenditures to reflect our best estimates at this time. We also updated certain significant inputs into the valuation model, including the discount rate which increased reflecting, in part, higher market rates of interest and market volatility. Our updates to our discount rate and estimated future cash flows each had a significant impact to the estimated fair value of our Higi reporting unit. As a result of this analysis, we identified an impairment charge of \$24.8 million for the Higi reporting unit, primarily allocated between Goodwill for \$14.3 million, Other intangible assets for \$4.3 million and Property plant and equipment for \$6.3 million. No impairment charge was determined for the IPA reporting unit. Refer to Note 10 in our consolidated financial statements for disclosure of the sensitivities of the underlying significant estimates and assumptions used for the IPA Business impairment analyses.

Separately from the impairment expense associated with the Higi reporting unit, we also impaired right-of-use assets in the amount of \$4.2 million associated with certain operating leases as a result of our cost-reduction actions initiated in the third and fourth quarter of 2022.

Use of Estimates in Impairment Expense. In the event there are future adverse changes in our estimated future cash flows and/or changes in key assumptions, including but not limited to discount rate increases, lower revenue growth, lower margin, higher sales and marketing expenses, and/or a lower terminal growth rate, we may be required to record additional non-cash impairment charges to our goodwill, or impairment charges to other intangibles, and/or long-lived assets. Such non-cash charges would likely have a material adverse effect on our consolidated financial statements during the reporting period of the charge.

Depreciation & Amortization Expenses

Depreciation & amortization include depreciation of property, fixtures and fittings and amortization of acquired intangible assets. We expect our Depreciation & amortization expenses to decrease as a result of the intent to sell the IPA and Higi businesses.

Critical Accounting Judgements, Estimates and Assumptions

Our Management's Discussion and Analysis of Financial Condition and Results of Operations is based on our consolidated financial statements and supplemental data included in this Annual Report which have been prepared in conformity with U.S. GAAP. The preparation of our consolidated financial statements included elsewhere in this Annual Report, requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities.

On an ongoing basis, we evaluate our estimates and judgments, including those considered to involve a significant level of estimation uncertainty and reasonably likely to have a material impact on the consolidated financial statements of the Company. Estimates meeting this definition include our impairment analyses over the carrying value of long-lived assets (including goodwill and intangible assets), certain assumptions for revenue recognition, the accounting for premium deficiency reserves, IBNR within claims expense and the accounting for business combinations (collectively referred to as our "critical accounting estimates"). We base our estimates on a combination of factors including historical and anticipated results and trends, and on various other assumptions that we believe are reasonable under the circumstances, including assumptions with regards to future events. These estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. By their nature, estimates are subject to an inherent degree of uncertainty. Actual results may differ from our estimates and could have a significant adverse effect on our results of operations and balance sheets.

For discussion of all significant accounting policies, judgements, estimates and assumptions, see Note 2. Summary of Significant Accounting Policies in our consolidated financial statements included in this Annual Report. For details of our critical accounting estimates, refer to the "*Use of Estimates*" sub-section within "to "*Impairment Expense*", "*Premium Deficiency Reserve Income / (Expense)*", "*Claims Expense*", and "*Revenues*" above for details. While no business combinations occurred during the year ended December 31, 2022, critical accounting estimates existed for business combinations completed during the year ended December 31, 2021, and are as follows:

Use of Estimates in 2021 Business Combinations. We record tangible and intangible assets acquired and liabilities assumed in business combinations under the acquisition method of accounting. Acquisition consideration typically includes cash payments and equity issued as consideration. In acquisitions where no consideration is transferred, goodwill is measured based on the fair value of the acquiree. Amounts paid for each acquisition are allocated to the assets acquired and

liabilities assumed based on their estimated fair values at the date of acquisition inclusive of identifiable intangible assets. The estimated fair value of identifiable assets and liabilities, including intangibles, are based on valuations that use information and assumptions available to management. We allocate any excess purchase price over the fair value of the tangible and identifiable intangible assets acquired and liabilities assumed to goodwill. Significant management judgments and assumptions are required in determining the fair value of assets acquired and liabilities assumed, particularly acquired intangible assets, including estimated useful lives. The valuation of purchased intangible assets is based upon estimates of the future performance and discounted cash flows of the acquired business. Each asset acquired or liability assumed is measured at estimated fair value from the perspective of a market participant.

Non-GAAP Measures

EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Medical Loss Ratio, Medical Margin and Cost of Care Delivery Margin are non-GAAP measures. We define EBITDA as Net loss, adjusted for depreciation, amortization, net interest income (expense), and income taxes. We define EBITDA as profit (loss) for the financial year, adjusted for depreciation, amortization, net interest (income) expense, and income taxes. We define Adjusted EBITDA as Net loss, adjusted for depreciation, amortization, net interest (income) expense, income taxes, impairment expenses, stock-based compensation, foreign exchange gains or losses, restructuring and other termination benefits, loss on settlement of warrants, (gains) losses on fair value remeasurement, premium deficiency reserve (income) expenses and gains (losses) on sale of subsidiaries. We define Medical Loss Ratio as the absolute value of claims expense divided by Value-based care revenue. We define Medical Loss Ratio as the absolute value of claims expense divided by Value-based care revenue. We define Medical Margin as one minus the Medical Loss Ratio. We define Cost of Care Delivery Margin as one minus the absolute value of claims expense and clinical care delivery expense divided by total revenue. Medical Loss Ratio, Medical Margins and Cost of Care Delivery Margins are derived from amounts presented in the Consolidated Statement of Operations and Other Comprehensive Loss and the associated Notes to the Consolidated Financial Statements. We believe that EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Medical Loss Ratio, Medical Margin and Cost of Care Delivery Margin (collectively, the “Non-GAAP Measures”) are useful metrics for investors to understand and evaluate our operating results and ongoing profitability because they permit investors to evaluate our recurring profitability from our ongoing operating activities.

EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Medical Loss Ratio, Medical Margin and Cost of Care Delivery Margin have certain limitations, and you should not consider them in isolation or as a substitute for analysis of our results of operations as reported under U.S. GAAP. We caution investors that amounts presented in accordance with our definitions of any of the Non-GAAP Measures may not be comparable to similar measures disclosed by other issuers, because some issuers calculate certain of the Non-GAAP Measures differently or not at all, limiting their usefulness as direct comparative measures.

Reconciliations of EBITDA, Adjusted EBITDA and Other Non-GAAP Measures

The following table presents a reconciliation of EBITDA and Adjusted EBITDA from the most comparable U.S. GAAP measure, Net loss, and the calculations of the Net loss Margin, Adjusted EBITDA Margin, Medical Loss Ratio, Medical Margin and Cost of Care Delivery Margins for the years ended December 31, 2022, 2021, and 2020:

	For the Year Ended December 31,		
	2022	2021	2020
	\$'000	\$'000	\$'000
Net loss	(221,449)	(83,438)	(213,028)
<i>Adjustments to EBITDA:</i>			
Depreciation and amortization expenses	12,050	9,185	3,955
Interest expense and income	31,695	12,722	3,419
Tax (benefit) / provision	(66)	(1,443)	4,639
EBITDA	(177,770)	(62,974)	(201,015)
<i>Adjustments to Adjusted EBITDA:</i>			
Impairment expense	59,819	—	—
Stock-based compensation	34,556	48,186	9,557
Exchange loss / (gain)	10,420	(783)	2,836
Restructuring and other termination benefits	20,139	—	—
Loss on settlement of warrants	2,397	—	—
Gain on fair value remeasurement	(192,749)	(239,195)	—
Premium deficiency reserve (income) / expense	(31,311)	46,533	5,639
(Gain) on sale of subsidiary	—	(3,917)	—
Adjusted EBITDA	(274,499)	(212,150)	(182,983)
Total revenue	1,109,669	320,827	79,272
Value-based-care revenue	1,026,251	218,758	26,038
Claims expense	(1,017,003)	(219,625)	(25,120)
Clinical care delivery expense	(80,624)	(69,831)	(42,134)
Net loss Margin	(20.0)%	(26.0)%	(268.7)%
Adjusted EBITDA Margin	(24.7)%	(66.1)%	(230.8)%
Medical Loss Ratio	99.1 %	100.4 %	96.5 %
Medical Margin	0.9 %	(0.4)%	3.5 %
Cost of care delivery margin	1.1 %	9.8 %	15.2 %

Results of Operations - Year Ended December 31, 2022 Compared to the Year Ended December 31, 2021

The results of operations presented below should be reviewed in conjunction with “Item 8. Financial Statements and Supplementary Data”. The following table presents data derived from our audited Consolidated Statement of Operations and Other Comprehensive Loss for the years ended December 31, 2022 and 2021:

	Year Ended December 31,		Variance		
	2022	2021	\$	%	
	\$'000	\$'000	\$'000		
Revenue:					
Value-based care	1,026,251	218,758	807,493	369.1	%
Clinical services	54,480	42,017	12,463	29.7	%
Software licensing revenue	28,938	60,052	(31,114)	(51.8)	%
Total revenue	1,109,669	320,827	788,842	245.9	%
Claims expense	(1,017,003)	(219,625)	(797,378)	363.1	%
Clinical care delivery expense	(80,624)	(69,831)	(10,793)	15.5	%
Platform & application expenses	(29,897)	(32,723)	2,826	(8.6)	%
Research & development expenses	(79,155)	(68,473)	(10,682)	15.6	%
Sales, general & administrative expenses	(227,937)	(187,172)	(40,765)	21.8	%
Premium deficiency reserve income / (expense)	31,311	(46,533)	77,844	(167.3)	%
Impairment expense	(64,066)	—	(64,066)		NM
Depreciation and amortization expenses	(12,050)	(9,185)	(2,865)	31.2	%
Loss from operations	(369,752)	(312,715)	(57,037)	18.2	%
Interest expense	(32,736)	(13,047)	(19,689)	150.9	%
Interest income	1,041	325	716	220.3	%
Gain on fair value remeasurement	192,749	239,195	(46,446)	(19.4)	%
Loss on settlement of warrants	(2,397)	—	(2,397)		NM
Exchange (loss) / gain	(10,420)	783	(11,203)	(1,430.8)	%
Gain on sale of subsidiary	—	3,917	(3,917)	(100.0)	%
Share of net loss on equity method investments	—	(3,339)	3,339	(100.0)	%
Net loss from operations before income taxes	(221,515)	(84,881)	(136,634)	161.0	%
Tax benefit / (provision)	66	1,443	(1,377)	(95.4)	%
Net loss	(221,449)	(83,438)	(138,011)	165.4	%

NM = not meaningful

The following table sets forth our results of operations as a percentage of total revenue for each period presented preceding:

	Year Ended December 31,	
	2022	2021
Revenue:		
Value-based care	92.5 %	68.2 %
Clinical services	4.9 %	13.1 %
Software licensing revenue	2.6 %	18.7 %
Total revenue	100.0 %	100.0 %
Claims expense	(91.6)%	(68.5)%
Clinical care delivery expense	(7.3)%	(21.8)%
Platform & application expenses	(2.7)%	(10.2)%
Research & development expenses	(7.1)%	(21.3)%
Sales, general & administrative expenses	(20.5)%	(58.3)%
Premium deficiency reserve income / (expense)	2.8 %	(14.5)%
Impairment expense	(5.8)%	— %
Depreciation and amortization expenses	(1.1)%	(2.9)%
Loss from operations	(33.3)%	(97.5)%
Interest expense	(3.0)%	(4.1)%
Interest income	0.1 %	0.1 %
Gain on fair value remeasurement	17.4 %	74.6 %
Loss on settlement of warrants	(0.2)%	— %
Exchange (loss) / gain	(0.9)%	0.2 %
Gain on sale of subsidiary	— %	1.2 %
Share of net loss on equity method investments	— %	(1.0)%
Net loss from operations before income taxes	(20.0)%	(26.5)%
Tax benefit / (provision)	— %	0.4 %
Net loss	(20.0)%	(26.0)%

Revenues

	Year Ended December 31,		Variance	
	2022	2021	\$	%
	\$'000	\$'000	\$'000	
Revenue:				
Value-based care	1,026,251	218,758	807,493	369.1 %
Clinical services	54,480	42,017	12,463	29.7 %
Software licensing	28,938	60,052	(31,114)	(51.8)%
Total revenue	1,109,669	320,827	788,842	245.9 %

Total revenue increased by \$788.8 million from \$320.8 million for the year ended December 31, 2021 to \$1,109.7 million for the year ended December 31, 2022, largely due to the expansion of the Value-based care revenue stream in the United States, including the full year contribution of revenues from the acquisition of Meritage Medical Network and new VBC contracts.

Total Value-based care revenue increased by \$807.5 million from \$218.8 million for the year ended December 31, 2021 to \$1,026.3 million for the year ended December 31, 2022. The increase in revenue from Value-based care of \$807.5 million is attributable to the expansion of our related product offerings in the United States, of which \$624.1 million of the increase in VBC revenue relates to new VBC contracts with various health plans between December 31, 2021 and December 31, 2022, which increased the number of U.S. VBC Members from approximately 167 thousand as of December 31, 2021 to approximately 261 thousand as of December 31, 2022. The excess increase in VBC revenue is

primarily attributable to the recognition of a full year of revenue for those contracts entered into during the year ended December 31, 2021.

Total Clinical services revenue increased by \$12.5 million from \$42.0 million for the year ended December 31, 2021 to \$54.5 million for year ended December 31, 2022. The increase in Clinical services revenue is primarily attributable to increased virtual consultations on our digital healthcare platform following the expansion of our digital healthcare platform in the United States throughout 2021 and continuing into 2022.

Total Software licensing revenue decreased by \$31.1 million from \$60.1 million for the year ended December 31, 2021 to \$28.9 million for the year ended December 31, 2022. The decrease in revenue from Software licensing of \$31.1 million is primarily attributable to upfront revenue recognized in connection with the TELUS license of \$28.4 million in the first quarter of 2021.

Claims Expense

	Year Ended December 31,		Variance	
	2022	2021	\$	%
	\$'000	\$'000	\$'000	
Claims expense	(1,017,003)	(219,625)	(797,378)	363.1 %

Claims expense increased by \$797.4 million from \$219.6 million for the year ended December 31, 2021 to \$1,017.0 million for the year ended December 31, 2022. Claims expense as a percentage of VBC revenues was 99.1% in 2022 and 100.4% in 2021. The increase in Claims expense is primarily attributable to the expansion of our VBC product offerings in the United States, which largely contributed to the increase in U.S. VBC Members from approximately 167 thousand as of December 31, 2021 to approximately 261 thousand as of December 31, 2022. The decrease in Claims expense as a percentage of VBC revenue was largely attributable to increased engagement with our U.S. VBC Members and the impacts of new VBC contracts.

Clinical Care Delivery Expense

	Year Ended December 31,		Variance	
	2022	2021	\$	%
	\$'000	\$'000	\$'000	
Clinical care delivery expense	(80,624)	(69,831)	(10,793)	15.5 %

Clinical care delivery expense increased by \$10.8 million from \$69.8 million for the year ended December 31, 2021 to \$80.6 million for the year ended December 31, 2022. Clinical care delivery expense as a percentage of revenues was 7.3% in 2022 and 21.8% in 2021. The increase in Clinical care delivery expense is primarily attributable to an increase in wages and salaries of \$12.3 million attributable to the expansion of our VBC product offerings in new geographic areas and additional healthcare providers to support the increased U.S. VBC Members. The increase in wages and salaries was slightly offset by a \$2.5 million decrease in clinical contractors expense in an effort to provide more cost-effective clinical support services. The decrease in Clinical care delivery expense as a percentage of revenue is due to leverage from the scale of our operations through our digital healthcare platform as we add new U.S. VBC Members. Stock-based compensation expense of \$1.0 million has been included in Clinical care delivery expense for the year ended December 31, 2022.

Platform & Application Expenses

	Year Ended December 31,		Variance	
	2022	2021	\$	%
	\$'000	\$'000	\$'000	
Platform & application expenses	(29,897)	(32,723)	2,826	(8.6)%

Platform & application expenses decreased by \$2.8 million from \$32.7 million for the year ended December 31, 2021 to \$29.9 million for the year ended December 31, 2022. The decrease in Platform & application expenses is primarily attributable to a \$7.7 million decrease in wages and salaries due to the combination of our cost-reduction actions initiated in the third and fourth quarters of 2022 and the redeployment of certain Platform & application employees to Research & development departments initiated in the second quarter of 2022. These costs were offset by a \$3.3 million increase in platform costs incurred for the maintenance of our digital healthcare platform for the year ended December 31, 2022.

Stock-based compensation expense of \$1.6 million has been included in Platform & application expense for the year ended December 31, 2022.

Research & Development Expenses

	Year Ended December 31,		Variance	
	2022	2021	\$	%
	\$'000	\$'000	\$'000	
Research & development expenses	(79,155)	(68,473)	(10,682)	15.6 %

Research & development expenses increased by \$10.7 million from \$68.5 million for the year ended December 31, 2021 to \$79.2 million for the year ended December 31, 2022. The increase in Research & development expenses is primarily attributable to a \$4.7 million increase and \$5.5 million increase in employee benefit expenses and IT and hosting costs, respectively. These increases are a result of the redeployment of certain Platform & application employees to Research & development departments initiated in the second quarter of 2022 and further expansion of the functionality of our digital healthcare platform. Stock-based compensation expense of \$11.5 million has been included in Research & development expense for the year ended December 31, 2022.

Sales, General & Administrative Expenses

	Year Ended December 31,		Variance	
	2022	2021	\$	%
	\$'000	\$'000	\$'000	
Sales, general & administrative expenses	(227,937)	(187,172)	(40,765)	21.8 %

Sales, general & administrative expenses increased by \$40.8 million from \$187.2 million for the year ended December 31, 2021 to \$227.9 million for the year ended December 31, 2022. The increase in Sales, general & administrative expenses is primarily attributable to a \$21.8 million increase in employee benefits expense. The increase of employee benefits expense is primarily due to a \$11.1 million increase for severance and termination costs associated with our cost-reduction actions initiated in the third and fourth quarter of 2022. Separately, there is a \$6.8 million increase in property related expenses related to incremental leases entered into during the year ended December 31, 2022. In addition, there was a \$11.2 million increase in insurance related costs as a result of operating as a public company for a full year and an increase in insurance premiums due to the expansion of our related product offerings in the United States. Furthermore, a \$4.8 million increase in compensation-related contract termination costs payable to a previous senior, non-Director, employee was incurred during the year ended December 31, 2022. Stock-based compensation expense of \$20.5 million has been included in Research & development expense for the year ended December 31, 2022.

Premium Deficiency Reserve Income / (Expense)

	Year Ended December 31,		Variance	
	2022	2021	\$	%
	\$'000	\$'000	\$'000	
Premium deficiency reserve income / (expense)	31,311	(46,533)	77,844	(167.3)%

Premium deficiency reserve income / (expense) decreased by \$77.8 million from a \$46.5 million expense during the year ended December 31, 2021 to \$31.3 million in income for the year ended December 31, 2022. The change in Premium deficiency reserve income / (expense) is a result of the change in premium deficiency reserve liability balances to \$20.9 million, including the \$14.7 million liability balance classified as held for sale, as of December 31, 2022, from \$52.2 million of current and non current liabilities as of December 31, 2021. The change in the liability balances are primarily due to \$73.6 million of income from improved profitability of existing contracts estimated for future periods and \$4.8 million of income from the removal of estimated losses for contracts we exited due to their lack of profitability.

Impairment Expense

	Year Ended December 31,		Variance	
	2022	2021	\$	%
	\$'000	\$'000	\$'000	
Impairment expense	(64,066)	—	(64,066)	NM

Impairment expense increased by \$64.1 million from no impairment expense during the year ended December 31, 2021 to \$64.1 million for the year ended December 31, 2022. The increase in impairment expense is due to our interim test of impairment and as a result of our Higi reporting unit being classified as held for sale, indications that the useful lives of Higi's assets were shorter than initially anticipated. Refer to Note 10 and 5 to the consolidated financial statements included in this Annual Report for more details.

Depreciation and Amortization Expenses

	Year Ended December 31,		Variance	
	2022	2021	\$	%
	\$'000	\$'000	\$'000	
Depreciation and amortization expenses	(12,050)	(9,185)	(2,865)	31.2 %

Depreciation and amortization expenses increased by \$2.9 million from \$9.2 million for the year ended December 31, 2021 to \$12.1 million for the year ended December 31, 2022. The decrease in Depreciation and amortization expense is primarily due to impairment of Other intangible assets and Property, Plant and Equipment described in "Key Business and Financial Metrics - Impairment Expense".

Interest Expense

	Year Ended December 31,		Variance	
	2022	2021	\$	%
	\$'000	\$'000	\$'000	
Interest expense	(32,736)	(13,047)	(19,689)	150.9 %

Interest expenses increased by \$19.7 million during the year ended December 31, 2021, from \$13.0 million for the year ended December 31, 2021 to \$32.7 million for the year ended December 31, 2022. The increase in interest expenses is primarily due to the increase in Loans and borrowings from December 31, 2021 to December 31, 2022.

Gain / (Loss) on Fair Value Remeasurement

	Year Ended December 31,		Variance	
	2022	2021	\$	%
	\$'000	\$'000	\$'000	
Gain on fair value remeasurement	192,749	239,195	(46,446)	(19.4)%

Gain / (loss) on fair value remeasurement resulted in an expense of \$192.7 million during the year ended December 31, 2022, and \$239.2 million in the year ended December 31, 2021. This included Gain / (loss) on warrant liabilities resulted in income of \$18.2 million during the year ended December 31, 2022, and an income of \$27.8 million in the year ended December 31, 2021 and Gain / (loss) on Earnout liabilities resulted in income of \$174.3 million during the year ended December 31, 2022, and an income of \$206.7 million in the year ended December 31, 2021. This non-cash gain is a result of our publicly quoted share price being the primary driver for the change of these liability balances from December 31, 2021 to December 31, 2022. Accordingly, as our share price has decreased from December 31, 2021 to December 31, 2022, Earnout liabilities reduced and this corresponding gain was recognized for the year ended December 31, 2022.

Loss on Settlement of Warrants

	Year Ended December 31,		Variance	
	2022	2021	\$	%
	\$'000	\$'000	\$'000	
Loss on settlement of warrants	(2,397)	—	(2,397)	NM

Loss on settlement of warrants of \$2.4 million was recognized during the year ended December 31, 2022, and is primarily related to the settlement of our public and private placement warrants in exchange for the issuance of Class A ordinary shares occurring in the second and third quarters of 2022, resulting in the delisting of the warrants under the ticker BBLN.W from the NYSE.

Exchange (Loss) / Gain

	Year Ended December 31,		Variance	
	2022	2021	\$	%
	\$'000	\$'000	\$'000	
Exchange gain / (loss)	(10,420)	783	(11,203)	(1430.8)%

Exchange loss increased by \$11.2 million from a gain of \$0.8 million for the year ended December 31, 2021 to a loss of \$10.4 million for the year ended December 31, 2022. The key driver of the reduction in the exchange (loss) / gain was the strengthening of the U.S. Dollar to Pound Sterling.

Gain on Sale of Subsidiary

	Year Ended December 31,		Variance	
	2022	2021	\$	%
	\$'000	\$'000	\$'000	
Gain on sale of subsidiary	—	3,917	(3,917)	(100.0)%

Gain on sale of subsidiary decreased by \$3.9 million for the year ended December 31, 2022 compared to the year ended December 31, 2021. The activity in the prior period is related to the sale of Babylon Health Canada Limited to TELUS as discussed in Note 5 to the consolidated financial statements included in this Annual Report.

Tax Benefit / (Provision)

	Year Ended December 31,		Variance	
	2022	2021	\$	%
	\$'000	\$'000	\$'000	
Tax benefit / (provision)	66	1,443	(1,377)	(95.4)%

Tax benefit for the year decreased by \$1.4 million from a Tax benefit of \$1.4 million for the year ended December 31, 2021 to a Tax benefit of \$0.1 million for the year ended December 31, 2022. The decrease in Tax benefit for the year ended December 31, 2022 is primarily a result of the primarily related to the post-acquisition movement of deferred income taxes recognized in purchase accounting related to acquisitions that closed during the year ended December 31, 2021 that did not occur during the year ended December 31, 2022

Results of Operations - Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020

The results of operations presented below should be reviewed in conjunction with “Item 8. Financial Statements and Supplementary Data.” The following table presents data derived from our audited Consolidated Statement of Operations and Other Comprehensive Loss for the years ended December 31, 2021 and 2020:

	Year Ended December 31,		Variance	
	2021	2020	\$	%
	\$'000	\$'000	\$'000	
Revenue:				
Value-based care	218,758	26,038	192,720	740.1 %
Clinical services	42,017	28,631	13,386	46.8 %
Software licensing revenue	60,052	24,603	35,449	144.1 %
Total revenue	320,827	79,272	241,555	304.7 %
Claims expense	(219,625)	(25,120)	(194,505)	774.3 %
Clinical care delivery expense	(69,831)	(42,134)	(27,697)	65.7 %
Platform & application expenses	(32,723)	(32,209)	(514)	1.6 %
Research & development expenses	(68,473)	(80,538)	12,065	(15.0) %
Sales, general & administrative expenses	(187,172)	(90,687)	(96,485)	106.4 %
Premium deficiency reserve expense	(46,533)	(5,639)	(40,894)	725.2 %
Depreciation and amortization expenses	(9,185)	(3,955)	(5,230)	132.2 %
Loss from operations	(312,715)	(201,010)	(111,705)	55.6 %
Interest expense	(13,047)	(4,029)	(9,018)	223.8 %
Interest income	325	610	(285)	(46.7) %
Gain on fair value remeasurement	239,195	—	239,195	NM
Exchange gain / (loss)	783	(2,836)	3,619	(127.6) %
Gain on sale of subsidiary	3,917	—	3,917	NM
Share of net loss on equity method investments	(3,339)	(1,124)	(2,215)	197.1 %
Net loss from operations before income taxes	(84,881)	(208,389)	123,508	(59.3) %
Tax benefit / (provision)	1,443	(4,639)	6,082	(131.1) %
Net loss	(83,438)	(213,028)	129,590	(60.8) %

NM = not meaningful

The following table sets forth our results of operations as a percentage of total revenue for each period presented preceding:

	Year Ended December 31,	
	2021	2020
Revenue:		
Value-based care	68.2 %	32.9 %
Clinical services	13.1 %	36.1 %
Software licensing revenue	18.7 %	31.0 %
Total revenue	100.0 %	100.0 %
Clinical care delivery expense	(21.8)%	(53.2)%
Claims expense	(68.5)%	(31.7)%
Platform & application expenses	(10.2)%	(40.6)%
Research & development expenses	(21.3)%	(101.6)%
Sales, general & administrative expenses	(58.3)%	(114.4)%
Premium deficiency reserve expense	(14.5)%	(7.1)%
Depreciation and amortization expenses	(2.9)%	(5.0)%
Loss from operations	(97.5)%	(253.6)%
Interest expense	(4.1)%	(5.1)%
Interest income	0.1 %	0.8 %
Gain on fair value remeasurement	74.6 %	— %
Exchange gain / (loss)	0.2 %	(3.6)%
Gain on sale of subsidiary	1.2 %	— %
Share of net loss on equity method investments	(1.0)%	(1.4)%
Net loss from operations before income taxes	(26.5)%	(262.9)%
Tax benefit / (provision)	0.4 %	(5.9)%
Net loss	(26.0)%	(268.7)%

Revenues

	Year Ended December 31,		Variance	
	2021	2020	\$	%
	\$'000	\$'000	\$'000	
Revenue:				
Value-based care	218,758	26,038	192,720	740.1 %
Clinical services	42,017	28,631	13,386	46.8 %
Software licensing	60,052	24,603	35,449	144.1 %
Total revenue	320,827	79,272	241,555	304.7 %

Total revenues increased by \$241.6 million from \$79.3 million for the year ended December 31, 2020 to \$320.8 million for the year ended December 31, 2021 largely due to the expansion of the value-based care revenue stream in the United States, including the full year contribution of revenues from the acquisition of FCMG in October 2020 and nine months of revenue from the acquisition of Meritage Medical Network in April 2021. In addition, revenue from Software licensing increased by \$35.4 million, primarily attributable to the execution of a software licensing agreement with TELUS, concurrent with the sale of Babylon Health Canada Limited to TELUS in January 2021.

Total Value-based care revenue increased by \$192.7 million from \$26.0 million for the year ended December 31, 2020 to \$218.8 million for the year ended December 31, 2021. The increase in revenue from Value-based care of \$192.7 million is attributable to the expansion of our related product offerings in the United States, of which \$94.6 million relates to the full-year impact of revenue from the acquisition of FCMG closed in October 2020 and Meritage Medical Network in April 2021. In addition, \$66.7 million of the increase in VBC revenue relates to new VBC contracts with various health plans in 2021, which increased the number of members covered under VBC contracts from 66 thousand as of

December 31, 2020 to 167 thousand as of December 31, 2021, and \$31.7 million relates to the inclusion of a full-year contribution of revenue from VBC contracts that were new in 2020.

Total Clinical services revenue increased by \$13.4 million from \$28.6 million for the year ended December 31, 2020 to \$42.0 million for year ended December 31, 2021. The increase in Clinical services revenue is primarily attributable increased virtual consultations on our digital healthcare platform following the expansion of our digital healthcare platform in the United States throughout 2021.

Total Software licensing revenue increased by \$35.4 million from \$24.6 million for the year ended December 31, 2020 to \$60.1 million for the year ended December 31, 2021. The increase in revenue from Software licensing of \$35.4 million is primarily attributable to upfront revenue recognized in connection with the TELUS license of \$28.4 million, with the remainder of the increase in Software licensing revenue attributable to the recognition of deferred revenue from the TELUS software license throughout the remainder of the year.

Claims Expense

	Year Ended December 31,		Variance	
	2021	2020	\$	%
	\$'000	\$'000	\$'000	
Claims expense	(219,625)	(25,120)	(194,505)	774.3 %

Claims expense increased by \$194.5 million from \$25.1 million for the year ended December 31, 2020 to \$219.6 million for the year ended December 31, 2021. Claims expense as a percentage of VBC revenues was 100.4% for the year ended December 31, 2021 and 96.5% for the year ended December 31, 2020. The increase in Claims expense is primarily attributable to the expansion of our VBC product offerings in the United States, which largely contributed to the increase in U.S. VBC Members from approximately 66 thousand as of December 31, 2020 to approximately 167 thousand as of December 31, 2021. The increase in Claims expense as a percentage of VBC revenue was largely attributable to increased engagement with our U.S. VBC Members and the impacts of new VBC contracts.

Clinical Care Delivery Expense

	Year Ended December 31,		Variance	
	2021	2020	\$	%
	\$'000	\$'000	\$'000	
Clinical care delivery expense	(69,831)	(42,134)	(27,697)	65.7 %

Clinical care delivery expense increased by \$27.7 million from \$42.1 million for the year ended December 31, 2020 to \$69.8 million for the year ended December 31, 2021. Clinical care delivery expense as a percentage of revenues was 21.8% in 2021 and 53.2% in 2020. The increase in Clinical care delivery expense is primarily attributable to an increase in wages and salaries of \$23.2 million attributable to the expansion of our VBC product offerings in new geographic areas and additional healthcare providers to support the increased U.S. VBC Members. The decrease in Clinical care delivery expense as a percentage of revenue is due to leverage from the scale of our operations through our digital healthcare platform as we add new U.S. VBC Members. Stock-based compensation expense of \$1.1 million has been included in Clinical care delivery expense for the year ended December 31, 2021.

Platform & Application Expenses

	Year Ended December 31,		Variance	
	2021	2020	\$	%
	\$'000	\$'000	\$'000	
Platform & application expenses	(32,723)	(32,209)	(514)	1.6 %

Platform & application expenses increased by \$0.5 million from \$32.2 million for the year ended December 31, 2020 to \$32.7 million for the year ended December 31, 2021. The increase in Platform & application expenses is primarily attributable to an increase in IT and hosting costs of \$6.1 million to maintain the growing customer base using the platform. These costs were almost entirely offset by the decrease in employee benefits costs related to a decrease in employees allocated to platform and application and research and development departments for the year ended December 31, 2021. Stock-based compensation expense of \$0.1 million has been included in Platform & application expense for the year ended December 31, 2021.

Research & Development Expenses

	Year Ended December 31,		Variance	
	2021	2020	\$	%
	\$'000	\$'000	\$'000	
Research & development expenses	(68,473)	(80,538)	12,065	(15.0)%

Research & development expenses decreased by \$12.1 million from \$80.5 million for the year ended December 31, 2020 to \$68.5 million for the year ended December 31, 2021. The decrease in Research & development expenses is primarily attributable to a decrease in our employee headcount related to our Research & development activities contributing to a decline of \$12.3 million in related employee benefits expense. Stock-based compensation expense of \$9.8 million has been included in Research & development expense for the year ended December 31, 2021.

Sales, General & Administrative Expenses

	Year Ended December 31,		Variance	
	2021	2020	\$	%
	\$'000	\$'000	\$'000	
Sales, general & administrative expenses	(187,172)	(90,687)	(96,485)	106.4 %

Sales, general & administrative expenses increased by \$96.5 million from \$90.7 million for the year ended December 31, 2020 to \$187.2 million for the year ended December 31, 2021. The increase in Sales, general & administrative expenses is primarily attributable to an increase in employee benefits expense of \$65.7 million which is primarily derived from to an \$58.4 million increase in stock-based compensation expense and salaries and wages. This increase primarily related to a higher number of RSUs granted to employees in the fourth quarter of 2021 with higher grant date fair values than previously granted equity awards, as well as hiring across general & administrative departments as we began to operate as a public company. The remainder of the difference in Sales, general & administrative expense is attributable to an increase in professional fees and insurance of \$14.0 million and \$5.4 million, respectively, primarily related to increased expenses associated with operating as a public company. Stock-based compensation expense of \$37.2 million is included within employee benefits expense for the year ended December 31, 2021.

Premium Deficiency Reserve Income / (Expense)

	Year Ended December 31,		Variance	
	2021	2020	\$	%
	\$'000	\$'000	\$'000	
Premium deficiency reserve expenses	(46,533)	(5,639)	(40,894)	725.2 %

Premium deficiency reserve income / (expense) increased by \$40.9 million from \$5.6 million for the year ended December 31, 2020 to \$46.5 million for the year ended December 31, 2021. The change in Premium deficiency reserve income / (expense) is a result of the change in premium deficiency reserve liability balances to \$52.2 million of current and non current liabilities as of December 31, 2021, from \$5.6 million as of December 31, 2020. The change in the liability balances are primarily due to \$52.2 million of expense for estimated losses of newly entered contracts or from agreements acquired through business combinations and offset by a \$5.6 million in income from improved profitability of existing contracts estimated for future periods.

Depreciation and Amortization Expenses

	Year Ended December 31,		Variance	
	2021	2020	\$	%
	\$'000	\$'000	\$'000	
Depreciation and amortization expenses	(9,185)	(3,955)	(5,230)	132.2 %

Depreciation and amortization expenses increased by \$5.2 million from \$4.0 million for the year ended December 31, 2020 to \$9.2 million for the year ended December 31, 2021. The increase in Depreciation and amortization expenses is primarily attributable to the incremental intangibles and long-lived assets acquired in acquisitions that closed in October 2020 and April 2021.

Interest Expense

	Year Ended December 31,		Variance	
	2021	2020	\$	%
	\$'000	\$'000	\$'000	
Interest expense	(13,047)	(4,029)	(9,018)	223.8 %

Interest expenses increased by \$9.0 million during the year ended December 31, 2021, from \$4.0 million for the year ended December 31, 2020 to \$13.0 million for the year ended December 31, 2021. The increase in Interest expense is primarily attainable to the higher Loans and borrowings balances during the year ended December 31, 2021.

Gain / (Loss) on Fair Value Remeasurement

	Year Ended December 31,		Variance	
	2021	2020	\$	%
	\$'000	\$'000	\$'000	
Gain / (loss) on fair value remeasurement	239,195	—	239,195	NM

Gain / (loss) on fair value remeasurement resulted in a gain of \$239.2 million during the year ended December 31, 2021, whereas we did not have fair value remeasurement in the year ended December 31, 2020. This increase during the year ended December 31, 2021 is primarily due to gains recognized upon the remeasurement of our Warrant and Earnout liabilities through the year. Gain / (loss) on Warrant liabilities had a gain of \$27.8 million during the year ended December 31, 2021, whereas we did not have warrants outstanding in the year ended December 31, 2020 and Gain / (loss) on Earnout liabilities resulted in a gain of \$206.7 million during the year ended December 31, 2021, whereas we did not have earnouts outstanding in the year ended December 31, 2020. This non-cash gain is a result of our publicly quoted share price being the primary driver for the change of these liability balances from the date the liabilities were initially recognized in October of 2021 through the year ended December 31, 2021. Accordingly, as our share price has decreased from the initial recognition period to December 31, 2021, this corresponding gain was recognized for the year ended December 31, 2021.

Exchange Gain / (Loss)

	Year Ended December 31,		Variance	
	2021	2020	\$	%
	\$'000	\$'000	\$'000	
Exchange gain / (loss)	783	(2,836)	3,619	(127.6)%

Exchange loss decreased by \$3.6 million from a loss of \$2.8 million for the year ended December 31, 2020 to a gain of \$0.8 million for the year ended December 31, 2021. The key driver of the reduction in the exchange loss was the strengthening of the Pound Sterling against the U.S. Dollar.

Gain on Sale of Subsidiary

	Year Ended December 31,		Variance	
	2021	2020	\$	%
	\$'000	\$'000	\$'000	
Gain on sale of subsidiary	3,917	—	3,917	NM

Gain on sale of subsidiary increased by \$3.9 million for the year ended December 31, 2021 compared to the year ended December 31, 2020. The activity in the current period is related to the sale of Babylon Health Canada Limited to TELUS as discussed in Note 5 to the consolidated financial statements included in this Annual Report. There was no such activity in the prior period.

Tax Benefit / Provision

	Year Ended December 31,		Variance	
	2021	2020	\$	%
	\$'000	\$'000	\$'000	
Tax benefit / (provision)	1,443	(4,639)	6,082	(131.1)%

Tax benefit / (provision) for the year decreased by \$6.1 million from a Tax provision of \$4.6 million for the year ended December 31, 2020 to a Tax benefit for the year of \$1.4 million for the year ended December 31, 2021. The Tax benefit for the year ended December 31, 2021 primarily related to the post-acquisition movement of deferred income taxes recognized in purchase accounting related to acquisitions that closed during 2021.

Liquidity and Capital Resources

The Company has financed its operations principally through issuances of debt and equity securities and has a strong record of fundraising, including \$173.2 million and \$384.7 million of cash generated through financing activities for the years ended December 31, 2022 and 2021, respectively. In 2022, we issued an additional unsecured note on March 31, 2022 for \$100.0 million to an affiliate of AlbaCore Capital LLP (Note 17 of the consolidated financial statements), and entered into subscription agreements with several investors for our 2022 Private Placement for \$80.0 million (Note 19 of the consolidated financial statements). Both of the foregoing were offset by \$6.8 million of financing cash outflows primarily related to debt and equity issuance costs associated with the aforementioned proceeds. In 2021, as part of the Business Combination, we received \$229.3 million (Note 3 of the consolidated financial statements) in proceeds related to the Merger and PIPE Transaction partially offset by \$31.2 million for equity issuance costs, combined with additional funds from a note subscription agreement for \$200.0 million on October 8, 2021 (Note 17 of the consolidated financial statements) generating \$183.8 million of net proceeds. On March 9, 2023 we entered into a committed working capital facility (the "Bridge Facility") for an aggregate principal amount of up to \$34.5 million (Note 25 of the consolidated financial statements) with certain affiliates of our existing counterparty for our note subscription agreement (Note 17 of the consolidated financial statements).

For the years ended December 31, 2022, 2021, and 2020, we had a Net loss of \$221.4 million, \$83.4 million and \$213.0 million, respectively. At December 31, 2022, the Group had cash and cash equivalents of \$104.5 million (2021: \$262.6 million) including \$61.0 million of cash and cash equivalents held for sale. We require and will continue to need significant cash resources to, among other things, fund working capital requirements, make capital expenditures, including those related to product development. Our future capital requirements will depend on many factors, including the timing and extent of proceeds from the sale of the IPA Business or incremental funding, our ability to provide more affordable healthcare, and our headcount costs.

While there is no assurance that the facility will provide us with the funding for a time period that allows us to execute binding bids relating to a successful sale of our IPA Business or other strategic alternatives, management believes these sources of funding will provide with sufficient financing to satisfy the Company's obligations as they arise for the twelve month period after the date these consolidated financial statements are issued. For more details related to this assessment, refer to Note 2 of the consolidated financial statements included in this Annual Report.

Cash Flows

The following table discloses our consolidated cash flows provided by (used in) operating, investing and financing activities for the periods presented:

	Year Ended December 31,		
	2022	2021	2020
	\$'000	\$'000	\$'000
Net cash used in operating activities	(311,408)	(189,446)	(180,483)
Net cash used in investing activities	(8,514)	(33,733)	(36,390)
Net cash provided by financing activities	173,175	384,719	101,851
Less: Cash and cash equivalents classified as held for sale	(61,000)	—	(577)
Net (decrease) increase in cash and cash equivalents	(207,747)	161,540	(115,599)
Cash and cash equivalents beginning of the year	262,581	101,757	214,888
Effect of exchange rates	(11,359)	(716)	2,468
Cash and cash equivalents end of the year	43,475	262,581	101,757

Cash Flows Provided by (Used in) Operating Activities

Net cash used in operating activities was \$311.4 million for the year ended December 31, 2022 compared to net cash used in operating activities of \$189.4 million for the year ended December 31, 2021, an increase of \$122.0 million.

The increase in our cash used in operating activities is primarily attributable a higher Net loss, after adjusting for non-cash items, of \$76.5 million when compared to the prior period. In addition to this increase, there was an unfavorable impact of \$45.4 million for the changes in working capital between the periods primarily due to an upfront payment of \$66.9 million during the first quarter of 2021 in connection with a software licensing agreement. This upfront payment resulted in an increase to our contract liability balances and was reduced for the corresponding software license revenues recognized through the years ended December 31, 2021 and 2022. See “*Results of Operations - Year Ended December 31, 2022 Compared to the Year Ended December 31, 2021*” for additional discussion of the increase in expenses contributing to the Net loss for the period.

Net cash used in operating activities was \$189.4 million for the year ended December 31, 2021 compared to net cash used in operating activities of \$180.5 million for the year ended December 31, 2020 an increase of \$9.0 million. The increase in our cash used in operating activities is primarily attributable to a higher Net loss, after adjusting for non-cash items, of \$31.4 million when compared to the prior period. In addition to this increase, there was a favorable impact of \$19.3 million for the changes in working capital between the periods primarily due to upfront payment of \$66.9 million during the first quarter of 2021 in connection with a software licensing agreement. This upfront payment resulted in an increase to our contract liability balances and was reduced for the corresponding software license revenues recognized through the year ended December 31, 2021. The upfront payment was the primary reason for the \$23.0 million favorable impact for the change in contract liabilities between the periods and offset by a unfavorable impact of \$6.5 million due to an increase in trade and other receivables.

Cash Flows Provided by (Used in) Investing Activities

Net cash used in investing activities was \$8.5 million in the year ended December 31, 2022 compared to net cash used in investing activities of \$33.7 million in the year ended December 31, 2021, a decrease of \$25.2 million. The decrease in cash used in investing activities was primarily due to the acquisition activities occurring in the year ended December 31, 2021, resulting in \$27.8 million of incremental cash used for investing activities during the year ended December 31, 2021. No acquisitions occurred during the year ended December 31, 2022.

Net cash used in investing activities was \$33.7 million in the year ended December 31, 2021 compared to net cash used in investing activities of \$36.4 million in the year ended December 31, 2020, a decrease of \$2.7 million. The decrease in cash used in investing activities is primarily attributable to \$2.2 million in proceeds from a disposition of a subsidiary occurring during the year ended December 31, 2021.

Cash Flows Provided by (Used in) Financing Activities

Net cash provided by financing activities was \$173.2 million in the year ended December 31, 2022 compared to net cash provided by financing activities of \$384.7 million in the year ended December 31, 2021, a decrease of \$211.5 million. The decrease in Net cash provided by financing activities is primarily attributable to a \$319.9 million decrease in proceeds from equity and debt instruments offset by a \$26.2 million net decrease in debt and equity issuance costs related to those forms of financing between the years ended December 31, 2022 and December 31, 2021. Further, there is an incremental \$82.0 million decrease in cash flows used in financing activities related to a repayment of cash loan only occurring in the year ended December 31, 2021.

Net cash provided by financing activities was \$384.7 million for the year ended December 31, 2021 compared to net cash provided by financing activities of \$101.9 million for the year ended December 31, 2020, an increase of \$282.9 million. The increase in net cash provided by financing activities of \$282.9 million is primarily attributable to a \$387.8 million increase in proceeds from equity and debt instruments offset by a \$22.4 million net increase in debt and equity issuance costs related to those forms of financing between the years ended December 31, 2021 and December 31, 2020. Further, there is an \$82.0 million decrease in cash flows provided by financing activities related to a repayment of cash loan only occurring in the year ended December 31, 2021.

Funding Requirements

As of December 31, 2022, we had a net liability position of \$255.9 million (2021: \$161.4 million), including cash and cash equivalents of \$43.5 million (2021: \$262.6 million) and \$61.0 million cash and cash equivalents classified as held for sale as of December 31, 2022.

Management performed a going concern assessment for a period of twelve months from the date of approval of these consolidated financial statements included in this Annual Report to assess whether conditions exist that raise substantial doubt regarding the Group’s ability to continue as a going concern. On March 9, 2023 we entered into a Bridge

Facility Agreement for an aggregate principal amount of up to \$34.5 million (Note 25 of the consolidated financial statements) with certain affiliates of our existing counterparty for our note subscription agreement (Note 17 of the consolidated financial statements). The purpose of this is to provide us with the funding for a time period that allows us to execute binding bids relating to a successful sale of our IPA Business or other strategic alternatives which would provide us with sufficient liquidity to fund our liabilities as they become due through March 31, 2024.

While there is no assurance that the facility will provide us with funding for a time period that allows us to execute binding bids relating to a successful sale of our IPA Business or other strategic alternatives, management believes it remains appropriate to prepare our financial statements on a going concern basis.

However, the above indicates that there are material uncertainties (ability to raise further capital through the successful execution of our planned sale of the IPA Business or other strategic alternatives) related to these potential events and there is substantial doubt about the Group's ability to continue as a going concern within one year after the date the financial statements have been issued.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of exposure due to potential changes in inflation or interest rates. Our future financial results are subject to a variety of risks, including interest rate risk. As of December 31, 2022, Babylon's, including all wholly-owned subsidiaries and majority-owned or controlled entities (collectively referred to as the "Group", "Company" or "Babylon"), activities are exposed to various financial risks: credit risk, liquidity risk and currency risk in cash flows. The Group's global risk management program focuses on uncertainty in the financial markets and aims to minimize the potential adverse effects on the Group's profits. The Group may use derivatives to mitigate certain risks. The Group's financial department controls the management of liquidity risk and currency risk in accordance with the Group's policies. This department centrally identifies, evaluates and makes decisions whether to hedge financial risks to which the Group is exposed.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities. Our cash and cash equivalents, deposits, and loans with banks and financial institutions are potentially subject to concentration of credit risk.

Bank Balances

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks. Additionally, the Group holds bank accounts in the countries in which subsidiaries operate from.

The maximum amount of the Group's credit risk exposure is the carrying amounts of cash and cash equivalents, trades receivable and loans with banks and financial institutions. The Group attempts to mitigate such exposure to its cash by investing only in financial institutions with investment grade credit ratings or secured investments. The Group does not have significant exposure to credit risk at December 31, 2022 for any financial instruments.

Trade Receivables and Contract Assets

The Group has a diverse customer base geographically and by industry. The responsibility for customer credit risk management rests with management. The Group seeks to limit its credit risk with respect to customers by implementing due diligence procedures on all customers.

Payment terms vary and are set in accordance with practices in the different geographies and end-markets served. Credit limits are typically established based on internal or external rating criteria, which take into account such factors as the financial condition of the customers, their credit history and the risk associated with their industry segment.

More than 50% of the Group's customers are repeat customers, and no material customers' balances have been written off or are credit impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are a business or end-user customer, their geographic location, industry, trading history with the Group and existence of previous financial difficulties.

The Group receives cash payment for large contracts up front in some instances, in addition to contracting with government funded entities which subsequently carries lower risks.

The Group applies the guidance under ASC 310 and 326 and has calculated expected credit losses that reflects a risk of loss, even if remote, and losses that are expected over the contractual life of the asset along with taking into consideration historical credit loss experience and financial factors specific to the debtors and general economic conditions and concluded that no expected credit loss provision is required as of December 31, 2022 or 2021.

Interest Rate Risk

As of December 31, 2022, we had cash, cash equivalents and restricted cash of \$43.5 million, excluding the \$61.0 million in cash and cash equivalents within the reporting units held for sale as of December 31, 2022. The interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Group does not have any borrowings at floating interest rates that would expose the Group to cash flow interest rate risk.

Capital Management

The Group is currently loss-making and in the development and growth phase of its value-based care business model. Consequently there is an ongoing need for capital to fund the business and its continued growth. These capital requirements are currently met primarily from a mixture of equity capital raised from investors and debt capital borrowed from lenders. Capital management is focused on having sufficient financial resources to execute the Group's business plan with additional capital being raised when required.

Foreign Exchange Risk

Foreign exchange risk including currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group operates internationally, and it is exposed to fluctuations in exchange rates. The currency risk arises from future commercial transactions, recognized assets and liabilities and net investments abroad. The Group's policy to manage risk is to initially mitigate the risk using natural hedges (offsetting of receivables and payables) in addition to implementing investment procedures. Several of the Group's companies operate in foreign countries and therefore, their net assets are exposed to the risk associated with translating foreign currencies.

The Group has applied the following significant exchange rates:

United States Dollar	Average Rate			Year-end spot rate		
	2022	2021	2020	2022	2021	2020
GBP	0.8075	0.7277	0.7760	0.8262	0.7409	0.7321
CAD	1.3021	1.2536	1.3433	1.3569	1.2725	1.2750
RWF	1,038.5068	1,003.4066	959.1820	1,069.9066	1,037.6458	988.0837
SGD	1.3788	1.3427	1.3789	1.3406	1.3496	1.3224
INR	78.3681	73.7902	74.0038	82.7499	74.3047	73.2901

Sensitivity Analysis

The Group only has significant exposure to movement of the sterling (“GBP”) against the United States dollar (“USD”). A reasonably possible strengthening/weakening of the GBP against the USD at December 31, 2022, 2021, and 2020, would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The fluctuation seen primarily relates to the impacts of the conflict between Ukraine and Russia, Brexit, and COVID-19 over the last two years but is expected to stabilize moving forward.

	Profit or loss	
	Strengthening	Weakening
	\$'000	\$'000
December 31, 2022		
GBP (5.0% movement)	(257,649)	(254,153)
December 31, 2021		
GBP (5.0% movement)	(373,578)	(371,938)
December 31, 2020		
GBP (5.0% movement)	(184,067)	(184,416)

	Equity, net of tax	
	Strengthening	Weakening
	\$'000	\$'000
December 31, 2022		
GBP (5.0% movement)	(228,638)	(214,889)
December 31, 2021		
GBP (5.0% movement)	(168,522)	(168,930)
December 31, 2020		
GBP (5.0% movement)	(48,743)	(48,394)

Liquidity Risk

Liquidity risk relates to the Group’s ability to meet its cash flow requirements. The Group has a prudent policy to cover its liquidity risks which is focused on having sufficient cash and cash equivalents available.

Item 8. Financial Statements and Supplementary Data

Our consolidated financial statements are listed in the Index to Consolidated Financial Statements and Supplemental Data filed as part of this Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information that we are required to be disclose in the reports we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the applicable rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2022, our disclosure controls and procedures were not effective due to a material weakness in internal control over financial reporting described below.

Management's Annual Report on Internal Control over Financial Reporting

Our management, under the supervision of our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officers, or persons performing similar functions, and effected by the Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our consolidated financial statements would be prevented or detected.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that material weaknesses in our internal control over financial reporting described below existed as of December 31, 2022 and therefore, that our internal control over financial reporting was not effective as of December 31, 2022. Specifically, management identified control deficiencies relating to (i) lack of documented evidence for management review controls related to areas of significant judgment and estimation uncertainty and non-routine transactions and (ii) resource limitations in the business, which resulted in insufficient segregation of duties and management oversight.

We are in the process of designing and implementing measures to improve our internal control over financial reporting and to remediate the material weaknesses related to our financial reporting as of December 31, 2022.

Significant enhancements implemented in during the year ended December 31, 2022 include:

- More timely and precise documentation and review procedures relating to areas of significant judgment and estimation uncertainty and non-routine transactions;
- Hiring additional accounting and advisory resources, including those with expertise in SEC reporting and technical accounting; and
- Design and implementation of a more formal segregation of duties controls policy across our financial reporting systems and the re-design of our key controls over financial reporting.

Attestation Report of the Registered Public Accounting Firm

This Annual Report does not include an attestation report of our independent registered public accounting firm due to no requirement to opine on the effectiveness of our internal control over financial reporting pursuant to Section 404 until we are no longer an “emerging growth company” as defined in the JOBS Act.

Changes in Internal Control over Financial Reporting

There were no significant changes in our internal control over financial reporting during the quarter ended December 31, 2022.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions That Prevent Inspection

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The following table sets forth information regarding our executive officers and directors for the fiscal year ended December 31, 2022, including their ages, as of March 16, 2023:

Name	Age	Position(s)
Executive Officers		
Ali Parsadoust	58	Chief Executive Officer and Director
David Humphreys ⁽⁴⁾	46	Chief Financial Officer
Paul-Henri Ferrand	59	Chief Operating Officer
Darshak Sanghavi	52	Chief Medical Officer
Steve Davis ⁽⁵⁾	56	Former Chief Technology Officer
Charlie Steel ⁽⁶⁾	38	Former Chief Financial Officer
Employee Director		
Mairi Johnson	57	Chief Partnerships Officer and Director
Non-Executive Directors		
Mohannad AlBlehed	36	Director
Per Brilioth ⁽¹⁾⁽²⁾⁽³⁾	53	Director
Georgi Ganey ⁽¹⁾⁽²⁾⁽³⁾	46	Director
David Warren ⁽¹⁾	69	Director

(1) Member of the Audit Committee

(2) Member of the Remuneration Committee

(3) Member of the Nominating and Corporate Governance Committee

(4) Mr. Humphreys was appointed Chief Financial Officer on September 29, 2022.

(5) Mr. Davis resigned as our Chief Technology Officer effective August 12, 2022.

(6) Mr. Steel resigned as our Chief Financial Officer effective September 29, 2022.

Executive Officers

Ali Parsadoust. Dr. Parsadoust is our founder and has served as our Chief Executive Officer and member of our board of directors since January 2013. Prior to founding Babylon, Dr. Parsadoust served as Chief Executive Officer at Circle, Inc., a healthcare services company, from January 2003 to December 2012. Previously, Dr. Parsadoust served in various roles at Goldman Sachs, including as Executive Director, between 1999 and 2001. Dr. Parsadoust holds a PhD in engineering physics and a B.A. from University College London. We believe Dr. Parsadoust is qualified to serve on our board of directors because of his historical operational expertise, leadership and the continuity that he brings to our board as our founder and Chief Executive Officer.

David Humphreys. Mr. Humphreys has been appointed as our Chief Financial Officer effective in September 2022. Mr. Humphreys served us in the role of Finance Director for nearly the past two years. Prior to joining Babylon, Mr. Humphreys served as a Silicon Valley and New York Partner for PwC for over twenty years. During his time with PwC, Mr. Humphreys also served as a Practice Fellow at the International Accounting Standards Board, and is both a U.S. Certified Public Accountant (CPA) and an ICAEW Fellow Chartered Accountant.

Paul-Henri Ferrand. Mr. Ferrand, formerly our Chief Business Officer, has been appointed as our Chief Operating Officer effective August 1, 2022. Mr. Ferrand joined Babylon in October 2020. Prior to joining Babylon, Mr. Ferrand served as Chief Operating Officer at Brex, a financial services company, from November 2019 to September 2020. Previously, Mr. Ferrand served as President of Global Customer Operations at Google, from August 2017 to June 2019, and as Vice President US Sales & Operations at Google from May 2014 to August 2017.

Darshak Sanghavi. Dr. Sanghavi has served as our Global Chief Medical Officer since May 2021. Prior to joining Babylon Holdings, Dr. Sanghavi served as Chief Medical Officer at UnitedHealthcare, a provider of health benefits programs in the United States, from August 2019 to August 2020. Previously, Dr. Sanghavi served as Chief Medical Officer at OptumLabs, a pharmacy benefit manager and part of UnitedHealth Group Incorporated, from August 2016 to August 2019, and in the Obama Administration as the Director of Preventative and Population Health at the Center for Medicare and Medicaid Innovation from August 2014 to September 2016. Mr. Sanghavi is also an Associate Professor of Pediatrics and served as Chief of Pediatric Cardiology at the University of Massachusetts Medical School from October 2005 to August 2014. Dr. Sanghavi holds a M.D. from The Johns Hopkins University School of Medicine and an A.B. from Harvard University.

Former Executive Officers

Steve Davis. Mr. Davis served as our Chief Technology Officer from January 2021 to August 2022. Prior to joining Babylon Holdings, Mr. Davis served in various roles with Expedia Group, Inc. from January 2016 to January 2021, including most recently as a Senior Vice President and General Manager of AI and Data. Previously, Mr. Davis served in various roles at Vrbo (formerly HomeAway, Inc.), a provider of online vacation rental services (acquired by Expedia Group, Inc.) from January 2007 to January 2016, including as Chief Information Officer and Chief Digital and Cloud Officer. From December 2004 to December 2006, Mr. Davis served as Vice President of Technology and Product at Trillion Partners Inc., a telecommunications company subsequently acquired by TX Communications LLC (d/b/a Affiniti).

Charlie Steel. Mr. Steel served as our Chief Financial Officer from November 2017 to September 2022. Prior to joining Babylon Holdings, Mr. Steel served as the Global Head of Corporate Development at CMC Markets Plc, a financial services company, from September 2014 to November 2017. Previously, Mr. Steel served in various roles, including as Vice President at Deutsche Bank between October 2008 and August 2014, before which he was at Lehman Brothers. Mr. Steel is also a Non-executive Director on the Transformation Advisory Committee at the Department of Work and Pensions in the U.K. Government. Mr. Steel holds a degree in Economics and Management from the University of Oxford.

Employee Directors

See above for biographical information for Dr. Parsadoust.

Mairi Johnson. Ms. Johnson has served on our board of directors since September 2015 and as Chief Partnerships Officer since May 2017. She also currently serves as an Investment Committee Member at Big Issue Invest, an investment fund for social enterprises, charities and profit-with-purpose businesses, since August 2015. Prior to joining Babylon Holdings, Ms. Johnson previously served as the Executive Director at Healthbox Accelerator, a healthcare services company, from 2013 to 2014. Previously, from January 2011 to February 2013, Ms. Johnson was the founder and chief executive officer, at Beat Red, a start-up company focused on activewear for teenage girls. Ms. Johnson also served in various roles, including Partner, at Circle Health, a health services company, between September 2005 and February 2008, and as an Executive Director at Goldman Sachs between June 2001 and August 2005. Ms. Johnson holds a M.Sc. from the London School of Economics and Political Science and a B.A. from University of Victoria. We believe Ms. Johnson is qualified to serve as a member of our board of directors because of her extensive experience in the healthcare industry analyzing, investing in and leading healthcare and technology companies.

Non-Executive Directors

Mohannad AlBlehed. Mr. AlBlehed has served on our board of directors since December 2019. Since November 2015, Mr. AlBlehed has served in various roles at the Public Investment Fund, the sovereign wealth fund of the Kingdom of Saudi Arabia, including as Senior Director, Head of International Direct Investments since January 2019, as Senior Vice President from July 2018 to December 2018, as Vice President from January 2017 to July 2018 and as Consultant from November 2015 to December 2016. Prior to that, Mr. AlBlehed held various roles in private equity and investment banking, including at The Abraaj Group, Deutsche Bank and Morgan Stanley. Mr. AlBlehed currently serves on the boards of directors of several privately-held companies, including Saudi Information Technology Company and Magic Leap. Mr. AlBlehed holds a B.A. in Business Administration from the University of Southern California. We believe Mr. AlBlehed is qualified to serve on our board of directors based on his experience as a director of technology companies and his experience with investments in healthcare and technology companies.

Per Brilioth. Mr. Brilioth has served on our board of directors since April 2017. Since January 2001, Mr. Brilioth has served in various roles and as a member of the board of directors of VNV (Cyprus) Limited, an investment company

investing in early and growth stage companies, and Vostok Emerging Finance Ltd., an investment company investing in growth stage fintech companies. Mr. Brilioth currently serves as a member of the board of directors of several privately-held companies, including Pomegranate Investment AB, a Swedish investment company, Telegram Records AB, Docplus Ltd., Property Finder International Ltd., Voi Technology AB, OneTwoTrip Ltd., Naseeb Networks, Inc. and Comuto S.A. Mr. Brilioth holds a M.A. from the London Business School and a B.A. from Stockholm University. We believe that Mr. Brilioth is well qualified to serve as a director due to his leadership experience of investment companies, particularly in the area of growth stage companies.

Georgi Ganev. Mr. Ganev has served on our board of directors since September 2018. Since January 2018, Mr. Ganev has served as Chief Executive Officer at Kinnevik AB, a Swedish investment company. Mr. Ganev has previously served as the Chief Executive Officer at the Dustin Group, an information technology service, between August 2012 and January 2018. He currently serves as a member of the board of directors of several privately-held companies and two public companies, Tele2 AB and Global Fashion Group. Mr. Ganev holds a M. Sc. from Uppsala University. We believe Mr. Ganev is qualified to serve on our board of directors based on his experience as a director of technology companies and his experience with investments in healthcare and technology companies.

David Warren. Mr. Warren joined our board of directors and became the Chairman of our audit committee following the Business Combination Closing. Mr. Warren was Group Chief Financial Officer and an Executive Director of London Stock Exchange Group plc (LSEG) from July 2012 until November 2020. He also served as interim Chief Executive Officer of LSEG from December 2017 to July 2018. Prior to LSEG, Mr. Warren was Chief Financial Officer of NASDAQ from 2001 to 2009 and Senior Adviser to the NASDAQ CEO from 2011 to 2012. Mr. Warren has held a number of senior financial and management roles in both the private and public sectors including Chief Financial Officer of the Long Island Power Authority (New York) and Deputy Treasurer for the State of Connecticut. Mr. Warren began his career in investment banking at then Credit Suisse First Boston. Mr. Warren holds an M.B.A. from the Yale School of Management and a B.A. from Wesleyan University. We believe Mr. Warren is qualified to serve on our board of directors due to his leadership experience in both private and public sectors.

Family Relationships

Ali Parsadoust, our Founder, Chief Executive Officer and a member of our board of directors, and Mairi Johnson, our Chief Partnerships Officer and a member of our board of directors, are married. There are no other family relationships among any of our executive officers or directors.

Board of Directors

Composition of Our Board of Directors

Our board of directors elects our executive officers annually. Our board of directors can also elect persons to fill any executive officer vacancies. Each officer holds such office until their successor is elected and qualified, or until their death, earlier resignation or removal.

Our board of directors is currently composed of six members, consisting of Dr. Parsadoust, our Founder and Chief Executive Officer, Ms. Johnson, our Chief Partnerships Officer, and four non-employee directors. Our board of directors has determined that none of our non-employee directors has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of director and that each of these four directors is “independent” as that term is defined under the NYSE rules. Each director’s current term will expire at our next annual general meeting of shareholders.

Committees of Our Board of Directors

Audit Committee. Our audit committee consists of Messrs. Brilioth, Ganev and Warren (Chairman). We have determined that each of Messrs. Brilioth, Ganev and Warren meets the requirements for independence under the listing standards of the NYSE and SEC rules and regulations for audit committee members. Each member of our audit committee also meets the requirements for financial literacy under the applicable rules and regulations of the SEC and the NYSE listing rules.

Our audit committee, among other things:

- selects and hires a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- oversees our relationship with the independent registered public accounting firm and assess the effectiveness of the external audit process, including in relation to appointment and tendering, remuneration and other terms of engagement, and appropriate planning ahead of each annual audit cycle;
- maintains regular, timely, open and honest communication with the external auditor, ensuring the external auditor's report to the committee on all relevant matters to enable the committee to carry out its oversight responsibilities;
- monitors the integrity of our financial and narrative reporting, preliminary announcements and any other formal announcements relating to our financial performance;
- advises the board on whether, taken as a whole, the Annual Report and accounts are fair, balanced and understandable;
- reviews the appropriateness and completeness of our risk management and internal controls;
- oversee the design, implementation and performance of our internal audit function;
- reviews, approves and/or ratifies related party transactions; and
- approves or, as required, pre-approves, all audit and all permissible non-audit services, other than de minimis non-audit services, to be performed by the independent registered public accounting firm.

The board of directors has determined that Mr. David Warren qualifies as an "audit committee financial expert," as defined under rules and regulations of the SEC. Mr. Warren meets the requirements for independence under the listing standards of the NYSE and SEC rules and regulations.

Remuneration Committee. Our remuneration committee consists of Messrs. Brilioth and Ganey. All of the members of our remuneration committee are independent under the applicable NYSE rules and regulations. Each member of our remuneration committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act.

Our remuneration committee, among other things:

- sets a remuneration policy that is designed to promote our long-term success;
- ensures that the remuneration of executive directors and other senior executives reflects both their individual performance and their contribution to our overall results;
- determines the terms of employment and remuneration of executive directors and other senior executives, including recruitment and retention terms;
- approves the design and performance targets of any annual incentive schemes that include the executive directors and other senior executives;
- agrees upon the design and performance targets, where applicable, of all share incentive plans;
- gathers and analyze appropriate data from comparator companies in our industry; and
- selects and appoint external advisers to the remuneration committee, if any, to provide independent remuneration advice where necessary.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee consists of Messrs. Brilioth and Ganey.

Our nominating and corporate governance committee, among other things:

- identifies individuals qualified to become members of our board of directors;
- recommends to our board of directors the persons to be nominated for election as directors and to each of the committees of our board of directors;

- reviews and make recommendations to our board of directors with respect to our board leadership structure;
- reviews and make recommendations to our board of directors with respect to management succession planning; and
- develops and recommends to our board of directors corporate governance principles.

Compliance with Section 16(a) of the Exchange Act

In 2022, our directors, executive officers, and shareholders who held in excess of 10% of our Class A ordinary shares were not required to file reports under Section 16(a) of the Exchange Act because our foreign private issuer status exempted them from Section 16(a) reporting. Effective January 1, 2023, we are no longer a foreign private issuer, and therefore transactions involving our securities by our directors, executive officers and persons who own more than 10% of our Class A ordinary shares are no longer exempt from Section 16(a).

Code of Ethics

We have adopted a Code of Ethics and Conduct that applies to all of our employees, officers and directors, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Our Code of Ethics and Conduct is available under the Governance tab on the Investor Relations page of our website at www.babylonhealth.com. The information on, or that can be accessed through, our website is not part of this Annual Report.

Item 11. Executive Compensation

Summary Compensation Table

The following table provides information regarding the compensation paid during the years ended December 31, 2022 and 2021, to the named executive officers:

Name and Principal Position	Year	Salary (\$ ⁽⁵⁾)	Bonus (\$ ⁽⁵⁾)	Stock awards (\$ ⁽⁶⁾)	Option awards (\$ ⁽¹⁾)	All other compensation (\$ ⁽²⁾⁽⁵⁾)	Total (\$)
Ali Parsadoust	2022	620,815	—	6,436,380	—	46,527	7,103,722
Chief Executive Officer and Director	2021	396,003	—	—	—	254,674	650,677
Paul-Henri Ferrand ⁽³⁾	2022	628,846	—	6,001,980	—	32,373	6,663,199
Chief Operating Officer	2021	600,000	254,458	5,297,411	13,337,008	25,966	19,514,843
Darshak Sanghavi	2022	588,461	—	1,592,048	—	33,320	2,213,829
Chief Medical Officer	2021	387,500	—	1,566,839	—	16,850	1,971,189
Charlie Steel	2022	416,453	—	2,938,643	—	23,019	3,378,115
Former Chief Financial Officer	2021	310,921	866,073	862,499	—	996,736	3,036,229
Steve Davis	2022	416,677	—	—	—	12,173	428,850
Former Chief Technology Officer	2021	550,000	554,640	3,711,353	6,806,850	250,833	11,873,676

(1) The amount shown for option awards represents the grant date fair value of such awards granted to the named executive officers as computed in accordance with FASB ASC Topic 718, Compensation-Stock Compensation. For each award, the grant date fair value is calculated using the Black-Scholes Option Pricing Model (BSOPM) with the key input being the closing price of our Class A ordinary shares on the grant date if granted after our Business Combination on October 21, 2021. If the option was granted prior to this date, the key input to the BSOPM was based on the output of a 409a report. This amount does not correspond to the actual value that may be realized by the named executive officers upon vesting or exercise of such award. For information on the assumptions used to calculate the value of the awards, refer to Note 18 to the consolidated financial statements.

(2) For the years ended December 31, 2021 and December 31, 2022, "All Other Compensation" includes: (i) employer contributions to defined contribution plans, and (ii) employer-paid health benefits and life insurance coverage. For the year ended December 31, 2022, (i) Dr. Parsadoust received \$14,475 in employer contributions to deferred compensation plans and \$32,052 in employer-paid health benefits and life insurance coverage, (ii) Mr. Ferrand received \$10,154 in employer contributions to deferred compensation plans and \$22,219 in employer-paid health benefits and life insurance coverage, (iii) Dr. Sanghavi received \$12,200 in employer contributions to deferred compensation plan and \$21,120 in employer-paid health benefits and life insurance coverage, (iv) Mr. Steel received \$20,823 in employer contributions to deferred compensation plans and \$2,196 in employer-paid health benefits and life insurance coverage. For the year ended December 31, 2021, Dr. Parsadoust received \$204,120 in relocation allowances and both Charlie Steel and Steve Davis had a loan forgiven owed to the Company in the amount of approximately \$978,964 and \$240,683, respectively.

(3) Included in Paul-Henri Ferrand's total option awards granted in 2021 are 51,654 stock options with the aggregate grant date fair value of \$8.3 million included in the Option awards compensation column for this executive officer in 2021. In July 2022, these stock option awards were cancelled and replaced by 80,000 RSAs with an incremental aggregate grant date fair value of \$1.7 million above the awards being replaced. The incremental value is included in the total Stock awards compensation column for this executive officer in 2022. For information on the incremental fair value of the modified awards, refer to Note 18 to the consolidated financial statements.

(4) The amount shown for stock awards represents the aggregate grant date fair value of Restricted Stock Units ("RSUs"), Restricted Stock Awards ("RSAs") and Performance Stock Awards ("PSUs") awards granted to the named executive officers as computed in accordance with FASB ASC Topic 718, as discussed in Note 18 to our consolidated financial statements. The grant date fair value of the RSU and RSA awards are measured based on the closing price of our Class A ordinary shares on the date of grant. The grant date fair value of the PSU awards granted are determined using a Monte Carlo simulation pricing model on the date the PSUs are awarded.

(5) Mr. Steel was employed in the United Kingdom for the years-ended December 31, 2022 and December 31, 2021. The amount shown for salary, bonus and all other compensation has been converted to USD using the average foreign exchange rate of 0.8075 and 0.7277 for the respective periods. Mr. Parsadoust was employed in the United Kingdom for the year-ended December 31, 2021 and up until the period-ended April 30, 2022. The amount shown for salary and all other compensation have been converted to USD using the average foreign exchange rate of 0.8075 and 0.7277 for the respective period. For information on the foreign exchange rates, refer to foreign exchange risk in Item 7A. to the Quantitative and Qualitative disclosure about market risk.

Narrative Disclosure to Summary Compensation Table

Employment Agreements with Current Executive Officers

On July 27, 2022, we entered into new employment agreements with each of Dr. Parsadoust, Mr. Ferrand, and Dr. Sanghavi (each, a "Current NEO"), which became effective on August 1, 2022 (the "Effective Date"). The descriptions of each agreement included below are qualified in their entirety by the copies of each Current NEO Agreement filed as exhibits to this Annual Report, respectively.

Base Salary, Bonus, and Employee Benefits

Pursuant to the agreement entered into by Dr. Parsadoust (the "Parsadoust Agreement"), Dr. Parsadoust agreed to continue to serve, on an at-will basis, as our Chief Executive Officer and a director on our board of directors, and is entitled

to an annual salary of \$700,000. Pursuant to the agreement entered into by Mr. Ferrand (the “Ferrand Agreement”), Mr. Ferrand agreed to continue to serve, on an at-will basis, as our Chief Operating Officer, and is entitled to an annual salary of \$700,000. Pursuant to the agreement entered into by Dr. Sanghavi (the “Sanghavi Agreement, and together with the Parsadoust Agreement and Ferrand Agreement, the “Current NEO Agreements”), Dr. Sanghavi agreed to continue to serve, on an at-will basis, as our Chief Medical Officer, and is entitled to an annual salary of \$600,000.

Each of the Current NEO Agreements provide for (i) an annual target bonus opportunity equal to 100% of the respective annual salary, achievement of which is based upon individual and Company performance objectives as approved by the board, and (ii) eligibility to participate in our employee benefits plans.

Equity Awards

Each of the Current NEO Agreements provide for grants of restricted Class A ordinary shares and performance share units. The number of Class A ordinary shares underlying each award and the Share Price (as defined below) thresholds included in the descriptions of each Current NEO Agreement have been adjusted for our 1-for-25 reverse share split, and continue to be subject to further adjustments for share splits, share dividends, reorganizations, recapitalizations and the like. The vesting of each equity award granted to our Current NEOs, as described below, is subject to the continued employment of the respective Current NEO through each of the applicable vesting dates.

The Parsadoust Agreement provides for equity awards of (i) 160,000 restricted Class A ordinary shares (the “Parsadoust RSAs”), and (ii) 160,000 PSUs covering Class A ordinary shares (the “Parsadoust PSUs”). The Ferrand Agreement provides for equity awards of (i) 80,000 restricted Class A ordinary shares (the “Ferrand RSAs”), (ii) 160,000 PSUs covering Class A ordinary shares (the “Ferrand PSUs”), and (iii) an additional 80,000 restricted Class A ordinary shares. The Sanghavi Agreement provides for equity awards of (i) 50,000 restricted Class A ordinary shares (the “Sanghavi RSAs”), and (ii) 20,000 PSUs covering Class A ordinary shares (the “Sanghavi PSUs”).

Subject to the approval our board on the date of grant and to the prior execution of a confidentiality and business protect agreement, each of the the Parsadoust RSAs, Ferrand Restricted Shares, and Sanghavi RSAs (collectively, the “NEO RSAs”) will vest over a four year period in accordance with the following schedule: (i) 20% on the first anniversary of the Effective Date, (ii) 20% on the second anniversary of the Effective Date, (iii) 30% on the third anniversary of the Effective Date, and (iv) 30% on the fourth anniversary of the Effective Date. Notwithstanding the foregoing, in the event that, prior to the fourth anniversary of the Effective Date and for at least 20 trading days within a 30 trading-day period, either (x) the closing price of our Class A ordinary shares on the NYSE (or other applicable national securities exchange) (the “Share Price”) equals or exceeds \$500 per share, or (y) our market capitalization is equal to or greater than \$8,327,361,300, then any unvested portion of the NEO Restricted Shares will immediately vest.

Subject to the approval our board on the date of grant, each of the Parsadoust PSUs, Ferrand PSUs, and the Sanghavi RSU (collectively, the “NEO PSUs”) will vest in accordance with the following schedule: (i) 50% of the shares underlying each of the NEO PSUs will vest if, at any time following the date of grant and for at least 20 trading days during any 30 trading-day period, either (x) the Share Price equals or exceeds \$250.00 per share (as adjusted), or (y) our market capitalization is equal to or greater than \$4,163,680,650; (ii) 25% of the shares underlying each of the NEO PSUs will vest if, at any time following the date of grant and for at least 20 trading days during any 30 trading-day period, either (x) the Share Price equals or exceeds \$375 per share, or (y) our market capitalization is equal to or greater than \$6,245,520,975; and (iii) 25% of the shares underlying each of the NEO PSUs will vest if, at any time following the date of grant and for at least 20 trading days during any 30 trading-day period, either (x) the Share Price equals or exceeds \$500 per share, or (y) our market capitalization is equal to or greater than \$8,327,361,300.

The Ferrand Agreement provides, subject to approval of the board and the execution of confidentiality and business protection agreement, for an additional award of 80,000 restricted Class A ordinary shares which vest in accordance with the following schedule: 50% vested immediately upon the date of grant and the remaining 50% will vest upon the first anniversary of the date of grant (the “Additional Ferrand Grant”). The Ferrand Agreement also contemplates, in connection with the award of the Additional Ferrand Grant, that an option award covering 51,654 Class A ordinary shares, which was granted to Mr. Ferrand on October 21, 2021, shall terminate and be of no further force or effect upon the full vesting of the Additional Ferrand Grant.

Payments upon Termination

In the event of a Termination without Cause or for Good Reason (as defined in the Current NEO Agreements), and subject to the execution of a separation agreement and release of claims in our favor, each Current NEO will be entitled to (i) a lump sum payment equal to twelve (12) months of the Current NEO's annual salary then in effect, and (ii) six (6) months of continued employer contributions for the provision of health insurance.

In the event of a termination without Cause that occurs three months before or within twelve (12) months after a Change in Control (as defined in the 2021 Plan) (i) any of the Current NEO's outstanding equity awards, including the NEO RSAs and NEO RSUs, will automatically vest as of the date of the Change in Control to the extent not yet vested, (ii) each Current NEO will be entitled to six (6) months of continued employer contributions for the provision of health insurance, and (iii) pro-rata target bonus; provided, however, that the Current NEO remains in employment immediately prior to such Change in Control and executes a separation agreement and release of claims in our favor.

Notwithstanding any terms of the Current NEO Agreements or the 2021 Plan to the contrary, in the event that our Class A ordinary shares cease to be publicly traded in connection with a take private acquisition (without an accompanying Change in Control), any outstanding equity awards granted to our Current NEOs under the 2021 Plan may not be amended or modified in connection with such take private acquisition in a manner adverse to our Current NEOs without such Current NEOs' consent; provided, however, that our board of directors may provide for accelerated vesting and cancellation in exchange for a cash payment in respect of the vested shares subject to such equity awards.

Employment Agreements with Former Executives

Charlie Steel

In September 2017, we entered into an employment agreement with Charlie Steel, whereby he agreed to serve as our Chief Financial Officer. On July 29, 2022, we entered into an amendment to employment agreement with Mr. Steel, which became effective on August 1, 2022 (the "Steel Agreement"). The Steel Agreement provided for (i) annual salary of \$500,000, (ii) an option award covering Class A ordinary shares, and (iii) eligibility to participate in our employee benefits plans.

Steve Davis

In November 2020, we entered into an offer letter agreement with Steve Davis, whereby he agreed to serve as our Chief Technology Officer (the "Davis Letter") on an at-will basis. The Davis Letter provided for following entitlements, which were subject to approval by our board of directors: (i) an annual salary of \$550,000, (ii) a sign-on bonus of \$400,000, (iii) an option award covering an aggregate of 20,338 Class A ordinary shares (the "Davis Option"), (iii) the option to elect a cash award of \$900,000, in lieu of the Davis Option, (iv) an award of growth shares, and (v) the eligibility to participate in our employee benefits plans. The Davis Option was fully exercisable upon grant, at exercise price equal to the market value of our Class A ordinary shares on the date of our board of directors' approval, but remained subject to a one year sale restriction. In connection with his employment, Mr. Davis entered into a confidentiality agreement, invention assignment, and arbitration agreement.

In the event that we terminated Mr. Davis for any reason, other than for gross misconduct, the Davis Letter provided that Mr. Davis would be eligible for severance entitlements based upon the years of service completed. In the event of such a termination occurring prior to the one year anniversary of Mr. Davis' start date, Mr. Davis would receive payments equal to (i) his annual salary, (ii) his sign-on bonus, and (iii) if he elects to cancel or forfeit the Davis Options within one month after termination, \$900,000 (plus, an additional amount equal to the price paid in connection with the exercise of the Davis Option, if applicable). In the event of such a termination occurring within Mr. Davis' second year of employment, (i) Mr. Davis would receive a payment equal to six (6) months of his annual salary, and (ii) any outstanding, unvested equity awards, excluding the Davis Option and Davis Growth Shares (as defined below), would continue to vest for an additional six (6) months after the termination date. In the event of such a termination occurring after Mr. Davis' second year of employment, (i) Mr. Davis would receive a payment equal to three (3) months of his annual salary, and (ii) any outstanding, unvested equity awards, excluding the Davis Option and Davis Growth Shares, would continue to vest for an additional three (3) months after the termination date.

In addition to the severance entitlements, the Davis Letter entitled Mr. Davis to a payment equal to his annual salary, in the event that Mr. Davis is terminated for any reason (other than gross misconduct) within three (3) months prior to or eighteen (18) months after a change in control (which shall not include an initial public offering or SPAC transaction).

In the event of a corporate transaction such as share sale, asset sale, SPAC transaction or initial public offering, the Davis Letter provided that, upon a termination that occurs after the one year anniversary of Mr. Davis' start date, Mr.

Davis would receive the appreciated value of 3,899,500 growth shares (the “Davis Growth Shares”), such value to equal a minimum of \$5,000,000. In July 2021, we entered into a letter agreement with Mr. Davis, whereby (i) the Davis Growth Shares were converted into Class A ordinary shares, and (ii) an additional option grant covering 36,188 Class A ordinary shares were awarded to Mr. Davis (collectively, the “Davis Severance Award”). The letter agreement amended the terms of the Davis Growth Shares to provide that, upon a termination other than for gross misconduct and in the event the aggregate value of the Davis Severance Award did not equal at least \$5,000,000 upon his termination, Mr. Davis would be entitled to an additional incentive award equal to \$5,000,000 less the aggregate value of the Davis Severance Award. Upon Mr. Davis’ resignation in August 2022, payments under the July 2021 letter agreement were triggered and we are in the process of completing such payments in accordance with the terms of the letter agreement.

Outstanding Equity Awards at Fiscal Year End

The following table summarizes the outstanding option awards held by each named executive officer as of December 31, 2022. This table includes unexercised and unvested options:

Name and Principal Position	Grant Date	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Equity incentive plan awards: number of securities underlying unexercised unearned options(#)	Option exercise price (\$)	Option expiration date
Ali Parsadoust	N/A	—	—	—	—	—
Paul-Henri Ferrand	03/02/2021 ⁽¹⁾	16,678	14,216	—	35.58	10/19/2035
Darshak Sanghavi	N/A	—	—	—	—	—
Charlie Steel	N/A	—	—	—	—	—
Steve Davis	N/A	—	—	—	—	—

(1) Represents a stock option granted under the Babylon Holdings Limited Long Term Incentive Plan (“LTIP”) and 16,788 shares are fully vested. The remainder vests in equal monthly installments beginning January 19, 2023. For information on the LTIP, refer on Note 18 in the consolidated financial statements.

The following table summarizes the outstanding stock awards held by each named executive officer as of December 31, 2022. This table includes unexercised and unvested stock awards:

Name and Principal Position	Grant Date	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested (\$)	Equity incentive plan awards: number of unearned shares, units or other rights that have not vested(#)	Equity incentive plan awards: market or payout value of unearned shares, units or other rights that have not vested(\$)
Ali Parsadoust	07/27/2022 ⁽¹⁾	160,000	1,080,000	—	—
	07/27/2022 ⁽²⁾	—	—	160,000	1,080,000
Paul-Henri Ferrand	07/27/2022 ⁽³⁾	40,000	270,000	—	—
	07/27/2022 ⁽¹⁾	80,000	540,000	—	—
	07/27/2022 ⁽²⁾	—	—	160,000	1,080,000
Darshak Sanghavi	12/21/2021 ⁽⁴⁾	6,287	42,437	—	—
	07/27/2022 ⁽¹⁾	50,000	337,500	—	—
	07/27/2022 ⁽²⁾	—	—	20,000	—
Charlie Steel	N/A	—	—	—	—
Steve Davis	N/A	—	—	—	—

(1) Represents an RSA award under the 2021 Plan to receive Class A ordinary shares upon vesting in four tranches consisting of 20%, 20%, 30% and 30% on each anniversary of July 27, 2022. The vesting schedule notwithstanding, 100% of the RSA shall vest upon the Company reaching specified stock price milestones determined in the individual award agreements. For more information of RSAs granted under the 2021 Plan, refer to “Item 11 Executive Compensation–Narrative Disclosure to Summary Compensation Table ” and Note 18 to the consolidated financial statements.

(2) The number of underlying unvested units listed reflect the maximum outcome of performance conditions for the PSU award granted under the 2021 Plan to receive Class A ordinary shares. The PSU awards vest in three tranches consisting of 50%, 25% and 25% of the PSUs. Each such tranche vests upon the earlier of the date on which our (i) Class A ordinary shares achieve a specified price per share or (ii) market capitalization in respect of its Class A ordinary shares meets a specified dollar threshold. For more information of PSUs granted under the 2021 Plan, refer to “Item 11 Executive Compensation–Narrative Disclosure to Summary Compensation Table” and Note 18 to the consolidated financial statements.

(3) Represents an RSA award under the 2021 Plan to receive Class A ordinary shares which fully vests on the six month anniversary of July 27, 2022. For more information of RSAs granted under the 2021 Plan, refer to “Item 11 Executive Compensation–Narrative Disclosure to Summary Compensation Table ” and Note 18 to the consolidated financial statements.

(4) Represents an RSU award under the 2021 Plan to receive Class A ordinary shares. The award vests in equal quarterly installments beginning February 10, 2023. For more information of RSUs granted under the 2021 Plan, refer to “Item 11 Executive Compensation–Narrative Disclosure to Summary Compensation Table ” and Note 18 to the consolidated financial statements.

2021 Equity Incentive Plan

The 2021 Plan, which was adopted and became effective on October 21, 2021, as amended, allows for the grant of equity-based incentive awards in respect of our Class A ordinary shares to our employees and directors, including directors who are also our employees. The material terms of the 2021 Plan are summarized below.

Eligibility and Administration

Our employees and directors, who are also our employees, and employees of our subsidiaries are eligible to receive awards under the 2021 Plan. Our consultants and directors, who are not employees, and those of our subsidiaries, are eligible to receive awards under the Non-Employee Sub-Plan to the 2021 Plan described below. Persons eligible to receive awards under the 2021 Plan (including the Non-Employee Sub-Plan) are together referred to as service providers below.

Except as otherwise specified, references below to the 2021 Plan include the Non-Employee Sub-Plan.

Under the 2021 Plan, our board of directors, or our remuneration committee or an officer to the extent authority has been delegated by the board of directors (referred to as the Plan Administrator below), subject to certain limitations imposed under the 2021 Plan and other applicable laws and stock exchange rules, is authorized to grant restricted stock units, stock options and other equity-based awards to our employees, directors and consultants. The Plan Administrator has the authority to take all actions and make all determinations under the 2021 Plan, to interpret the 2021 Plan and award agreements and to adopt, amend and repeal rules for the administration of the 2021 Plan as it deems advisable. The Plan Administrator also has the authority to determine which eligible service providers receive awards, grant awards, set the terms and conditions of all awards under the 2021 Plan, including any vesting and vesting acceleration provisions, subject to the conditions and limitations in the 2021 Plan.

Shares Available for Awards

On October 21, 2021, the shareholders approved the 2021 Plan. The 2021 Plan provides for an automatic share reserve increase, or “evergreen” feature, whereby the share reserve will automatically be increased on January 1st of each year commencing on January 1, 2022 and ending on and including January 1, 2031, in an amount equal to the least of: (i) 1,813,408 Class A ordinary shares; (ii) 5% of the total number of all classes of our shares that have been issued as at December 31st of the preceding calendar year, in each case, subject to applicable law and our having sufficient authorized but unissued shares; and (iii) such number of Class A ordinary shares as our board of directors may designate prior to the applicable January 1 (collectively referred to as the “evergreen” feature). In addition, the 2021 Plan provides for recycling of a maximum of 956,091 Class A ordinary shares underlying 2021 Plan awards and options granted under our legacy LTIP and CSOP Plans, in each case which have expired, lapsed, terminated or meet other recycling criteria set forth in the 2021 Plan (collectively referred to as the “share recycling” feature). Upon approval of the 2021 Plan, the LTIP and CSOP were no longer available for future awards.

Awards granted under the 2021 Plan in substitution for any options or other equity or equity-based awards granted by an entity before the entity’s merger or consolidation with us or our acquisition of the entity’s property or stock will not reduce the number of Class A ordinary shares available for grant under the 2021 Plan, but will count against the maximum number of Class A ordinary shares that may be issued upon the exercise of incentive stock options.

Awards

The 2021 Plan provides for the grant of options, share appreciation rights, or SARs, restricted shares, restricted share units, or RSUs, and other share-based awards. All awards under the 2021 Plan are set forth in award agreements, which detail the terms and conditions of awards, including any applicable vesting and payment terms, change of control provisions and post-termination exercise limitations. A brief description of each award type follows.

Options and SARs. Options provide for the purchase of our Class A ordinary shares in the future at an exercise price set at no less than the nominal value of a share and, in respect of participants who are subject to taxation in the United States, no less than the fair market value of a share on the grant date. SARs entitle their holder, upon exercise, to receive from us an amount equal to the appreciation of the Class A ordinary shares subject to the award between the grant date and the exercise date. The Plan Administrator determines the number of Class A ordinary shares covered by each option and SAR, and the conditions and limitations applicable to the exercise of each option and SAR.

Restricted shares and RSUs. Restricted shares are an award of non-transferable Class A ordinary shares that remain forfeitable unless and until specified conditions are met and which may be subject to a purchase price. RSUs are contractual promises to deliver our Class A ordinary shares in the future, which may also remain forfeitable unless and until specified conditions are met. The Plan Administrator may provide that the delivery of the Class A ordinary shares underlying RSUs have been deferred on a mandatory basis or at the election of the participant. The terms and conditions applicable to restricted shares and RSUs will be determined by the Plan Administrator, subject to the conditions and limitations contained in the 2021 Plan.

Other share-based awards. Other share-based awards are awards of fully vested Class A ordinary shares and other awards valued wholly or partially by referring to, or otherwise based on, our Class A ordinary shares or other property. Other share-based awards may be granted to participants and may also be available as a payment form in the settlement of other awards, as standalone payments and as payment in lieu of compensation to which a participant is otherwise entitled. The Plan Administrator will determine the terms and conditions of other share-based awards, which may include any purchase price, performance goal, transfer restrictions and vesting conditions.

Performance Criteria

The Plan Administrator may set performance goals in respect of any awards in its discretion.

Certain Transactions

In connection with certain corporate transactions and events affecting our Class A ordinary shares, including a change of control, another similar corporate transaction or event, the Plan Administrator has broad discretion to take action under the 2021 Plan. This includes cancelling awards for cash or property, accelerating the vesting of awards, providing for

the assumption or substitution of awards by a successor entity, adjusting the number and type of shares subject to outstanding awards and/or with respect to which awards may be granted under the 2021 Plan and replacing or terminating awards under the 2021 Plan. In addition, in the event of certain equity restructuring transactions, the Plan Administrator will make equitable adjustments to the limits under the 2021 Plan and outstanding awards as it deems appropriate to reflect the transaction.

Plan Amendment and Termination

Our board of directors may amend or terminate the 2021 Plan at any time; however, no amendment may materially and adversely affect an award outstanding under the 2021 Plan without the consent of the affected participant and shareholder approval will be obtained for any amendment to the extent necessary to comply with applicable laws. Further, the Plan Administrator will seek the approval of our shareholders in respect of any amendment to the extent required by applicable law, regulation or the rules of a national exchange on which we are listed. The 2021 Plan will remain in effect until the tenth anniversary of its effective date unless earlier terminated by our board of directors. No awards may be granted under the 2021 Plan after its termination.

Transferability and Participant Payments

Except as the Plan Administrator may determine or provide in an award agreement, awards under the 2021 Plan are generally non-transferable, except to a participant's designated beneficiary, as defined in the 2021 Plan. With regard to tax and/or social security withholding obligations arising in connection with awards under the 2021 Plan, and exercise price obligations arising in connection with the exercise of options under the 2021 Plan, the Plan Administrator may, in its discretion, accept cash, wire transfer or check, our Class A ordinary shares that meet specified conditions, a "market sell order," such other consideration as the Plan Administrator deems suitable or any combination of the foregoing.

Non-U.S. and Non-U.K. Participants

The Plan Administrator may modify awards granted to participants who are non-U.S. or U.K. nationals or employed outside the United States and the U.K. or establish sub-plans or procedures to address differences in laws, rules, regulations or customs of such international jurisdictions with respect to tax, securities, currency, employee benefit or other matters or to enable awards to be granted in compliance with a tax favorable regime that may be available in any jurisdiction.

Non-Employee Sub-Plan

The Non-Employee Sub-Plan governs equity awards granted to our non-executive directors, consultants, advisers and other non-employee service providers and provides for awards to be made on identical terms to awards made under our 2021 Plan.

Long-Term Incentive Plan (LTIP)

The LTIP was adopted on July 27, 2015. Various amendments to the LTIP, including the addition of a U.S. Appendix and Non-Employee Sub-Plan were subsequently approved by the board of directors and, in the case of the U.S. Appendix, approved by shareholders. References to the LTIP include the U.S. Appendix and Non-Employee Sub-Plan except as otherwise indicated. No options have been granted under the LTIP since the Business Combination Closing.

Options granted under the U.S. Appendix may have been granted in the form of potentially tax advantaged incentive stock options. Other options granted under the LTIP were not intended to qualify for any tax advantageous treatment.

Prior to the Business Combination Closing, Babylon effected a reclassification (the "Reclassification") whereby (i) each outstanding Babylon G1 Share was reclassified into Babylon Class B ordinary shares, (ii) each outstanding Babylon Class B Share and Class C Share was reclassified into Babylon Class A ordinary shares, and (iii) each outstanding Babylon Class A Share was reclassified into Babylon Class B ordinary shares. As a result of the Reclassification, each outstanding Babylon Class A ordinary share and Babylon Class B ordinary share had a value at the time of the Business Combination of \$10.00, prior to any effect of subsequent capital changes including stock splits or reverse stock splits. As of the Business Combination Closing, all Babylon Class B ordinary shares were held by the Founder. The Class B ordinary shares have the same economic terms as the Class A ordinary shares, but the Class B ordinary shares have 15 votes per share (while each Class A ordinary share has one vote per share).

Options granted under the LTIP were originally granted over Babylon Class B Shares. Following the Reclassification, the options subsist over Class A ordinary shares.

Options granted under the U.S Appendix must have an exercise price equal to or more than the market value of a share on the date of grant.

There is no minimum exercise price for other options granted under the LTIP, provided that arrangements are made for the nominal value of a share to be paid up.

Participation / Eligibility and Administration

Options granted under the LTIP were granted by the board of directors in its absolute discretion (or by an officer to the extent authority was delegated by the board of directors) to employees. Advisors and consultants were eligible to be granted options under the Non-Employee Sub-Plan.

Vesting and Exercise of Options

Options granted under the LTIP were generally granted subject to a vesting schedule containing one or more time-based conditions and additionally, or in the alternative, specific performance conditions that must be met before all or part of an option can be exercised. The board of directors may accelerate vesting of an option and/or vary or waive one or more performance conditions attaching to an option in certain circumstances.

Options granted under the LTIP may not be exercised after the fifteenth anniversary (the tenth anniversary in the case of options granted under the U.S. Appendix) of the date of grant and generally may only be exercised on the occurrence of an exit event, including an initial public offering. The Business Combination Closing constituted an exit event under the terms of the plan. Therefore, options held under the LTIP are exercisable to the extent vested upon completion of this offering and shall continue to vest and become exercisable in accordance with their terms.

Terms Generally Applicable to Options

Save for transferring an option to a deceased option holder's personal representative on their death, options granted under the LTIP cannot be transferred, assigned or have any charge or other security created over them.

Options granted under the LTIP will lapse on the earliest of the following:

- an attempt to transfer, assign or encumber the option (save for a transfer to a personal representative on death);
- the board of directors determining that any performance target applicable to the option is no longer capable of being met;
- the date stated in the relevant option certificate;
- in respect of the unvested portion, upon the option holder's termination of employment (or, in certain circumstances, the date on which notice of termination is given) for any reason;
- upon the option holder's termination of employment (or, in certain circumstances, the date on which notice of termination is given) in certain bad leaver circumstances;
- unless otherwise determined by the board of directors, one month following an exit event in respect of an option holder whose employment terminated prior to such exit event (prior to the Business Combination Closing, the board of directors extended the exercise period for options granted under the LTIP to one month after the 180-day lock-up period in effect after the Business Combination, if the option holder's employment terminated prior to the Business Combination);
- within certain defined periods following an exit event other than an initial public offering; or
- the option holder becoming bankrupt.

Corporate Transactions

Upon the occurrence of certain corporate transactions, the exercise period applicable to options may be curtailed and/or option holders may be offered the opportunity to exchange their options for options over shares in an acquiring

company. Upon a variation of share capital, the board of directors may determine that adjustments are made to the number of shares under option, the exercise price and / or the description of the shares under options.

Amendments to the LTIP

The board of directors can amend the LTIP from time to time save that an amendment may not adversely affect the rights of an existing option holder except where the amendment has been approved by a certain threshold of option holders.

Company Share Option Plan (CSOP)

The CSOP was adopted on February 24, 2021 and is intended to qualify as a company share option plan that meets the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 ("ITEPA"). Options granted under the CSOP are, subject to certain qualifying conditions being met, potentially U.K. tax favored options up to an individual limit of £30,000 calculated by reference to the market value of the shares under option at the date of grant.

Options granted under the CSOP were originally granted over Babylon Holdings Class B Shares. Following the Reclassification, the options subsist over Class A ordinary shares.

Options granted under the CSOP must have an exercise price equal to or more than the market value of a share on the date of grant and, where the exercise of an option is to be satisfied by newly issued shares, the exercise price must not be less than the nominal value of a share.

No options have been granted under the CSOP since the Business Combination Closing.

Participation / Eligibility and Administration

Options granted under the CSOP were granted by the board of directors in its absolute discretion (or by an officer to the extent authority was delegated by the board of directors) to employees that qualified to be granted an option under Schedule 4 of ITEPA.

Vesting and Exercise of Options

Options granted under the CSOP were generally granted subject to a vesting schedule containing one or more time-based conditions and additionally, or in the alternative, specific performance conditions that must be met before all or part of an option can be exercised. The board of directors may accelerate vesting of an option and/or vary or waive one or more performance conditions attaching to an option in certain circumstances.

Options granted under the CSOP may not be exercised after the fifteenth anniversary of the date of grant and generally may only be exercised on the earliest of (i) termination of the option holder's employment in certain good leaver circumstances; (ii) an exit event, including an initial public offering; or (iii) 30 days prior to the expiry date of the option. The Business Combination Closing constituted an exit event under the terms of the plan. Therefore, options held under the CSOP are exercisable to the extent vested upon completion of this offering and shall continue to vest and become exercisable in accordance with their terms.

Terms Generally Applicable to Options

Save for transferring an option to a deceased option holder's personal representative on their death, options granted under the CSOP cannot be transferred, assigned or have any charge or other security created over them.

Options granted under the CSOP will lapse on the earliest of the following:

- an attempt to transfer, assign or encumber the option (save for a transfer to a personal representative on death);
- the date stated in the relevant option certificate;
- the first anniversary of an option holder's death;
- in respect of the unvested portion, upon the option holder's termination of employment (or the date on which notice of termination is given) for any reason;

- upon the option holder's termination of employment (or the date on which notice of termination is given) in certain bad leaver circumstances;
- 6 months after termination of the option holder's employment in certain good leaver circumstances;
- within certain defined periods following an exit event other than an initial public offering; or
- the option holder becoming bankrupt.

Corporate Transactions

Upon the occurrence of certain corporate transactions, the exercise period applicable to options may be curtailed and/or option holders may be offered the opportunity to exchange their options for options over shares in an acquiring company. Upon a variation of share capital, the board of directors may determine that adjustments are made to the number of shares under option, the exercise price and / or the description of the shares under options, subject to certain conditions and the relevant provisions of ITEPA.

Amendments to the CSOP

The board of directors can amend the CSOP from time to time save that such amendments (i) cannot be made if it would mean that the CSOP would no longer qualify under Schedule 4 of ITEPA; (ii) cannot be made without option holders' prior written consent if the amendment is material.

Restricted B Shares (CSOP Plus)

Prior to the Reclassification, certain of our employees held the beneficial interest in certain Babylon B ordinary shares, which were subject to vesting and forfeiture pursuant to individual award agreements. In connection with the Reclassification, these Babylon B ordinary shares were re-designated as Class A ordinary shares. These Class A ordinary shares are subject to the same vesting and forfeiture terms as applied to the relevant Babylon B ordinary shares. The legal title to these Class A ordinary shares is held by a third party employee benefit trust.

Growth Shares

Prior to the Reclassification, certain of our employees held Babylon Holdings Class G1 Shares which were subject to a hurdle and forfeiture under the terms of our then existing articles of association and vesting on the terms of individual award agreements. In connection with the Reclassification, these Babylon Holdings Class G1 Shares were converted into Babylon Holdings Class B Shares pursuant to a conversion ratio determined by reference to the relative values of the Babylon Holdings Class G1 Shares and the Babylon Holdings Class B Shares and were subsequently re-designated as Class A ordinary shares. These shares of common stock are subject to the same vesting and forfeiture terms as applied to the relevant Babylon Holdings Class G1 Shares.

Compensation Committee Interlocks and Insider Participation

Our remuneration committee is currently composed of Messrs. Ganev and Brilioth. No member of our remuneration committee is or was formerly an officer or an employee of the Company. During 2022, Mr. Ganev served as a director of various entities affiliated with Kinnevik AB (publ), including as a member of the compensation committees of Global Fashion Group and Tele2 AB. During 2022, Mr. Brilioth served as the Managing Director and a director of VNV AB Global (publ).

On November 4, 2022, we closed our 2022 Private Placement in which we issued and sold an aggregate of 7,596,979 Class A ordinary shares to certain shareholders for \$10.54 per share, pursuant to subscription agreements entered into on October 16, 2022 and October 17, 2022. We received gross proceeds of approximately \$80,000,000. The 2022 Private Placement included issuances of 2,419,638 Class A ordinary shares to Invik S.A., a wholly-owned subsidiary of Kinnevik AB (publ), and 1,861,260 Class A ordinary shares to entities affiliated with VNV Global AB (publ), each of which is a holder of more than 5% of our Class A ordinary shares.

Non-Employee Director Compensation

The following table summarizes the compensation received by our non-employee directors for 2022 under the Outside Director Compensation Policy:

Name	Fees earned or paid in cash (\$)	Stock awards (\$) ⁽¹⁾	Option awards (\$)	Non-equity incentive plan compensation (\$)	Change in pension value and nonqualified deferred compensation earnings (\$)	All other compensation (\$)	Total (\$)
Mohannad AlBLEhed ⁽²⁾	—	—	—	—	—	—	—
Per Brilioth ⁽³⁾	105,466	—	—	—	—	—	105,466
Georgi Ganey ⁽³⁾	105,466	—	—	—	—	—	105,466
David Warren	81,616	144,817	—	—	—	—	226,433

(1) The amount shown for stock awards represents the aggregate grant date fair value of RSUs awards granted to the named directors as computed in accordance with FASB ASC Topic 718, as discussed in Note 18 to our consolidated financial statements. The grant date fair value of the RSU is measured based on the closing price of our Class A ordinary shares on the date of grant.

(2) Mr. AlBLEhed declined to receive compensation.

(3) Elected to waive the equity compensation under the Outside Director Compensation Policy and signed an equity waiver letter to this effect.

In connection with the Business Combination Closing, we approved the Outside Director Compensation Policy, pursuant to which each non-employee director receives cash and/or equity amounts for their services on our board of directors, as described below.

Cash Compensation

Each non-employee director is eligible to receive the following annual cash retainers for specified board and/or committee service:

- \$70,000 per year for service as a member of our board of directors;
- \$30,000 per year for service as non-executive Chair of our board of directors;
- \$20,000 per year for service as chair of our audit committee;
- \$15,000 per year for service as our lead independent director;
- \$15,000 per year for service as chair of our remuneration committee;
- \$10,000 per year for service as a member of our audit committee;
- \$8,000 per year for service as chair of our nominating and corporate governance committee;
- \$7,500 per year for service as a member of our remuneration committee; and
- \$4,000 per year for service as a member of our nominating and corporate governance committee.

Equity Compensation

Non-employee directors are eligible to receive all types of equity awards (except incentive stock options) under our 2021 Plan. All grants of awards under our Outside Director Compensation Policy are automatic and non-discretionary.

Upon joining our board of directors, each newly-elected non-employee director is eligible to receive an initial equity award under our 2021 Plan with a value of approximately \$175,000. This initial award will vest in equal installments annually over a three-year period, subject to continued service through each vesting date. The initial award will be in the form of restricted stock units.

On the date of each annual general meeting of shareholders, each non-employee director who is continuing as a director following the meeting will be granted an annual equity award under our 2021 Plan with a value of approximately

\$175,000, provided the non-employee director has continued to serve on our board of directors. This annual award will vest as to 100% of the shares on the one-year anniversary of the date of grant.

Notwithstanding the vesting schedules described above, the vesting of all equity awards granted to a non-employee director, including any award granted outside of our Outside Director Compensation Policy, will vest in full upon a “change in control” (as defined in our 2021 Plan).

Mr. Ganev and Mr. Brilioth have both elected to waive the equity compensation that they are entitled to under the Outside Director Compensation Policy and have signed an equity waiver letter to this effect.

Insurance and Indemnification

To the extent permitted under Jersey law, we are empowered to indemnify our directors against any liability they incur by reason of their directorship. We have obtained directors’ and officers’ insurance to insure such persons against certain liabilities. Insofar as indemnification of liabilities arising under the Securities Act may be permitted to our board, executive officers or persons controlling us pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth information relating to the beneficial ownership of our Class A ordinary shares as of March 1, 2023 by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our outstanding Class A ordinary shares;
- each member of our board of directors and each of our executive officers, including certain former executive officers; and
- all of our directors and executive officers as a group.

The number of ordinary shares beneficially owned by each entity, person, executive officer or director is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any Class A ordinary shares over which the individual has sole or shared voting power or investment power as well as any Class A ordinary shares that the individual has the right to acquire within 60 days from March 1, 2023 through the exercise of any option, warrant or other right or through the conversion of a security. Except as otherwise indicated, and subject to applicable community property laws, we believe that the persons named in the table have sole voting and investment power with respect to all Class A ordinary shares held by that person based on information provided to us by such person. This table is based on information supplied by our directors and officers and by Schedules 13D and 13G, or amendments thereto, filed with the SEC, as indicated in the table footnotes.

The percentage of beneficial ownership is calculated based upon a total of (i) 24,860,752 Class A ordinary shares issued and outstanding as of March 1, 2023, adjusted for options or restricted stock units held by each owner that are currently exercisable or exercisable within 60 days of March 1, 2023, if any. Except as otherwise indicated, the address for the persons named in the table is 1 Knightsbridge Green, London, SW1X 7QA, United Kingdom.

<i>Directors and Executive Officers</i>	Class A ordinary shares	Percent of Class A ordinary shares
Ali Parsadoust ⁽¹⁾	6,277,983	25.3 %
Paul-Henri Ferrand ⁽²⁾	116,866	0.5 %
Darshak Sanghavi ⁽³⁾	13,662	0.1 %
Mohannad AlBlehed	—	— %
Per Brilioth ⁽⁴⁾	—	— %
Georgi Ganev	—	— %
Mairi Johnson ⁽⁵⁾	633	— %
David Warren	293	— %
All current executive officers and directors as a group (9 persons) ⁽⁶⁾	6,414,958	25.8 %
<i>Former Executive Officers</i>		
Charlie Steel ⁽⁷⁾	—	— %
Steve Davis ⁽⁷⁾	17,093	0.1 %
<i>5% or more Holders</i>		
Invik S.A. ⁽⁸⁾	4,617,340	18.6 %
Entities affiliated with VNV Global AB (publ) ⁽⁹⁾	4,034,631	16.2 %
Public Investment Fund ⁽¹⁰⁾	3,030,789	12.2 %

(1) Consists of i) 6,245,983 shares of Class A ordinary shares held of record by ALP Partners Limited and ii) 32,000 Class A ordinary shares issuable upon the distribution of Restricted Stock Awards, vested as of or within 60 days of this report, held of record by Dr. Ali Parsadoust. ALP Partners Limited is an entity owned and controlled by Dr. Ali Parsadoust. Mairi Johnson is Dr. Parsadoust's spouse and thus may be deemed to beneficially own the shares held by Dr. Parsadoust.

(2) Consists of i) 19,358 Class A ordinary shares issuable upon the exercise of options, as of or within 60 days of this report, held of record by Paul-Henri Ferrand, ii) 56,000 Class A ordinary shares issuable upon the distribution of Restricted Stock Awards, as of or within 60 days of this report, held of record by Paul-Henri Ferrand and iii) 41,508 issued and outstanding Class A ordinary shares.

(3) Consists of i) 3,034 issued and outstanding Class A ordinary shares and ii) 628 Class A ordinary shares issuable upon vesting of Restricted Stock Units within 60 days of this report and iii) 10,000 Class A ordinary shares issuable upon the distribution of Restricted Stock Awards, vested as of or within 60 days of this report, held of record by Darshak Sanghavi.

(4) Per Brilioth is the Managing Director and a member of the Board of Directors of VNV Global AB (publ), VNV Sweden AB and Global Health Equity AB (publ). Mr. Brilioth disclaims any beneficial ownership of the shares described in footnote 9, except to the extent of any pecuniary interest therein.

(5) Mairi Johnson is Dr. Parsadoust's spouse and thus may be deemed to beneficially own the shares held by Dr. Parsadoust described in footnote 1.

(6) This includes all applicable Class A ordinary shares held by our current executive officers and directors, in addition to 5,136 issued and outstanding Class A ordinary shares and 385 Class A ordinary shares issuable upon vesting of Restricted Stock Units within 60 days of this report and held by record of David Humphreys, our current Chief Financial Officer.

(7) Charlie Steel, our former Chief Financial Officer, served as an executive officer until September 2022, and Steve Davis, our former Chief Technology Officer, served as an executive officer until August 2022.

(8) Based on information reported on Form 3 filed by Kinnevik AB (publ) and Invik S.A. on December 30, 2022 and information available to us, represents of 4,617,340 Class A ordinary shares held of record by Invik S.A., a wholly owned subsidiary of Kinnevik AB (publ), a Swedish publicly traded company. The address for Invik S.A. is 51, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg.

(9) Based on information reported on Form 3 filed by VNV Global AB (publ) and VNV (Cyprus) Limited on December 30, 2022 and information available to us, consists of (i) 3,324,819 Class A ordinary shares held of record by VNV (Cyprus) Limited, a wholly-owned subsidiary of VNV Global AB (publ), a Swedish publicly traded company, and (ii) 709,812 Class A ordinary shares held of record by Global Health Equity (Cyprus) Ltd. VNV Global AB (publ) is the direct and sole shareholder of VNV (Cyprus) Limited. Investment and voting decisions relating to holdings of VNV (Cyprus) Limited are made by a board of directors consisting of four individuals on the basis of recommendations issued by a five member board of directors of VNV Global AB (publ). VNV Global AB (publ) indirectly holds, through its direct wholly-owned subsidiary VNV Sweden AB, 37.35% of the shares in Global Health Equity AB (publ), with the remainder held by other foreign institutional investors and individuals. VNV Global AB (publ) is the direct and sole shareholder of VNV Sweden AB. Investment decisions relating to holdings of VNV Sweden AB are made by a board of directors consisting of three individuals on the basis of recommendations issued by a five-member board of directors of VNV Global AB (publ). Global Health Equity AB (publ) is the direct and sole shareholder of Global Health Equity (Cyprus) Ltd. Investment decisions relating to holdings of Global Health Equity (Cyprus) Ltd are taken by a board of directors that consists of PC Nordic Administration Limited, a third-party corporate services provider, taking into account recommendations issued by a three-member board of directors of Global Health Equity AB (publ). The Global Health Equity AB (publ) board is comprised of the management of VNV Global AB (publ). The address for VNV (Cyprus) Limited is 1, Lampousas Street, 1095 Nicosia, Cyprus, and the address of Global Health Equity (Cyprus) Ltd is c/o Stasikratous, 22, Olga Court, Office 104, 1065 Nicosia, Cyprus. The business address of each of VNV Global AB (publ) and VNV Sweden AB is c/o Mäster Samuelsgatan 1, 111 44 Stockholm, Sweden.

(10) Based on information reported in a Schedule 13G/A filed by the Public Investment Fund on February 14, 2023 and information available to us, consists of 3,030,789 Class A ordinary shares held of record by the Public Investment Fund, an integral part of the Kingdom of Saudi Arabia. The board of directors of the Public Investment Fund consists of His Royal Highness Mohammad bin Salman Al-Saud (Chairman), H.E. Ibrahim Abdulaziz Al-Assaf, H.E. Mohammad Abdul Malek Al Shaikh, H.E. Khalid Abdulaziz Al-Falih, H.E. Dr. Majid Bin Abdullah Al Qasabi, H.E. Mohammad Abdullah Al-Jadaan, H.E. Mohamed Mazyed Altwaijri, H.E. Ahmed Aqeel Al-Khateeb, and H.E. Yasir Othman Al-Rumayyan. The address for the Public Investment Fund is AlR'idah Digital City, Building MU04, Al Nakhil District, P.O. Box 6847, Riyadh 11452, The Kingdom of Saudi Arabia.

For information related to the number of securities to be issued upon exercise of outstanding options, warrants and rights or through the conversion of a security, refer to "Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities — Securities Authorized for Issuance Under Equity Compensation Plan."

Item 13. Certain Relationships and Related Transactions, and Director Independence

Agreements with Shareholders

November 2022 Private Placement of Class A ordinary shares

On November 4, 2022, we closed the 2022 Private Placement, pursuant to which we issued and sold an aggregate of 7,596,979 Class A ordinary shares to certain shareholders for \$10.54 per share, pursuant to subscription agreements entered into on October 16, 2022 and October 17, 2022. We received gross proceeds of approximately \$80,000,000. The 2022 Private Placement included issuances of 2,419,638 Class A ordinary shares to Invik S.A., 1,861,260 Class A ordinary shares to entities affiliated with VNV Global AB (publ), and 1,614,358 Class A ordinary shares to the Public Investment Fund, each of which is a holder of more than 5% of our Class A ordinary shares.

On November 1, 2022, in connection with the 2022 Private Placement, ALP Partners Limited, as the sole holder of all of our outstanding 3,185,503 Class B ordinary shares, converted all of the outstanding Class B ordinary shares to 3,185,503 Class A Ordinary Shares.

Agreements with Executive Officers and Directors

Employment Agreements

We have entered into new written employment agreements with our executive officers. The agreement of Dr. Parsadoust provides a notice period with respect to termination of the agreement by Babylon or by Dr. Parsadoust, during which time Dr. Parsadoust will continue to receive salary and benefits; provided that we may provide payment in lieu of all or a portion of the notice period. The written employment agreements with our other executive officers are at-will, and generally provide for customary severance.

These employment agreements also contain customary provisions regarding non-competition, non-solicitation, confidentiality of information and assignment of inventions. However, the enforceability of the non-competition provisions may be limited under applicable law.

Equity Awards and Related Agreements

Babylon has granted options to purchase Class A ordinary shares to certain executive officers. We describe the equity incentive plans under *Item 10. Directors, Executive Officers and Corporate Governance* and *Item 11. Executive Compensation — Equity Incentive Plans* and we describe certain agreements related to awards made to executive officers and directors under *Item 10. Directors, Executive Officers and Corporate Governance* and *Item 11. Executive Compensation — Equity Incentive Plans*.

On February 26, 2021, Charlie Steel, our former Chief Financial Officer, canceled the share options he held under the Babylon Long-Term Incentive Plan and purchased 182,495 Babylon Class B Shares, subject to certain transfer restrictions. In connection therewith, Mr. Steel entered into a loan agreement for \$958,102 to Babylon in consideration of Babylon's payment of the subscription price. This loan and all interest accrued thereon was forgiven upon the consummation of the Business Combination.

On April 1, 2021, Steve Davis, our former Chief Technology Officer, exercised an option to purchase 20,338 Class B Shares. In connection therewith, Mr. Davis issued a promissory note for \$218,644 to Babylon in consideration of Babylon's payment of the exercise price. This loan and all interest accrued thereon was forgiven prior to the consummation of the Business Combination.

In March and July 2022, the remuneration committee of our board of directors granted certain RSUs, RSAs and PSUs to certain of our senior employees.

Prior to the Reclassification, Paul-Henri Ferrand and Steve Davis, each an executive officer, held Babylon Class G1 Shares which were subject to a hurdle and forfeiture under the terms of Babylon's then existing articles of association and vesting on the terms of individual award agreements. In connection with the Reclassification, the Babylon Class G1 Shares were converted into Babylon Class B Shares pursuant to a conversion ratio determined by reference to the relative values of the Babylon Class G1 Shares and the Babylon Class B Shares, and subsequently redesignated as Class A ordinary

shares. The Class A ordinary shares are subject to substantially the same vesting and forfeiture terms as applied to the relevant Babylon Class G1 Shares pursuant to the applicable agreements entered into with Messrs. Ferrand and Davis.

Upon consummation of the Business Combination, Babylon granted Mr. Ferrand an option to acquire 51,654 Class A ordinary shares and Mr. Davis an option to acquire 36,188 Class A ordinary shares as additional equity incentives. The options were granted under the 2021 Plan.

Indemnification Agreements

We have entered into, or expect to enter into, indemnification agreements with each of our directors and executive officers. Such indemnification agreements and the Babylon Articles require us to indemnify our directors and executive officers to the fullest extent permitted by law. See “*Item 10. Directors, Executive Officers and Corporate Governance*” for details.

Related Person Transactions Policy

We have adopted a Related Person Transaction Policy requiring that all related person transactions required to be disclosed pursuant to the Exchange Act be reviewed, approved or ratified, and monitored by our audit committee; including, but not limited to related person transactions involving our directors or executive officers.

Item 14. Principal Accountant Fees and Services

Independent registered public accounting firm

The following table shows the fees billed to us for the audit and other services provided by our auditor during the years ended December 31, 2022 and 2021:

	Year Ended December 31,	
	2022	2021
	\$'000	\$'000
Audit Fees ⁽¹⁾	1,524	1,503
Audit-Related Fees ⁽²⁾	279	762
Tax Fees ⁽³⁾	—	31
All Other Fees ⁽⁴⁾	—	—
Total	1,803	2,296

(1) Represents aggregate fees for professional services rendered by our principal accountant for the audit of our annual financial statements and review of financial statements included in our Form 10-Q, if applicable, or for services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for these fiscal years

(2) Represents aggregate fees for assurance and related services by our principal accountant that are reasonably related to the performance of the audit or review of our financial statements and are not reported under item (1). These fees primarily relate to audit-related professional services needed for registration statements filed throughout the period.

(3) Represents aggregate fees for professional services rendered by our principal accountant for tax compliance, tax advice and tax planning.

(4) Represents the aggregate fees for products and services provided by our principal accountant and not included in items footnotes (1), (2), or (3).

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) Our consolidated financial statements are listed in the Index to Consolidated Financial Statements and Supplemental Data filed as part of this Form 10-K.

(2) Financial Statements:

All schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(3) Exhibits

A list of exhibits is set forth on the Exhibit Index immediately prior to the signature page of this Form 10-K, and is incorporated herein by reference.

Item 16. Form 10-K Summary

None.

EXHIBIT INDEX

The following exhibits are filed herewith unless otherwise indicated:

Exhibit Number	Exhibit Description
2.1 ^{†^}	Merger Agreement, dated as of June 3, 2021, by and among Alkuri Global Acquisition Corp., Babylon Holdings Limited, Liberty USA Merger Sub, Inc., Alkuri Sponsors LLC, and Dr. Ali Parsadoust (incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form F-4, filed with the SEC on July 2, 2021).
2.2 ^{†^}	Amended and Restated Agreement and Plan of Merger, dated as of March 5, 2021 by and among Babylon Holdings Limited, Babylon Acquisition Corp. and Higi SH Holdings Inc. (incorporated by reference to Exhibit 2.2 to the Company's Registration Statement on Form F-4/A, filed with the SEC on September 15, 2021).
2.3 [^]	Letter Agreement, dated as of June 2, 2021 by and among Babylon Holdings Limited, 7Wire Ventures Fund, L.P., Flare Capital Partners I, LP, Flare Capital Partners I-A, LP and William Wrigley, Jr. as Trustee of Trust #101 (incorporated by reference to Exhibit 2.3 to the Company's Registration Statement on Form F-4/A, filed with the SEC on September 15, 2021)
2.4 [^]	Second Amended and Restated Agreement and Plan of Merger, dated as of October 29, 2021, by and among Higi SH Holdings Inc., Babylon Holdings Limited, Babylon Acquisition Corp. and Shareholder Representative Services LLC, solely in its capacity as Stockholder Representative (incorporated by reference to Exhibit 4.4 to the Company's Form 20-F, filed with the SEC on March 20, 2022).
3.1 [^]	Amended and Restated Memorandum and Articles of Association (incorporated by reference to Exhibit 1.1 to the Company's Form 20-F, filed with the SEC on March 30, 2022)
3.2	Amended and Restated Memorandum of Association, effective December 15, 2022.
4.1	Description of Securities of Registrant
4.2 [^]	Specimen Class A Ordinary Share Certificate of Babylon Holdings Limited (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form F-4/A, filed with the SEC on September 15, 2021).
4.3 [^]	Note Subscription Agreement among Babylon Holdings Limited and certain subscribers (incorporated by reference to Exhibit 4.5 to the Company's Registration Statement on Form F-1, filed with the SEC on November 9, 2021).
4.4 [^]	Warrant Instrument, dated November 4, 2021, with respect to warrants to purchase Class A ordinary shares from Babylon Holdings Limited to certain Note Subscribers (incorporated by reference to Exhibit 4.6 to the Company's Registration Statement on Form F-1, filed with the SEC on November 9, 2021).
4.5 [^]	Note Certificates for Notes due 2026 (incorporated by reference to Exhibit 4.7 to the Company's Registration Statement on Form F-1, filed with the SEC on November 9, 2021).
4.6 [^]	Note Certificates for Additional Notes due 2026 (incorporated by reference to Exhibit 4.1 to the Company's Form 6-K, filed with the SEC on April 6, 2022).
4.6 [^]	Note Subscription Agreement, made on December 23, 2021, between Babylon Holdings Limited and the Note Subscribers named therein (incorporated by reference to Exhibit 4.1 to the Company's Report on Form 6-K, filed with the SEC on December 29, 2021).
4.7 [^]	Amended and Restated Warrant Instrument (incorporated by reference to Exhibit 4.2 to the Company's Form 6-K, filed with the SEC on April 6, 2022).
4.8	Loan Note Facility Agreement, dated March 9, 2023, between the Company, the Original Guarantors identified therein, and Kroll Trustee Services Limited, as Trustee and Security Agent.
4.9	Supplemental Deed Poll, dated March 15, 2023, relating to US\$300,000,000 Notes due 2026
4.10	Deed of Amendment and Restatement in Respect of Warrant Instrument, dated March 15, 2023
10.1 [^]	Form of Subscription Agreement (incorporated by reference to Exhibit 10.1 of Alkuri Global Acquisition Corp.'s Form 8-K, filed with the SEC on June 4, 2021).
10.2 [^]	Voting and Support Agreement dated as of June 3, 2021, by and among Alkuri Global Acquisition Corp. and certain shareholders of Babylon Holdings Limited (incorporated by reference to Exhibit 10.3 of Alkuri Global Acquisition Corp.'s Form 8-K, filed with the SEC on June 4, 2021).
10.3 [^]	Lockup Agreement dated as of June 3, 2021, by and among Babylon Holdings Limited, Alkuri Sponsors LLC, and certain shareholders of Babylon Holdings Limited (incorporated by reference to Exhibit 10.4 of Alkuri Global Acquisition Corp.'s Form 8-K, filed with the SEC on June 4, 2021).
10.4 [^]	Director Nomination Agreement dated as of June 3, 2021, by and between Babylon Holdings Limited and Works Capital LLC (incorporated by reference to Exhibit 10.5 of Alkuri Global Acquisition Corp.'s Form 8-K, filed with the SEC on June 4, 2021).

Exhibit Number	Exhibit Description
10.5 [^]	Registration Rights Agreement dated as of June 3, 2021, by and among Alkuri Sponsors LLC, Babylon Holdings Limited and certain shareholders of Babylon Holdings Limited (incorporated by reference to Exhibit 10.6 of Alkuri Global Acquisition Corp.'s Form 8-K, filed with the SEC on June 4, 2021).
10.6 [^]	Lease of 1 Knightsbridge Green, London SW1 (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form F-4/A, filed with the SEC on September 27, 2021).
10.7 [^]	Sublease of 2500 Bee Cave Road, Rollingwood, Texas 78746 (incorporated by reference to Exhibit 4.15 to the Company's Form 20-F filed with the SEC on March 30, 2022).
10.8 [#]	Babylon Holdings Limited Long Term Incentive Plan, and form agreements thereunder (incorporated by reference to Exhibit 10.8 to the Company's Registration Statement on Form F-4/A, filed with the SEC on September 27, 2021)
10.9 [#]	Babylon Holdings Limited Company Share Option Plan, and form agreements thereunder (incorporated by reference to Exhibit 10.9 to the Company's Registration Statement on Form F-4/A, filed with the SEC on September 27, 2021)
10.10 [#]	Babylon Holdings Limited Employee Benefit Trust (incorporated by reference to Exhibit 10.10 to the Company's Registration Statement on Form F-4/A filed with the SEC on September 27, 2021).
10.11 [^]	Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.11 to the Company's Registration Statement on Form F-4/A filed with the SEC on September 27, 2021).
10.12 [#]	2021 Equity Incentive Plan (incorporated by reference to Exhibit 4.13 to the Company's Form 20-F filed with the SEC on March 30, 2022).
10.13 [#]	Amendment to 2021 Equity Incentive Plan, effective as of December 15, 2022.
10.14 [#]	Employment Agreement, dated August 1, 2022, by and between Babylon Inc. and Ali Parsadoust
10.15 [#]	Employment Agreement, dated September 1, 2022, by and between Babylon Partners Limited and David Humphreys
10.16 [#]	Employment Agreement, dated August 1, 2022, by and between Babylon Inc. and Paul-Henri Ferrand
10.17 [#]	Employment Agreement, dated August 1, 2022, by and between Babylon Inc. and Darshak Sanghavi
10.18 [^]	Bond Terms and Conditions, dated as of August 18, 2021, between Babylon Holdings Limited and Nordic Trustee & Agency AB (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement on Form F-4/A filed with the SEC on September 27, 2021)
10.19 [^]	Form of Subscription Agreement, dated October 16, 2022 (incorporated by reference to Exhibit 10.1 of the Company's Form 6-K filed with the SEC on October 18, 2022).
21.1	List of Subsidiaries of Babylon Holdings Limited
23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm
31.1	Certificate of the Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002
31.2	Certificate of the Chief Financial Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002
32.1*	Certificate of the Chief Executive Officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002
32.2*	Certificate of the Chief Financial Officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

[^] Previously filed.

* Exhibits 32.1 and 32.2 shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that Section. Such exhibits shall not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

Management contract or compensatory plan.

† Schedules and exhibits to this Exhibit omitted pursuant to Instruction 4(a) as to Exhibits of Form 10-K. The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BABYLON HOLDINGS LIMITED

By: /s/ Ali Parsadoust
Name: Ali Parsadoust
Title: Chief Executive Officer

Date: March 16, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Ali Parsadoust</u> Ali Parsadoust	Chief Executive Officer and Director (Principal Executive Officer)	March 16, 2023
<u>/s/ David Humphreys</u> David Humphreys	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) Director	March 16, 2023
<u>Mohannad AlBlehed</u> <u>/s/ Per Brilioth</u> Per Brilioth	Director	March 16, 2023
<u>/s/ Georgi Ganev</u> Georgi Ganev	Director	March 16, 2023
<u>/s/ Mairi Johnson</u> Mairi Johnson	Director	March 16, 2023
<u>/s/ David Warren</u> David Warren	Director	March 16, 2023

INDEX TO FINANCIAL STATEMENTS

Babylon Holdings Limited Audited Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm (KPMG LLP, London, U.K., Auditor Firm ID:1118)	F-2
Consolidated Balance Sheets as of December 31, 2022 and 2021	F-3
Consolidated Statement of Operations and Other Comprehensive Loss for the years ended December 31, 2022, 2021, and 2020	F-4
Consolidated Statements of Changes in Shareholders' Equity (Deficit) for the years ended December 31, 2022, 2021, and 2020	F-5
Consolidated Statement of Cash Flows for the years ended December 31, 2022, 2021, and 2020	F-6
Notes to the Consolidated Financial Statements	F-8

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Babylon Holdings Limited

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Babylon Holdings Limited (and subsidiaries) (the Company) as of December 31, 2022 and 2021, the related consolidated statements of operations and other comprehensive loss, changes in shareholders' equity (deficit), and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has suffered recurring losses from operations and has a net liability position that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2015.

London, United Kingdom
March 16, 2023

Babylon Holdings Limited
Consolidated Balance Sheets

	As of December 31,	
	2022	2021
	\$'000	\$'000
ASSETS		
Current assets		
Cash and cash equivalents	43,475	262,581
Trade receivables, net	15,524	8,278
Other receivables	17,502	15,758
Prepayments and contract assets	18,349	26,060
Assets held for sale	125,275	—
Total current assets	220,125	312,677
Property, plant and equipment, net	12,658	26,825
Operating lease right-of-use assets	13,327	10,943
Other intangible assets, net	—	28,774
Goodwill	—	67,361
Total assets	246,110	446,580
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current liabilities		
Trade payables	9,600	17,179
Other payables	4,839	5,507
Accruals and other liabilities	30,029	36,729
Due to related parties	4,791	—
Claims payable	8,475	24,628
Contract liabilities	18,710	23,786
Lease liabilities	5,102	4,186
Liabilities held for sale	74,717	—
Loans and borrowings	—	185
Premium deficiency reserve	6,124	51,282
Total current liabilities	162,387	163,482
Loans and borrowings, net of current position	278,028	168,601
Contract liabilities, net of current position	46,160	70,396
Lease liabilities, net of current portion	14,056	8,436
Warrant liability	711	20,128
Deferred tax liability	—	1,065
Earnout liability	667	174,949
Premium deficiency reserve	—	890
Total liabilities	502,009	607,947
SHAREHOLDERS' EQUITY		
Class A ordinary shares, \$0.001056433113 par value; 260,000,000 shares authorized at December 31, 2022 and 2021; 24,858,717 and 13,356,991 shares issued and outstanding as of December 31, 2022 and 2021, respectively	16	13
Class B ordinary shares, \$0.001056433113 par value; 124,000,000 shares authorized at December 31, 2022 and 2021; zero and 3,185,503 shares issued and outstanding as of December 31, 2022 and 2021, respectively	—	3
Additional paid-in capital	576,585	456,748
Accumulated deficit	(836,772)	(615,323)
Accumulated other comprehensive income / (loss)	4,272	(2,808)
Total stockholders' equity attributable to Babylon Holdings Limited stockholders	(255,899)	(161,367)
Non-controlling interests	—	—
Total shareholders' equity	(255,899)	(161,367)
Total liabilities and shareholders' equity	246,110	446,580

The accompanying notes form an integral part of the financial statements.

Babylon Holdings Limited
Consolidated Statement of Operations and Other Comprehensive Loss

	For the Year Ended December 31,		
	2022	2021	2020
	\$'000	\$'000	\$'000
Revenue	1,109,669	320,827	79,272
Claims expense	(1,017,003)	(219,625)	(25,120)
Clinical care delivery expense	(80,624)	(69,831)	(42,134)
Platform & application expenses	(29,897)	(32,723)	(32,209)
Research & development expenses	(79,155)	(68,473)	(80,538)
Sales, general & administrative expenses	(227,937)	(187,172)	(90,687)
Premium deficiency reserve income / (expense)	31,311	(46,533)	(5,639)
Impairment expense	(64,066)	—	—
Depreciation and amortization expenses	(12,050)	(9,185)	(3,955)
Loss from operations	(369,752)	(312,715)	(201,010)
Interest expense	(32,736)	(13,047)	(4,029)
Interest income	1,041	325	610
Gain on fair value remeasurement ⁽¹⁾	192,749	239,195	—
Loss on settlement of warrants	(2,397)	—	—
Exchange (loss) / gain	(10,420)	783	(2,836)
Gain on sale of subsidiary	—	3,917	—
Share of net loss on equity method investments	—	(3,339)	(1,124)
Net loss from operations before income taxes	(221,515)	(84,881)	(208,389)
Tax benefit / (provision)	66	1,443	(4,639)
Net loss	(221,449)	(83,438)	(213,028)
Other comprehensive loss			
Currency translation differences	7,080	(564)	3,580
Other comprehensive gain / (loss), net of income tax	7,080	(564)	3,580
Total comprehensive loss	(214,369)	(84,002)	(209,448)
Net loss attributable to:			
Equity holders of the parent	(221,449)	(77,409)	(211,797)
Non-controlling interest	—	(6,029)	(1,231)
	(221,449)	(83,438)	(213,028)
Total comprehensive loss attributable to:			
Equity holders of the parent	(214,369)	(77,973)	(208,217)
Non-controlling interest	—	(6,029)	(1,231)
	(214,369)	(84,002)	(209,448)
Net loss per share⁽²⁾			
Net loss per share, basic and diluted, from operations	(12.01)	(6.93)	(21.80)
Weighted average shares outstanding, basic and diluted	18,439,104	11,169,203	9,717,434

The accompanying notes form an integral part of the financial statements.

(1) Gain / (loss) on fair value remeasurement includes Gain / (loss) on warrant liabilities of \$ 18.2 million (2021: \$ 27.8 million, 2020: zero) and Gain / (loss) on earnout liabilities of \$ 174.3 million (2021: \$ 206.7 million, 2020: zero). See Note 20 for more details. Within Gain / (loss) on fair value measurement for the year ended December 31, 2021 includes a gain of \$ 4.6 million for the fair value remeasurement of existing equity interest in Higi upon acquisition. See Note 4 for more details.

(2) Net loss per share, basic and diluted, is calculated from Net loss attributable to the equity holders of the parent and is the same for both Class A ordinary shares and Class B ordinary shares. See Note 23 for details.

Babylon Holdings Limited
Consolidated Statements of Changes in Shareholders' Equity (Deficit)

	Previous Units Existing until the Merger			Current Units created for the Merger			Accumulated other comprehensive income	Equity attributable to owners of the parent company	Non-controlling interest	Total shareholders' equity (deficit)
	Ordinary A shares	Ordinary B shares	Preference C shares	Class A ordinary shares	Class B ordinary shares	Additional paid-in capital				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at December 31, 2019	2	8	3	—	—	458,393	(323,211)	(5,824)	129,371	129,371
Net loss	—	—	—	—	—	—	(211,797)	—	(1,231)	(213,028)
Foreign exchange movement	—	—	—	—	—	—	—	3,580	—	3,580
Issuance of shares	—	—	—	—	—	11,907	—	—	11,907	11,907
Conversion of convertible debt	—	—	—	—	—	30,189	—	—	30,189	30,189
Equity-settled stock-based payment transactions	—	—	—	—	—	16,917	—	—	16,917	16,917
Balance at December 31, 2020	2	8	3	—	—	517,406	(535,008)	(2,244)	(19,833)	(21,064)
Net loss	—	—	—	—	—	—	(77,409)	—	(6,029)	(83,438)
Foreign exchange movement	—	—	—	—	—	—	—	(564)	—	(564)
Net consolidation of subsidiaries	—	—	—	—	—	31,570	(2,906)	—	28,664	35,924
Conversion of shares for the Merger	(2)	(8)	(3)	13	—	—	—	—	—	—
Issuance of shares in Merger and PIPE financing	—	—	—	—	3	198,299	—	—	198,302	198,302
Equity issuance costs	—	—	—	—	—	(32,787)	—	—	(32,787)	(32,787)
Conversion of convertible debt	—	—	—	—	—	70,000	—	—	70,000	70,000
Equity issued as consideration for acquisitions	—	—	—	—	—	2,349	—	—	2,349	2,349
Equity-settled stock-based payment transactions	—	—	—	—	—	48,186	—	—	48,186	48,186
Earnouts issued	—	—	—	—	—	(381,693)	—	—	(381,693)	(381,693)
Other	—	—	—	—	—	3,418	—	—	3,418	3,418
Balance at December 31, 2021	—	—	—	13	3	456,748	(615,323)	(2,808)	(161,367)	(161,367)
Net loss	—	—	—	—	—	—	(221,449)	—	(221,449)	(221,449)
Foreign exchange movement	—	—	—	—	—	—	—	7,080	—	7,080
Equity issuance costs	—	—	—	—	—	(712)	—	—	(712)	(712)
Issuance of shares in warrant exchange	—	—	—	—	—	4,923	—	—	4,923	4,923
Other	—	—	—	—	—	1,070	—	—	1,070	1,070
Conversion of shares for PIPE financing	—	—	—	3	(3)	—	—	—	—	—
Issuance of shares in PIPE financing	—	—	—	—	—	80,000	—	—	80,000	80,000
Equity-settled stock-based payment transactions	—	—	—	—	—	34,556	—	—	34,556	34,556
Balance at December 31, 2022	—	—	—	16	—	576,585	(836,772)	4,272	(255,899)	(255,899)

The accompanying notes form an integral part of the financial statements.

Babylon Holdings Limited
Consolidated Statement of Cash Flows

	For the Year Ended December 31,		
	2022	2021	2020
	\$'000	\$'000	\$'000
Cash flows from operating activities			
Net loss	(221,449)	(83,438)	(213,028)
<i>Adjustments to reconcile Net loss to net cash used in operating activities:</i>			
Non-cash interest expense, net	31,695	12,743	3,419
Non-cash restructuring and other termination benefits	5,071	—	—
Stock-based compensation	34,556	48,186	9,557
Depreciation and amortization	12,050	9,185	3,955
Exchange loss / (gain)	10,420	(783)	7,318
Gain on fair value remeasurement	(192,749)	(239,195)	—
Premium deficiency reserve (income) / expense	(31,311)	46,533	5,639
Loss on settlement of warrants	2,397	—	—
Taxation	(66)	(1,443)	4,639
Impairment expense	64,066	—	—
Share of net loss of equity method investments	—	3,339	1,124
Gain on sale of subsidiary	—	(3,917)	—
<i>Working capital adjustments</i>			
(Increase) / Decrease in trade and other receivables	(19,643)	(4,868)	1,668
Decrease / (Increase) in prepayments and contract assets	6,186	(15,864)	(2,454)
Increase in trade, other and claims payables	27,036	27,364	6,614
Decrease in accruals and other liabilities and due to related parties	(18,729)	(3,447)	(1,470)
(Decrease) / Increase in contract liabilities	(21,937)	17,404	(5,566)
Increase / (Decrease) in operating lease liabilities	999	(1,245)	(1,898)
Net cash used in operating activities	(311,408)	(189,446)	(180,483)
Cash flows from investing activities			
Capital expenditure	(8,514)	(8,103)	(719)
Acquisitions, net of cash acquired	—	(22,843)	(25,671)
Purchase of shares in equity method investments and joint ventures	—	(5,000)	(10,000)
Proceeds from sale of investment in subsidiary	—	2,213	—
Net cash used in investing activities	(8,514)	(33,733)	(36,390)
Cash flows from financing activities			
Proceeds from issuance of notes and warrants	100,000	270,563	—
Proceeds from the issuance of shares	80,000	229,311	12,096
Payment of debt issuance costs	(4,256)	(1,446)	(10,245)
Payment of equity issuance costs	(2,210)	(31,239)	—
Other financing activities, net	(359)	(470)	—
Repayment of cash loan	—	(82,000)	—
Proceeds from issuance of convertible loan notes	—	—	100,000
Net cash provided by financing activities	173,175	384,719	101,851
Less: Cash and cash equivalents classified as held for sale	(61,000)	—	(577)
Net increase / (decrease) in cash and cash equivalents	(207,747)	161,540	(115,599)
Cash and cash equivalents at January 1,	262,581	101,757	214,888
Effect of movements in exchange rate on cash held	(11,359)	(716)	2,468
Cash and cash equivalents at December 31,	43,475	262,581	101,757

The accompanying notes form an integral part of the financial statements.

The supplemental disclosure requirements for the Consolidated Statement of Cash Flows are as follows:

	For the Year Ended December 31,		
	2022	2021	2020
	\$'000	\$'000	\$'000
Non-cash financing and investing activities:			
Issuance of Loans and borrowings upon conversion of interest	10,466	1,431	—
Shares issued upon settlement of warrants	4,626	—	—
Impairment expense recognized due to restructuring	4,247	—	—
Accrued and unpaid interest within Accruals and other liabilities	(3,911)	(2,519)	—
Fair value of warrants issued	(3,418)	(47,939)	—
Capital expenditures in trade payables	(521)	(1,706)	—
Fair value of Earnout liabilities issued in connection with Loans and borrowings	—	381,693	—
Conversion of borrowings	—	70,000	—
Acquisition date fair value of Higi upon consolidation	—	59,986	—
Acquisitions of non-controlling interests	—	(7,260)	—
Equity and debt issuance costs in Accruals and other liabilities	—	(4,521)	—
Equity issued as consideration for acquisitions	—	(2,349)	—

The accompanying notes form an integral part of the financial statements.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

1. Corporate Information

Babylon Holdings Limited (the “Company,” “Babylon,” “we” or “our”) is incorporated, registered and domiciled in Jersey. The principal executive offices is 2500 Bee Cave Road, Building 1 — Suite 400, Austin, Texas 78746.

Babylon is a digital-first, value-based care healthcare company whose mission is to make high-quality healthcare accessible and affordable for everyone on Earth. Babylon is re-engineering healthcare, shifting the focus from sick care to proactive healthcare, in order to improve the overall patient experience and reduce healthcare costs. This is achieved by leveraging a highly scalable, digital-first platform combined with high quality, virtual clinical operations to provide integrated, personalized healthcare. Babylon works with governments, health providers and insurers across the globe, and support healthcare facilities from small local practices to large hospitals.

On June 3, 2021, Babylon announced it entered into a definitive merger agreement (the “Merger Agreement”) with Alkuri Global Acquisition Corp (“Alkuri”), a special purpose acquisition company (the “Merger”) following the unanimous approval of the Board of Directors of the Company and Alkuri. The transaction was consummated on October 21, 2021, and the combined company operates as Babylon and trades on the New York Stock Exchange. The Merger was accounted for as a recapitalization in accordance with ASC 805, Business Combinations (“ASC 805”) as issued by the Financial Accounting Standards Board. Under this method of accounting, Babylon was treated as the “acquirer” company. This determination was primarily based on Babylon comprising the ongoing operations of the combined company and Babylon’s senior management comprising the senior management of the combined company. See Note 3 for additional discussion.

2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

Prior to the year ended December 31, 2022, Babylon, including all wholly-owned subsidiaries and majority-owned or controlled entities (the “Group”), prepared its financial statements in accordance with the International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), permitted in the United States as the Group qualified as a “foreign private issuer” under the rules and regulations of the Securities and Exchange Commission (“SEC”). At December 31, 2022, the Group no longer met the qualification to file its financial statements with the SEC as a foreign private issuer, and was considered to be a domestic filer. Accordingly, the Group now prepares its Consolidated Financial Statements in accordance with the Generally Accepted Accounting Principles of the United States (“U.S. GAAP”). As a result of this current period adoption, the Group has retrospectively converted its Consolidated Financial Statements previously issued under IFRS to U.S. GAAP.

The Company consolidates certain professional service corporations (“PCs”) that are owned, directly or indirectly, and operated by appropriately licensed physicians. The Company maintains control of these PCs through contractual arrangements, which can include service agreements, financing agreements, equity transfer restriction agreements, and employment agreements, or a combination thereof, which are primarily established during the formation of the PCs. At inception, the contractual framework established between the Group and the PCs provides the Group with the power to direct the relevant activities in the conduct of the PC’s non-clinical administrative and other non-clinical business activities. The physicians employed by the PC are exclusively in control of, and responsible for, all aspects of the practice of medicine for their patients. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and a substantive process and whether the acquired set has the ability to produce outputs.

For those consolidated subsidiaries where our ownership is less than 100%, the portion of the net income or loss allocable to the noncontrolling interests is reported as “Loss attributable to noncontrolling interests” in the Consolidated Statement of Operations and Other Comprehensive Loss. The Company records a non-controlling interest for the portion attributable to its minority partners. Intercompany balances and transactions have been eliminated in consolidation. Business combinations accounted for as purchases have been included from their respective dates of acquisition.

Variable Interest Entities

The Company evaluates its ownership, contractual and other interests in entities to determine if it has any variable interest in a VIEs. These evaluations are complex, involve judgment, and the use of estimates and assumptions based on available

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

historical information, among other factors. The Company considers itself to control an entity if it is the majority owner of or has voting control over such entity. The Company also assesses control through means other than voting rights (“variable interest entities” or “VIEs”) and determines which business entity is the primary beneficiary of the VIE. The Company consolidates VIEs when it is determined that the Company is the primary beneficiary of the VIE. Management performs ongoing reassessments of whether changes in the facts and circumstances regarding the Company’s involvement with a VIE will cause the consolidation conclusion to change. Changes in consolidation status are applied prospectively (see Note 11).

Use of Estimates

The preparation of Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and accompanying notes. The Company bases its estimates on historical experience, current business and economic factors, and various other assumptions that the Company believes are necessary to form a basis for making judgments about the carrying values of assets and liabilities, the recorded amounts of revenue and expenses, and the disclosure of contingent assets and liabilities. The Company is subject to uncertainties such as the impact of future events, economic and political factors, and changes in the Company’s business environment; therefore, actual results could differ from these estimates. Accordingly, the accounting estimates used in the preparation of the Company’s Consolidated Financial Statements will change as new events occur, as more experience is acquired, as additional information is obtained and as the Company’s operating environment evolves. The Company believes that estimates used in the preparation of these Consolidated Financial Statements are reasonable; however, actual results could differ materially from these estimates.

Changes in estimates are made when circumstances warrant. Such changes in estimates and refinements in estimation methodologies are reflected in the Consolidated Statement of Operations and Other Comprehensive Loss, and if material, are also disclosed in the Notes to Consolidated Financial Statements. Estimates that involve a significant level of estimation uncertainty and reasonably likely to have a material impact on the Consolidated Financial Statements of the Company include our impairment analyses over the carrying value of long-lived assets (including goodwill and intangible assets), certain assumptions for revenue recognition, the accounting for premium deficiency reserves, incurred but not reported (“INBR”) amounts within claims expense, and the accounting for business combinations. Other policies that use estimates include the accounting for financial instruments and the accounting for stock-based compensation awards. For more details related to these estimates, refer to their sections within Note 2 of our Consolidated Financial Statements.

Going Concern

At December 31, 2022, the Group incurred a loss for the year of \$21 million (2021: loss of \$83.4 million, 2020: loss of \$213.0 million). As of December 31, 2022 the Group had a net liability position of \$255.9 million (2021: \$161.4 million). At December 31, 2022, the Group had cash and cash equivalents of \$104.5 million (2021: \$262.6 million) including \$61.0 million of cash and cash equivalents held for sale. The Group has financed its operations principally through issuances of debt and equity securities and has a strong record of fundraising, including the closing of the Merger and PIPE Transaction (as defined below) on October 21, 2021 receiving proceeds of \$229.3 million (Note 3), entering into a note subscription agreement for \$200.0 million on October 8, 2021 (Note 17), entering an additional unsecured note on March 31, 2022 for \$100.0 million (Note 17), and entering into subscription agreements with several investors for a private placement of our Class A ordinary shares for \$80.0 million (Note 19). The Group’s ability to continue as a going concern is dependent upon its ability to raise additional capital, which is necessary to fund its working capital requirements and ultimately achieve profitable operations.

Management performed a going concern assessment for a period of twelve months from the date of approval of these Consolidated Financial Statements to assess whether conditions exist that raise substantial doubt regarding the Group’s ability to continue as a going concern. On March 9, 2023 we entered into a committed working capital facility (the “Bridge Facility”) for an aggregate principal amount of up to \$34.5 million (Note 25) with certain affiliates of our existing counterparty for our note subscription agreement (Note 17). The purpose of this facility is to provide us with funding for a period of time that allows us to execute binding bids relating to a successful sale of our Meritage Medical Network/Independent Physicians Association Business (referred to as “IPA Business” or “IPA reporting unit” throughout our consolidated financial statements; Note 5) or other strategic alternatives which would provide us with sufficient liquidity to fund our liabilities as they become due through March 31, 2024.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

While there is no assurance that the facility will provide us with funding for a time period that allows us to execute binding bids relating to a successful sale of our IPA Business or other strategic alternatives, management believes it remains appropriate to prepare our financial statements on a going concern basis.

However, the above indicates that there are material uncertainties (ability to raise further capital through the successful execution of our planned sale of the IPA Business or other strategic alternatives) related to these potential events and there is substantial doubt about the Group's ability to continue as a going concern within one year after the date the financial statements have been issued.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Revenue Recognition

Revenue is primarily derived from the following sources: (1) capitation revenue from value-based care services, (2) software license fees for the provision of AI services, and (3) patient revenues from the provision of clinical services.

Revenue is recognized upon transfer of control of services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those services.

Contract assets are recognized when there is an excess of revenue earned over billings on contracts where the rights are conditional on something other than passage of time. Contract assets primarily relate to the Group's rights to consideration for work performed but subject to customer acceptance at the reporting date.

Contract liabilities are recognized when there are billings in excess of revenues earned for services rendered.

The Group's contracts with customers could include promises to transfer multiple services to a customer. The Group assesses the services promised in a contract and identifies distinct or bundled performance obligations in the contract. Identification of these performance obligations involves judgement to determine the promises and the ability of the customer to benefit independently from such promises. If multiple performance obligations are identified in the contract the transaction price is allocated to each performance obligation on a relative stand-alone selling price basis, for which the Group recognizes revenue as or when the performance obligations under the contract are satisfied. Transaction prices are adjusted for the effects of a significant financing component if we expect, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that service will be more than one year.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how a customer consumes benefits as services are rendered, existence of enforceable rights to payment for performance to date, transfer of control to the customer and acceptance of delivery of the service by the customer.

Value-based Care Revenue

Value-based care ("VBC") revenue consists primarily of per member per month ("PMPM") allocations for care management services by the Group under arrangements with various customers. Under the typical capitation arrangement, we are entitled to PMPM fees to provide a defined range of VBC services to attributed members. PMPM fees are based upon fixed rates per member or a percentage of the per member premium of the health plan and are not dependent upon the volume of specific care services provided. In addition, the arrangements usually include payments dependent on factors such as the health of our members, our ability to realize savings in healthcare spend for those members and the achievement of certain quality performance metrics. Unlike clinical services revenue discussed below, the Group accepts partial or full financial risk (either global or professional) for members attributed to our VBC services in exchange for a fixed monthly allocation, which means we are responsible for the cost of all covered services provided to members.

In general, the Group considers all VBC revenue contracts as containing a single performance obligation to stand ready to provide managed VBC services to the attributed members. This performance obligation is satisfied over time as the Group stands ready to fulfill its obligation to the attributed members as a group. Accordingly, the Group recognizes revenue in the month in which attributed members are entitled to receive VBC services during the contract term.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

Part of the consideration received under VBC revenue contracts is variable as the contracts contain provisions dependent on factors such as the health of our members, our ability to realize savings in healthcare spend for those members and the achievement of certain quality performance metrics. VBC revenue is estimated using the most likely amount methodology and amounts are only included in revenue to the extent that it is probable that a significant reversal of cumulative revenue will not occur once any uncertainty is resolved. Such uncertainties may only be resolved several months after the end of the reporting period because of the availability of sufficient reliable data relating to factors such as quality metrics, member specific attributes and healthcare service costs. Subsequent changes in estimates in VBC revenue and the amount of PMPM revenue to be recognized by the Company are reflected in subsequent periods.

VBC revenue is recognized gross when it is assessed that the performance obligation relates to the whole of the patient journey with the Group responsible for arranging, providing and controlling the VBC services provided to the attributed members, with expenses payable to other healthcare providers.

Software Licensing Revenue

Under ASC 606, Revenue from Contracts with Customers (“ASC 606”) the Group must determine whether the Group’s promise to grant a software license provides its customer with either a right to access the Group’s intellectual property (“IP”) or a right to use the Group’s IP. A software license will provide a right to access the IP if there is significant development of the IP expected in the future, whereas for a right to use, the IP is to be used in the condition it is at the time the software license is signed and made available to the customer. Our license fee revenue consists of artificial intelligence (“AI”) services that are provided on a continuous basis for the contractual period. Where we have determined that the customer obtains a right to access our AI services, we recognize revenue on a straight-line basis over the contractual term beginning when the customer has access to the service. Where we identify that the customer obtains a right to use license, we recognize revenue from the license upfront at the point in time at which the license is granted and the software is made available to the customer. Any contract specific revenue relating to localization of services prior to the commencement of software license term is not deemed to be distinct from the software license contract and is consequently also recognized over the software license term. Efforts to satisfy performance obligations are expended evenly throughout the performance period and so the performance obligation is considered to be satisfied evenly over time.

In some cases, we have concluded that upfront payments included in software license contracts with customers have a significant financing component considering the period between the upfront payment and the services provided, when the contract term is more than one year. As a result, the transaction price must be adjusted to account for the time value of money by using an appropriate discount rate. The discount rate utilized is determined based on the rate that would be reflected in a separate financing transaction with the customer. When a significant financing component exists, we recognize a contract liability for the entire upfront cash payment received, excluding the amount relating to the financing component from the transaction price. Additionally, interest expense is recognized over the duration of the contract under the amortized interest method.

Clinical Service Revenue

Clinical service revenue represents clinical services provided to our business and private patients under an arrangement and is recognized when the services are rendered. Our clinical service fees are based on PMPM subscription fees and fees per appointment (“fee-for-service”). PMPM subscription fees give members access to our clinical services over the contractual period as set forth in the arrangement, recognized monthly based on the number of members covered by the plan in a given month. Fee-for-service is based on contracted rates determined in agreed-upon compensation schedules and is recognized when the services are rendered at a point in time.

Claims Expense

Claims expense includes the costs of healthcare services rendered by third parties on behalf of patients which the Company is contractually obligated to pay, which includes estimates for medical expenses incurred but not yet reported (“IBNR”) using actuarial processes that are applied on a systematic and consistent basis. This process includes the development of estimates using historical claims experience and actuarial models when sufficient claims history is available from health plans and payors. Claims expense also includes other external costs incurred in the delivery of healthcare services including insurance premiums and recoveries.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

Clinical Care Delivery Expense

Clinical care delivery expense includes the internal costs that we incur in the provision of healthcare services to patients, which is substantially composed of employee-related expenses such as salaries and wages for Babylon healthcare professionals. Other costs within Clinical care delivery expense include operating costs incurred for the delivery of healthcare services to patients, such as occupancy, medical supplies, and other support-related costs.

Platform & Application Expenses

Platform & application expenses are costs of revenue for our digital healthcare platform. These costs primarily include employee-related salaries, benefits, stock-based compensation, and contractor and consultant expenses that are engaged in providing professional services related to support and maintenance of the digital healthcare platform. These costs also include third-party application costs, hosting services, and other direct costs.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product establishes technological feasibility. Technological feasibility is established when i) a product design and working model of the product has been completed and ii) testing has been completed over the working model along with ensuring its consistency with the product design. If the criteria is met, capitalized development costs are recorded as intangible assets and amortized from the point at which the development is complete, and the asset is available for use. Expenses that do not meet the criteria for capitalization are expensed as incurred within Platform & application expenses.

For the years ended December 31, 2022, 2021 and 2020, no costs were determined to meet the criteria to establish technological feasibility and therefore, were expensed as incurred.

Research & Development Expenses

Research & development expenses primarily included employee-related salaries, benefits, stock-based compensation, and contractor and consultant expenses that are engaged in performing activities to develop and improve the Group's digital healthcare platform. These costs also include third-party application costs, hosting services, and other indirect costs. Research costs and development costs that do not meet the criteria for capitalization are expensed as incurred within Research & development expenses.

Sales, General & Administrative Expenses

Sales, general & administrative expenses include employee-related expenses, contractors and consultants expense, stock-based compensation, IT and hosting, marketing, training and recruiting expenses. Enterprise IT and hosting costs are primarily software subscriptions, domain and hosting costs.

Restructuring and Other Termination Benefits

Restructuring and other termination benefits includes expenses for severance, benefits, and contract termination costs for cost reduction efforts to accelerate the Group's path to profitability. These specific initiatives were predominately completed within the third and fourth quarter of 2022. We accrued costs in connection with these initiatives in the period when the initiatives commence.

Premium Deficiency Reserve

Premium deficiency reserve is a liability balance based on estimates for anticipated losses on VBC contracts. These are reassessed by Management when it becomes probable that future losses will be incurred. Management establishes a premium deficiency reserve in current operations to the extent that the direct and indirect cost of fulfilling a VBC arrangement exceeds the future premiums. For purposes of calculating premium deficiency reserves, management groups contracts in a manner consistent with the method of acquiring, servicing, and measuring the profitability of such contracts. Losses or gains from the reassessment of the reserve are recorded in the period in which such losses or gains were identified and are reflected within the Consolidated Statement of Operations and Other Comprehensive Loss.

Claims Payable

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

Claims payable includes costs for third party healthcare service providers who provide medical care to our members for which the Group is contractually obligated for financial risks relating to the medical services provided. These balances are netted with operating advances paid by the corresponding health plan of a contract as they used to satisfy the obligation to healthcare service providers. The estimated reserve for IBNR claims is included in the liability for unpaid claims in the Consolidated Balance Sheet. Actual claims expense will differ from the estimated liability due to factors in estimated and actual member utilization of health care services, the amount of charges and other factors. We determine our estimates through a variety of actuarial models based on medical claims history to ensure our estimates represent the best, most reasonable estimate given the data available to us at the time the estimates are made.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Under this method, deferred income tax assets and liabilities are recorded based on the estimated future tax effects of differences between the financial statement and income tax basis of existing assets and liabilities. These differences are measured using the enacted statutory tax rates that are expected to apply to taxable income for the years in which differences are expected to reverse. The Company recognizes the effect on deferred income taxes of a change in tax rates in the period that includes the enactment date. The Company records a valuation allowance to reduce its deferred tax assets to the net amount that it believes is more-likely-than-not to be realized. Management considers all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing tax planning strategies in assessing the need for a valuation allowance.

Under the provisions of ASC 740-10, Income Taxes, the Company evaluates unrecognized tax benefit by reviewing against applicable tax law for all positions taken by the Company with respect to tax years for which the statute of limitations is still open. ASC 740-10 provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. The Company recognizes interest and penalties related to the liability for unrecognized tax benefits, if any, as a component of the income tax expense line in the accompanying Consolidated Statement of Operations and Other Comprehensive Loss.

Net Loss Per Share

Basic and diluted net loss per share is presented in accordance with the two-class method required for participating securities. The Group considers the Earnout and certain Warrant liabilities as participating securities. Net loss is not allocated to deferred shares as the company has not issued any deferred shares nor does that form of stock share in losses of the Group. Net loss per share is computed by dividing the net loss attributable to equity holders of the Group by the weighted-average number of shares of ordinary shares of the Group outstanding during the period. In periods where the Group's operations result in Net income, further adjustments to Net income could occur for the allocation of earnings to participating securities. Diluted net loss per share is computed by giving effect to all potential ordinary shares, to the extent they are dilutive. Basic and diluted net loss per share was the same for each period presented as the inclusion of all potential ordinary shares outstanding would have been anti-dilutive. We have included shares issuable for little or no cash consideration upon the satisfaction of certain conditions (contingently issuable shares), including options and warrants, within the computation of basic net loss per share as of the date that all necessary conditions have been satisfied (in essence, when issuance of the shares is no longer contingent).

In periods where there is a change in common shares outstanding, including share splits and reverse share splits, the Group has adjusted the computations of basic and diluted net loss per share retroactively for all periods presented to reflect that change in capital structure.

Comprehensive Loss

Comprehensive loss consists of cumulative translation gains or losses. Unrealized gains or losses are net of any reclassification adjustments for realized gains and losses included in the Consolidated Statement of Operations and Other Comprehensive Loss.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

Segment Reporting

The Company determined in accordance with ASC 280, Segment Reporting (“ASC 280”), that the Company operates under one operating segment, and therefore one reportable segment for its Healthcare services. The Company’s chief operating decision makers (“CODMs”) regularly review financial operating results on a consolidated basis for purposes of allocating resources and evaluating financial performance. Our CODM has been identified as the Chief Executive Officer. Although the Company derives its revenues from several different geographic regions, the Company neither allocates resources based on the operating results from the individual regions nor manages each individual region as a separate business/reporting unit. The Company’s CODM manages the operations on a consolidated basis to make decisions about overall corporate resource allocation and to assess overall corporate profitability based on consolidated revenues and net income. For the periods presented, the majority of the Company’s revenues were located in the United States and long-lived assets existed primarily in the United States until the Higi and IPA reporting units were classified as held for sale as of December 31, 2022. As such, we have identified a single operating segment and reportable segment however, concentrations exist within the single reportable segment for major customers and geographic information. Refer to Note 8 for details related to our reportable segment.

Business Combinations

The acquisition consideration is measured at fair value which is the aggregate of the fair values of the assets transferred, the liabilities incurred or assumed and the equity interests in exchange for control. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognized in the Consolidated Statement of Operations and Other Comprehensive Loss.

The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. The allocation process requires an analysis of acquired contracts, customer relationships, contractual commitments, and legal contingencies to identify and record the fair value of all assets acquired and liabilities assumed. In valuing acquired assets and assumed liabilities, fair values are based on, but are not limited to, future expected cash flows, current replacement cost for similar capacity for certain fixed assets, market rate assumptions for contractual obligations, and appropriate discount rates and growth rates.

Where the consideration transferred, together with the non-controlling interest, exceeds the fair value of the net assets, liabilities and contingent liabilities acquired, the excess is recorded as goodwill. Acquisition related costs are expensed as incurred and classified as Sales, general & administrative expenses in the Consolidated Statement of Operations and Other Comprehensive Loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in the Consolidated Statement of Operations and Other Comprehensive Loss. When the Group increases its ownership interests held in one of its consolidated subsidiaries, any difference between the consideration given and the aggregate carrying value of the assets and liabilities of the acquired entity at the date of the transaction is included in equity in retained earnings.

Property, Plant and Equipment

Property, plant and equipment is stated at historical cost, which includes capitalized borrowing costs, as applicable, less accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Consolidated Statement of Operations and Other Comprehensive Loss during the reporting period in which they are incurred.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

Depreciation is calculated on a useful lives of the asset and recognized within Depreciation and amortization, as follows:

– Computer equipment	3 years
– Fixtures and fittings	3-5 years
– Deployed machinery	4 years

At the end of each reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

When an asset is disposed of, the gain or loss is calculated by comparing proceeds received with its carrying amount and is recognized in the Consolidated Statement of Operations and Other Comprehensive Loss.

Other Intangible Assets

Intangible assets resulting from capitalized development costs in the normal course of business are recorded at historical cost. Intangible assets acquired in a business combination are recognized at fair value at the acquisition date. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are at least reviewed at the end of each reporting period. The amortization expense on intangible assets with finite lives is recognized in Depreciation & amortization expenses.

The useful lives of the Group's intangible assets are:

– Development costs	1-10 years
– Developed technology	5 years
– Customer relationships	15 years
– Trade names	5-11 years
– Physician network	3-10 years
– Licenses	1-2 years

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Operations and Other Comprehensive Loss.

Goodwill

Goodwill is measured as described in "Business combinations" above. Goodwill is not amortized and is reviewed for impairment at least annually as of October 1 or more frequently if triggering events occur or impairment indicators exist. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the reporting units or groups of reporting units, that is expected to benefit from the synergies of the combination. Each unit or group of units represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

When testing goodwill for impairment, we first performing a qualitative assessment to determine whether it is likely or not that the fair value of our total company reporting unit is less than its respective carrying amount. If we elect to bypass the qualitative assessment, or if a qualitative assessment indicates it is more likely than not that carrying value exceeds its fair value, we perform a quantitative goodwill impairment test. Under the quantitative goodwill impairment test, if our reporting unit's carrying amount exceeds its fair value, we will record an impairment charge based on the difference.

Trade Receivables

We use a forward-looking current expected credit loss ("CECL") model in determining our allowance for doubtful accounts as it relates to trade receivables, contract assets, and other financial assets. Our allowance is based on historical experience, and includes consideration of the aging of the receivables, the economic environment, industry trend analysis, and the credit history and financial conditions of the customers among other factors. We measure an impairment loss as the excess of the carrying amount over the present value of the estimated future cash flows discounted using the financial asset's original discount rate, and we recognize this loss in our Consolidated Statement of Operations and Other Comprehensive Loss. A financial asset is written-off or written-down to its net realizable value as soon as it is known to be impaired. We adjust previous write-downs to reflect changes in estimates or actual experience. Our allowance for doubtful accounts is not material.

Assets Held for Sale

Assets and liabilities of disposal group(s) are classified as held for sale when:

- management, having the authority to approve action, commits to a plan to sell,
- the disposal group(s) are available for immediate sale in present condition,
- an active program to locate a buyer and other actions required to complete the plan to sell have been initiated,
- the sale is probable and expected to be completed within one year,
- the sale is actively marketed at a reasonable price reflecting its current fair value,
- and it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The Group initially measures a disposal group that is classified as held for sale at the lower of its carrying value or fair value less cost to sell. Any impairment loss resulting from this initial measurement is recognized in the period in which the held for sale criteria described above, is met. Conversely, gains are not recognized on the sale of a disposal group until the date of sale. The Group assesses the fair value of a disposal group, less costs to sell, at each reporting period that it remains as held for sale, with any changes as a result of the assessment adjusting the carrying value of the disposal group, but not in excess of the cumulative loss previously recognized on the disposal group.

Following their classification as held for sale, assets are not depreciated or amortized. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized. Refer to Note 5 for more details.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less from the date of purchase. As of December 31, 2022, the Group had restricted cash of \$0.3 million (2021: \$0.3 million). The Company's cash and cash equivalents generally consist of restricted cash and short-term investment funds. Cash and cash equivalents are stated at fair value.

Impairment of Non-financial Assets Excluding Deferred Tax Assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that carrying values may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its fair value. An asset's fair value is determined by using critical accounting estimates of discounted future net cash flows of the asset or group of assets to which it belongs. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows from other assets and liabilities (an asset group).

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

Employee Benefits

Defined Contribution Plans

Obligations for contributions to defined contribution pension plans are recognized as an expense in the Consolidated Statement of Operations and Other Comprehensive Loss the periods during which services are rendered by employees.

Short-term Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Stock-based Payment Transactions

The Group and the Company operates an equity compensation scheme. It issues equity settled stock-based payments to both employees and non-employees within the Group, whereby services are rendered in exchange for rights to purchase shares of the Company, which are primarily composed of restricted stock awards and options. Non-employees include contractors and advisors.

The grant date fair value of stock-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards, net of estimated forfeitures. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions (if applicable) are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. Compensation expense associated with equity compensation awards is recognized on a straight-line basis over the requisite period. The forfeitures rate is estimated and revised at each reporting date based on current period information and actual forfeitures. For stock-based payment awards with non-vesting conditions, the grant date fair value of the stock-based payment is measured to reflect such conditions, and there is no true-up for differences between expected and actual outcomes.

Valuation of Ordinary Shares

As there has been no public market for the Group's ordinary shares prior to October 21, 2021, the estimated fair value of the ordinary shares had been determined by the Board of Directors as of the date of each grant, with input from management, considering the most recently available third-party valuations of the Group's ordinary shares, and the assessment of additional objective and subjective factors that they believed were relevant and which may have changed from the date of the most recent valuation through the date of the grant.

Foreign Currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the average foreign exchange rates for income and expenses. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling as of the reporting period end date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognized in the Consolidated Statement of Operations and Other Comprehensive Loss.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's reporting currency, United States Dollars, at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognized as other comprehensive loss.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

Contingencies

A contingent liability is recognized in the Consolidated Balance Sheets when both it is probable that a loss has been incurred and the amount of the loss is reasonably estimable.

Equity Issuance Costs

The Group recognizes incremental external costs directly attributable to an equity issuance transaction as a deduction from equity. Any transaction costs are therefore deducted from share premium where possible to do so.

Debt Issuance Costs

The Group recognizes incremental external costs directly attributable to a debt issuance transaction as a reduction of the carrying value of the related debt liability. The costs are amortized over the life of the debt using the effective interest rate method. The amortized costs are reported as Interest expense on the Consolidated Statement of Operations and Other Comprehensive Loss.

Leases

Our lease contracts primarily include real estate leases for buildings and are accounted for under ASC 842, Leases (“ASC 842”).

We assess whether a contract is or contains a lease, at inception of a contract. We recognize a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which we are the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). The Group has determined capitalization threshold of \$0.3 million for individual lease payments or \$1.0 million in the aggregate for an individual period to be expensed as incurred.

For operating leases, we subsequently measure the right-of-use asset at the present value of the remaining lease payments, discounted using the interest rate used at lease conception and adjusted for the following:

- Prepaid or accrued lease payments
- The remaining balance of any lease incentives to be received
- Unamortized initial direct costs
- Any ROU asset impairments

For finance leases, we amortize the right-of-use asset on a straight-line basis unless another systematic basis is more representative of the pattern in which the lessee expects to consume the right-of-use asset’s future economic benefits.

Financial Instruments

Derivatives

Derivatives are initially measured at fair value and are subsequently remeasured to fair value at each reporting date. Warrants are derivatives that give the holder the right, but not the obligation to subscribe to the Company’s Ordinary Shares at a fixed or determinable price for a specified period. Changes in fair value are recognized in Gain / (loss) on Warrant liabilities or Earnout liabilities in the Consolidated Statement of Operations and Other Comprehensive Loss, as appropriate.

For warrants that are tradeable, fair value is determined using market price on the NYSE under the ticker BBLN.W. For non-tradeable warrants and earnout shares, fair value is determined based on the terms of the warrants or other applicable agreements. For non-tradeable warrants with identical terms to the tradeable warrants, fair value is determined using market price of the tradeable warrants. For non-tradeable warrants or earnout shares with terms that are not identical to the tradeable warrants or other similar instruments, fair value is determined using a Monte Carlo simulation that takes into account the exercise price, the term of the warrant, the underlying share price (BBLN) at the measurement date, the risk-free rate, and a volatility rate derived from peer group companies.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

Loans and Borrowings

Interest-bearing loans and borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the Consolidated Statement of Operations and Other Comprehensive Loss over the period of the borrowings using the effective interest method.

Convertible Loan Notes

The Company evaluates all conversion, repurchase and redemption features contained in a debt instrument to determine if there are any embedded features that require bifurcation as a derivative. In accounting for the issuance of the Convertible Loan Note issued in November 2020, the Company recorded a long-term debt liability equal to the proceeds received from issuance, including the embedded conversion feature, net of the debt issuance and offering costs on the Company's consolidated balance sheets. The conversion feature is not required to be accounted for separately as an embedded derivative. The Company amortizes debt issuance and offering costs over the term of the Convertible Loan Note as interest expense utilizing the effective interest method on the Company's Consolidated Statement of Operations and Other Comprehensive Loss.

Fair Value Measurements

The accounting standard regarding fair value of financial instruments and related fair value measurements defines financial instruments and requires disclosure of the fair value of financial instruments held by the Group. The accounting standards define fair value, establish a three-level valuation hierarchy for disclosures of fair value measurement and enhance disclosure requirements for fair value measures. The three levels are defined as follow:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the fair value hierarchy by re-assessing categorization at the end of each reporting period.

The carrying amounts reported in the Consolidated Balance Sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The Group does not have any other material assets or liabilities that are recognized at fair value on a recurring basis.

New Standards and Interpretations Not Yet Adopted

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. The new guidance requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC 606, Revenue from Contracts with Customers, as if it had originated the contracts. Under the current business combinations guidance, such assets and liabilities are recognized by the acquirer at fair value on the acquisition date. The new standard is effective for our fiscal year beginning after December 15, 2022. Early adoption is permitted. The standard will not impact acquired contract assets or liabilities from business combinations occurring prior to the effective date of adoption, and the impact in future periods will depend on the contract assets and contract liabilities acquired in future business combinations. We are currently evaluating the impact of ASU 2021-08 on our Consolidated Financial Statements.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

Recently Adopted Accounting Pronouncements

In August 2020, the FASB issued Accounting Standards Update (“ASU”) 2020-06 Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity. Among other changes, ASU 2020-06 removes the liability and equity separation model for convertible instruments with a cash conversion feature, and as a result, after adoption, entities will no longer separately present in equity an embedded conversion feature for such debt. Similarly, the embedded conversion feature will no longer be amortized into income as interest expense over the life of the instrument. Instead, entities will account for a convertible debt instrument wholly as debt unless (1) a convertible instrument contains features that require bifurcation as a derivative under ASC Topic 815, Derivatives and Hedging, or (2) a convertible debt instrument was issued at a substantial premium. Additionally, ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share and updates the disclosure requirements in ASC 470-20, making them easier to understand for financial statement preparers and improving the decision-usefulness and relevance of the information for financial statement users. The Company adopted the new guidance for the year ended December 31, 2022, noting no material impact.

In December 2019, the FASB issued ASU 2019-12, Income Taxes Topic 740—Simplifying the Accounting for Income Taxes (“ASU 2019-12”), which intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application of ASC 740. This guidance is effective for fiscal years beginning after December 15, 2020, including interim periods therein. The Company adopted the new guidance for the year ended December 31, 2021, noting no material impact on its Consolidated Financial Statements and related disclosures.

In January 2020, the FASB issued ASU 2020-01, Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)—Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (“ASU 2020-01”). ASU 2020-01 clarifies the interaction of the accounting for equity securities under Topic 321 and investments accounted for under the equity method of accounting in Topic 323 and the accounting for certain forward contracts and purchased options accounted for under Topic 815. The Company adopted the new guidance for the year ended December 31, 2021, noting no material impact on its Consolidated Financial Statements and related disclosures.

In October 2018, the FASB issued ASU 2018-17, Consolidation – Targeted Improvements to Related Party Guidance for Variable Interest Entities (Topic 810) (“ASU 2018-17”). ASU 2018-17 eliminates the requirement that entities consider indirect interests held through related parties under common control in their entirety when assessing whether a decision-making fee is a variable interest. Instead, the reporting entity will consider such indirect interests on a proportionate basis. ASU 2018-17 is effective for public companies for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. All entities are required to apply the adjustments in ASU 2018-17 retrospectively with a cumulative-effect adjustment to retained earnings at the beginning of the earliest period presented. The Company adopted the new guidance for the year ended December 31, 2021, noting no material impact.

3. Alkuri Merger and PIPE Transaction

On June 3, 2021, we entered into the Merger Agreement with Alkuri, Alkuri’s sponsor and the Founder and Chief Executive Officer of Babylon. The Merger Agreement provided for the Merger, and Alkuri and Babylon entered into subscriptions agreements (the “Subscription Agreements”) with certain accredited investors (the “PIPE Investors”) providing for issuance and the sale, in private placements, of an aggregate of 896,000 Class A ordinary shares to the PIPE Investors at a price of \$250.00 per share (the “PIPE Transaction”). The Merger and the PIPE Transaction closed on October 21, 2021 and were effectuated as follows:

- The shareholders of Alkuri, including Alkuri’s sponsor, exchanged their equity interests for Class A ordinary shares of Babylon Holdings Limited. As Alkuri does not meet the definition of a business, the Merger was accounted for as a recapitalization in accordance with ASC 805 - *Business Combinations* with Babylon Holdings Limited being the accounting successor. At the closing of the Merger, Alkuri merged with and into Liberty USA Merger Sub, Inc., a new wholly owned subsidiary, with Alkuri continuing as the surviving company and a wholly owned subsidiary of Babylon Holdings Limited. Each Alkuri unit consisting of Alkuri common stock and warrants was automatically separated into its component securities without any action on the part of the holders of such units. Each share of Alkuri common stock was automatically converted into the right to receive one Class A

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

ordinary share of Babylon Holdings Limited. Each warrant to purchase shares of Alkuri's common stock that was outstanding immediately prior to the Merger was assumed by the Company and automatically converted into a warrant to purchase Class A ordinary shares in the Company.

- Pursuant to the Merger Agreement, the Company issued 438,956 Class A ordinary shares to the shareholders of Alkuri (excluding the Sponsor Earnout Shares discussed below) and assumed warrants previously issued by Alkuri, consisting of 237,333 private placement warrants and 345,000 public warrants, which were converted into warrants to purchase 582,333 Class A ordinary shares ("Alkuri Warrants"). The warrants to purchase 582,333 Class A ordinary shares give the holder the right to purchase such shares at a fixed amount for a period of five years subject to the terms and conditions of the warrant agreement. The issuance of shares to shareholders and investors in Alkuri as part of the Merger resulted in a \$122.8 million increase in Additional-paid-in-capital. The impact to each Class A ordinary shares and Class ordinary shares was not material.
- As part of the Merger, Babylon issued 1,552,000 Class B ordinary shares to its Founder and Chief Executive Officer ("Stockholder Earnout") and 51,750 Class A ordinary shares to Alkuri's sponsor ("Sponsor Earnout Shares"), subject to transfer restrictions if and until milestones based on the trading price of the Class A ordinary shares on the New York Stock Exchange following the closing of the Merger are achieved (collectively "Earnout Shares"). The restrictions on the Earnout Shares are to be released in four equal portions subject to achieving milestones on the trading price of our Class A ordinary shares on the New York Stock Exchange of \$ 312.50, \$375.00, \$437.50 and \$500.00 within and for specified time periods. In the event that such milestones are not met within and for the required time periods, all of the Earnout Shares for which the applicable milestone has not been met will be automatically converted into deferred shares that are redeemable shares of Babylon which then shall be redeemed by the Company for \$1.00 in aggregate for all such shares being redeemed or such higher amount as may be specified in an agreement with the holders of Earnout Shares. As it was concluded that the Earnout Shares were not compensatory in nature and therefore will be classified as a liability as the Company may be required to repurchase such shares in cash.
- In exchange for the Class A ordinary shares and warrants issued to Alkuri, and the issuance of the Stockholder Earnout Shares and the Sponsor Earnout Shares, the Company received the net assets held by Alkuri of \$5.3 million, which was primarily composed of cash held in Alkuri's trust account of \$36.4 million and current liabilities of \$31.1 million.
- Concurrent with the Merger, the Company received proceeds of \$224.0 million through the private placement of Class A ordinary shares to the PIPE Investors, which included existing investors, Alkuri's sponsor, and other new investors in the PIPE Transaction. The PIPE Transaction has been treated as a capital contribution, which resulted in a \$224.2 million increase in Additional-paid-in-capital. The impact to each Class A ordinary shares and Class B ordinary shares was not material.

Upon the closing of the Merger and PIPE Transaction, Babylon Holdings Limited became a publicly traded corporation, listing its Class A ordinary shares and its public warrants on the New York Stock Exchange under the ticker symbols BBLN and BBLN.W, respectively. Babylon incurred incremental transaction costs directly attributable to the issuance of shares the shareholders of Alkuri pursuant to the Merger Agreement and to the PIPE Investors in the PIPE Transaction, which were reflected as a reduction in Additional-paid-in-capital.

4. Business Acquisitions

As part of our business strategy, we have acquired, and may acquire in the future, certain businesses and technologies primarily to expand our service offerings.

2021 Acquisitions

Higi

Prior to October 29, 2021, Higi SH Holdings Inc. ("Higi"), a provider of digital healthcare services via a network of smart health stations in the United States, was accounted for as an equity method investment because the Group was able to

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

demonstrate significant influence through representation on the board and the power to participate in the financial and operating policy decisions.

On December 7, 2021, the Company exercised its option to acquire the remaining equity interest in Higi pursuant to the Second Amended and Restated Agreement and Plan of Merger dated October 29, 2021. The closing of this acquisition occurred on December 31, 2021. The financial results of Higi have been included in our Consolidated Financial Statements since the date of acquisition.

The exercise price of the option to acquire the remaining Higi equity stake included the payment of \$8.6 million of cash and the issuance of 136,480 Class A ordinary shares at the closing; the payment of \$7.4 million at the closing to satisfy the principal and interest payable by a subsidiary of Higi pursuant to a promissory notes including one in favor of ALP Partners Limited (further disclosed in Note 21), an entity owned by our founder and Chief Executive Officer; the future payment of up to \$0.3 million in cash and issuance of up to 19,631 additional Class A ordinary shares after the expiration of a 15-month indemnification holdback period, and the issuance of 79,200 restricted stock units for Higi continuing employees and consultants in respect of Class A ordinary shares. The Higi shareholders receiving our shares are subject to a lockup and were granted certain registration rights.

We accounted for the consolidation of Higi using the acquisition method of accounting for business combinations. The fair value of the 74.7% non-controlling interest was estimated to be \$44.8 million. The acquisition-date fair value of the previous equity interest was \$15.2 million, which resulted in a non-cash gain of \$4.6 million upon remeasurement of the equity interest in Higi prior to the business combination. The gain is included in Gain on fair value remeasurement in the Consolidated Statement of Operations and Other Comprehensive Loss.

The intangible assets acquired include developed technology, license agreements and licensed trade names. We estimated the fair values of the property, plant and equipment and license arrangements using a cost approach that reflects the costs necessary to replace the service capacity of the acquired assets. We estimated the fair value of developed technology utilizing the relief from royalty method. This form of the income approach utilizes management's estimates of future operating results and cash flows using a royalty rate that reflects market participant assumptions. The royalty rate used in the valuation of developed technology was 3%. We estimated the fair value of the trade name utilizing the relief from royalty method. This form of the income approach utilizes management's estimates of future operating results and cash flows using a royalty rate that reflects market participant assumptions. The royalty rate used in the valuation of the trade name was 1%. The income approaches described above utilize management's estimates of future operating results and cash flows using a weighted average cost of capital that reflects market participant assumptions. The group has recorded the excess of the aggregate acquisition date fair values of non-controlling interest and the interest the Group previously held in Higi over the fair value of net assets acquired as goodwill. The goodwill reflects our expectations of favorable future growth opportunities, anticipated synergies through the use of our digital healthcare platform, and the assembled workforce. The goodwill recorded as a result of this business combination is not tax deductible.

Transaction related costs are included in Sales, general & administrative expenses in our Consolidated Financial Statements. Total transaction related costs incurred during the year ended December 31, 2021 were \$0.4 million.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

The acquisition-date fair value of Higi has been allocated as follows:

	Recognized values on acquisition \$'000
Carrying value of existing equity interest	10,536
Gain on remeasurement of existing equity interest	4,640
Fair value of non-controlling interest	44,810
Acquisition date fair value of Higi	59,986
Accounts receivable	2,314
Property, plant and equipment	17,618
License arrangements	2,700
Trade names	3,150
Developed technology	6,000
Deferred tax liability	(730)
Other assets and liabilities, net	(5,982)
Net assets acquired	25,070
Goodwill	34,916

The acquired intangible assets of Higi will be amortized over their estimated useful lives. As at the effective date of the acquisition, license arrangements will be amortized over 2.0 years, trade names will be amortized over 5.0 years and developed technology will be amortized over 7.0 years. The total weighted-average useful life of the acquired intangible assets is 5.3 years.

Meritage Medical Network

On April 1, 2021, the Group acquired all the outstanding equity interests of Meritage Medical Network (“Meritage”), a California professional corporation, for total consideration of \$16.1 million, of which \$27.9 million related to cash paid, net of \$14.1 million in cash acquired, and \$2.3 million related to the fair value of warrants issued to the former shareholders of Meritage. This acquisition is intended to expand the growth of our value-based care services to patients within the Meritage network.

We accounted for the consolidation of Meritage using the acquisition method of accounting for business combinations. The intangible assets acquired include customer relationships, trade names, physician networks and a license. We estimated the fair value of customer relationship intangibles using an income approach, utilizing the excess earnings method for customer relationships. This form of the income approach utilizes management’s estimates of future operating results and cash flows using a weighted average cost of capital that reflects market participant assumptions. We estimated the fair value of trade names and the license using a cost approach that reflects the costs necessary to replace the service capacity of the acquired assets. We estimated the fair value of the trade name using an income approach, utilizing the relief from royalty method. This form of the income approach utilizes management’s estimates of future operating results and cash flows using a royalty rate that reflects market participant assumptions. Other significant judgements used in the valuation of tangible liabilities assumed in the acquisition included a valuation of the healthcare related liabilities acquired, which were primarily based on historical claims experience to estimate the liability on the acquisition date. The Group has recorded the excess of the fair value of the consideration transferred in the acquisitions over the fair value of net assets acquired as goodwill. The goodwill reflects our expectations of favorable future growth opportunities, anticipated synergies through the use of our digital healthcare platform and the assembled workforce. We expect that the majority of the goodwill acquired in the acquisition will not be deductible for corporate income tax purposes.

Acquisition related costs are included in Sales, general & administrative expenses in our Consolidated Financial Statements. Total acquisition related costs incurred for this acquisition during the year ended December 31, 2021 were \$0.2 million.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

The estimated fair value of assets acquired as of the acquisition date were as follows:

	Recognized values on acquisition
	\$'000
Cash paid, net of cash acquired	13,798
Issuance of warrants	2,349
Aggregate purchase price	16,147
Accounts receivable	751
Customer relationships	11,600
Physician's network	3,500
Trademark	1,900
License	590
Claims payable	(13,436)
Deferred tax liability	(2,610)
Other assets and liabilities, net	(817)
Net assets acquired	1,478
Goodwill	14,669

For the nine months ended December 31, 2021, Meritage contributed revenue of \$53.0 million and losses before tax of \$15.5 million to the Group's consolidated results.

The acquired intangible assets of Meritage will be amortized over their estimated useful lives. As at the effective date of the acquisition, customer relationships will be amortized over 15.0 years, physician's network will be amortized over 3.0 years, trademarks will be amortized over 11.0 years and the Knox-Knee license will be amortized over 1.1 years. The total weighted-average useful life of the acquired intangible assets is 11.7 years.

Health Innovators, Inc.

In fiscal year 2019, the Group acquired preference shares in Health Innovators Inc. for initial consideration of \$4.0 million satisfied in cash. As a result, the Group has rights associated with the ownership of \$56.7 million shares (approximately 80% ownership), subject to further investments, repurchase by Health Innovators Inc. if further investments were not made, and restrictions and limitations in Health Innovators Inc.'s charter and the stock purchase agreement through which the Group made its investment. Additionally, the Group has power over the investee, exposure and rights to variable returns and the ability to influence returns, giving the group control over the investee.

Babylon Holdings Limited has the option to increase their investment in stages, exercisable for a period of 4-years. The investment option is considered a derivative and has no impact to the Consolidated Financial Statements given it is eliminated upon consolidation.

Management has recognized non-controlling interest ("NCI") on the proportionate basis. In the event of a liquidation, Babylon has a preferential right to recover amounts invested prior to any distribution to other shareholders or Babylon will receive its percentage of net assets of Health Innovators, whichever is greater. On the acquisition date, the net assets of Health Innovators were valued at \$3.9 million which was less than the priority payment of \$4.0 million. Net assets at December 31, 2021 and December 31, 2022 were lower than Babylon's total investment at that date. As a result, in the Consolidated Balance Sheets as of December 31, 2021 and December 31, 2022, Babylon consolidated 100% of Health Innovators Inc.'s net assets and no NCI has been recognized.

In fiscal year 2020, Babylon invested further in Health Innovators Inc. for consideration of \$6.6 million satisfied in cash resulting in approximately 80% ownership. In December 2021, Babylon acquired all of the remaining outstanding equity interests of Health Innovators Inc. in exchange for 9,884 Babylon Class A ordinary shares. The transaction was accounted for as an equity transaction between consolidated subsidiaries and did not have a material impact on the Consolidated Financial Statements.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

5. Assets Held for Sale

2022 Disposal groups held for sale

During the fourth quarter of 2022, the Group identified two disposal groups that meet the requirements of ASC 360-10 and were classified as held for sale in its Consolidated Balance Sheets. This current period classification resulted in the Group identifying a triggering event as it was more likely than not that these asset groups would be disposed of under ASC 350-20. For more details over the resulting impairment tests performed prior to measuring the disposal groups at the lower of their carrying amount or fair value less cost to sell, see Note 10.

In October 2022, the Group announced its plan to sell the IPA Business, a reporting unit previously within the Healthcare services segment. Management made certain judgements when assessing if this sale qualified for the presentation and disclosure requirements of a discontinued operation as defined under ASC 205, Presentation of Financial Statements, and concluded that the sale is not a strategic shift and therefore is not considered a discontinued operation. The Group intends to sell the IPA Business within the second quarter of 2023. Accordingly, the assets and liabilities of the IPA Business are classified within the current section of the Consolidated Balance Sheet as of December 31, 2022 only. Further, the following presents the major classes of assets and liabilities for the IPA Business reporting unit held for sale as of December 31, 2022:

	As of December 31, 2022
	\$'000
Cash and cash equivalents	60,745
Prepayments and contract assets	396
Right of use assets - Non-current	1,319
Trade and other receivables	9,529
Property, plant and equipment	221
Goodwill	32,444
Other intangible assets	14,960
Assets held for sale	119,614
Trade and other payables	8,493
Accruals and other liabilities	3,479
Claims payable	41,650
Lease liabilities - Non-current	1,374
Premium Deficiency Reserve - Current	14,736
Liabilities held for sale	69,732

The IPA Business had the following pre-tax losses for each year ended December 31:

IPA Business Net loss from operations before income taxes	000's
2022	41,192
2021	76,682

In addition to the IPA Business reporting unit, the Group separately determined that the Higi reporting unit met the criteria for being classified as held for sale as of December 31, 2022. The Group intends to sell Higi within one year from December 31, 2022. Accordingly, the assets and liabilities of Higi are classified within the current section of the Consolidated Balance Sheet as of December 31, 2022 only. In addition to the impairment charges recognized as a result of the Group's interim and year end impairment tests described in Note 10, an additional impairment charge of 14.3 million was recognized for long-lived assets impairment under ASC 360-10, as a result of its held for sale classification and estimated and accrued cost to sell the Higi reporting unit.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

	As of December 31, 2022
	\$'000
Cash and cash equivalents	255
Trade and other receivables	2,823
Prepayments and contract assets	1,819
Right of use assets - Non-current	1,514
Property, plant and equipment	8,516
Other intangible assets	5,082
Valuation allowance for Higi's impaired assets held for sale	(14,348)
Assets held for sale	5,661
Trade and other payables	220
Accruals and other liabilities	2,485
Contract Liabilities - current	731
Lease liabilities - Non-current	1,549
Liabilities held for sale	4,985

2021 Disposals

On January 14, 2021, the Group entered into a Share Purchase Agreement ("SPA") with TELUS Corporation ("TELUS"), a Canadian publicly traded holding company which is the parent of various telecommunication subsidiaries, for the sale of the Babylon Health Canada Limited business. The entire issued share capital of Babylon Health Canada Limited was transferred to TELUS for a base price of \$1.8 million in Canadian dollars ("CAD"), which has been adjusted for working capital and net indebtedness. An additional \$3.5 million CAD payment was made by TELUS that was attributable to a partial repayment of an Intercompany Loan due from Babylon Canada to Babylon Partners Limited. The remaining amount of the Intercompany loan was forgiven immediately prior to the execution of the SPA.

Effect of disposal:

	For the Year Ended December 31, 2021
	\$'000
Cash and cash equivalents	(57)
Prepayments and contract assets	(1,322)
Property, plant and equipment	(922)
Right-of-use assets	(797)
Trade and other receivables	(619)
Accruals and other liabilities	658
Lease liabilities	837
Borrowings	3,075
Trade and other payables	588
Net assets and liabilities derecognized	1,441
Consideration received	2,344
Working capital adjustment	132
Gain on disposal	3,917

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

6. Revenue

i) Disaggregation of Revenue

	For the Year Ended December 31,		
	2022	2021	2020
	\$'000	\$'000	\$'000
Value-based care	1,026,251	218,758	26,038
Clinical services	54,480	42,017	28,631
Software licensing	28,938	60,052	24,603
	1,109,669	320,827	79,272

In January 2021, we entered into a License and Support Agreement (“License Agreement”) with TELUS. As part of the License Agreement, the Group received an upfront payment of \$66.9 million in exchange for the right to use the Company’s digital healthcare platform (“Software Platform”), specified upgrades to be delivered over a 24-month period, post-contract support (“PCS”), and a right to access enhancements to the Group’s Software Platform over a period of seven years. We identified that the License Agreement included multiple performance obligations and allocated the transaction price to the separate performance obligations on a relative standalone basis. We determined the standalone selling prices based on our overall pricing objectives, taking into consideration market inputs and entity specific factors, including standalone selling prices when available. We also concluded that the upfront payment included a significant financing component. As a result, the transaction price was adjusted to account for the time value of money and interest expense will be recognized over the duration of the contract.

The following table presents revenue by source or healthcare services provided under our value-based care arrangements for the years ended December 31, 2022, 2021 and 2020:

	For the Year Ended December 31,		
	2022	2021	2020
	\$'000	\$'000	\$'000
Medicaid	573,337	138,641	17,970
Medicare	409,196	55,807	8,068
Other	43,718	24,310	—
	1,026,251	218,758	26,038

ii) Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	As of December 31,	
	2022	2021
	\$'000	\$'000
Trade receivables (Note 13)	15,524	8,278
Contract assets (Note 13)	6,112	4,484
Contract liabilities (Note 6 iii)	64,870	94,182

The contract assets primarily relate to the Group’s rights to consideration for work performed but subject to customer acceptance at the reporting date. There was no impact on contract assets as a result of acquisition of subsidiaries. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The Group’s customers generally pay for invoices in the month following the issuance date.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

iii) Transaction Price Allocated to the Remaining Performance Obligations

The following table includes revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date:

	2023	2024	2025	2026	2027 and beyond	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As of December 31, 2022	18,710	17,350	16,008	7,053	5,749	64,870

The table below shows significant changes in contract liabilities:

	2022	2021
	\$'000	\$'000
Balance on January 1	94,182	76,018
Amounts billed but not recognized	2,696	61,176
Revenue recognized	(21,503)	(43,012)
Effect of movement in foreign exchange	(9,774)	—
Transferred to liability held for sale	(731)	—
Balance on December 31	64,870	94,182

No revenue was recognized from performance obligations satisfied (or partially satisfied) in previous periods.

7. Restructuring and Other Termination Benefits

In the third and fourth quarter of 2022, the Company initiated two separate restructuring plans for cost-reduction actions including global workforce reductions, facility exit costs and contract termination costs. The following costs represent the result of these plans along with other non-recurring termination costs incurred during the year ended December 31, 2022:

	2022
	\$'000
Special termination benefits	4,464
Contractual termination benefits	4,268
Severance benefits	1,609
Non-cash facility exit costs for operating lease right-of-use asset impairment	4,247
Contract termination costs	760
Total restructuring and other termination costs associated with FY22 restructuring plans	15,348
Other contractual termination benefits	4,791
Total restructuring and other termination costs	20,139
Less: Non-cash costs	(4,247)
Less: Payment of restructuring and other termination costs in FY 2022	(10,821)
Remaining accrual for restructuring and other termination costs	5,071

Of the total \$15.3 million restructuring and other termination costs incurred as a result of our two restructuring plans initiated during the year ended December 31, 2022, \$4.2 million relates to impairment of our right-of-use assets within Property, plant and equipment on the Consolidated Balance Sheets and recognized within Impairment expense within the Consolidated Statement of Operations and Other Comprehensive Loss. All other costs are recognized within Selling, general & administrative expenses in the Consolidated Statements of Operations and Other Comprehensive Loss and are associated with our Healthcare services reportable segment.

\$5.1 million of the restructuring and other termination benefits incurred during the year remain unpaid as of December 31, 2022. Of this, \$4.8 million relates to a minimum level of compensation, based in part on the Company's stock price, for a

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

prior senior (non-Director) employee under their employment agreement and included in the Due to related parties account on the Consolidated Balance Sheets. The remaining \$0.3 million accrual is recognized within the Accruals and other liabilities amount on the Consolidated Balance Sheets.

8. Segment Information

Refer to Note 2 for our accounting policies for Segment Reporting. While we have one reportable segment, the Company has disclosed the concentrations for major customers and geographical information below.

Major Customers

Below is a summary of customers that met or exceeded 10% of external revenues in each period presented:

	2022		For the Year Ended December 31,				2020	
	\$'000	% of revenue	\$'000	% of revenue			\$'000	% of revenue
Customer 1	533,260	48.1 %	119,785	37.1 %			11,918	15.0 %
Customer 2	255,300	23.0 %	39,764	12.3 %			14,937	18.9 %
Customer 3*	N/A	N/A	38,705	12.0 %			9,706	12.3 %
Customer 4*	N/A	N/A	N/A	N/A			9,505	12.0 %

*N/A is shown for periods where an individual customer did not meet or exceed the 10% concentration specified above.

Geographical Information

Revenue from external customers attributed to individual countries is summarized as follows:

	For the Year Ended December 31,		
	2022	2021	2020
	\$'000	\$'000	\$'000
U.S.	1,044,008	230,614	32,689
U.K.	41,471	35,490	28,827
Rest of World	24,190	54,723	17,756
Total	1,109,669	320,827	79,272

Non-current assets attributed to individual countries is summarized as follows:

	As of the Year Ended December 31,	
	2022	2021
	\$'000	\$'000
U.K.	21,055	19,634
U.S.	4,752	112,818
Rest of World	178	1,451
Total	25,985	133,903

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

9. Income Tax

Net loss from operations before income taxes for the years ended December 31, 2022, 2021 and 2020 including the following components:

	For the Year Ended December 31,		
	2022	2021	2020
	\$'000	\$'000	\$'000
U.K.	6,638	113,826	(162,325)
U.S.	(223,286)	(194,407)	(44,066)
Rest of world	(4,867)	(4,300)	(1,998)
Total loss before income taxes	(221,515)	(84,881)	(208,389)

Tax benefit / (provision) for income taxes was comprised of the following components:

	For the Year Ended December 31,		
	2022	2021	2020
	\$'000	\$'000	\$'000
<i>Current</i>			
U.K.	(850)	(784)	(4,639)
U.S. federal	—	—	—
U.S. state	(141)	(77)	—
Rest of world	(13)	(2)	—
Total	(1,004)	(863)	(4,639)
<i>Deferred</i>			
U.K.	—	—	—
U.S. federal	939	1,827	—
U.S. state	131	479	—
Rest of world	—	—	—
Total	1,070	2,306	—
Tax benefit (provision)	66	1,443	(4,639)

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

The Deferred tax liability consisted of the following:

	As of December 31,	
	2022	2021
	\$'000	\$'000
Deferred tax assets:		
Net operating loss carryforwards	233,585	167,123
Other intangibles assets	3,688	6,016
Capitalized start-up costs	5,552	5,291
Stock-based compensation	25,445	16,525
Tax credit carryforwards	2,777	1,872
Premium deficiency reserve	5,865	13,043
Research expenditures	7,063	—
Other	12,113	7,185
Total deferred tax assets	296,088	217,055
Less: valuation allowance	(287,343)	(208,525)
Total deferred tax assets, net	8,745	8,530
Deferred tax liabilities:		
Property, plant and equipment	38	3,085
Other intangible assets ⁽¹⁾	4,423	6,342
Other	4,284	168
Total deferred tax liabilities	8,745	9,595
Net of deferred tax assets and liabilities	—	1,065

(1) Other intangible assets includes goodwill

As of December 31, 2022, the Company had net operating loss carryforwards (“NOL”), before the application of the relevant tax rate, of \$592.5 million, \$316.8 million, and \$204.0 million, for U.K., U.S. federal, and U.S. state purposes, respectively. The U.K. net operating losses can be carried forward indefinitely. Additionally, due to the Tax Cuts and Job Act, U.S. federal NOL generated after December 31, 2017 have an indefinite life. Of the Company’s \$316.8 million U.S. federal NOLs, \$295.0 million was generated after December 31, 2017 and have an indefinite life. The remaining \$21.7 million of U.S. federal NOLs were generated on or before December 31, 2017 and will expire beginning in 2031, if not utilized. The U.S. state NOLs will expire beginning in 2036, if not utilized. Full realization of the NOLs is dependent on generating sufficient taxable income prior to their expiration. As of December 31, 2022, the Company has \$2.7 million of R&D credits in the U.K. that do not expire. The ability to realize the NOLs and other deferred tax assets could also be limited by previous or future changes in ownership in accordance with rules in Internal Revenue Code Sections 382. However no such events have occurred to limit any NOL utilization.

As a result of the Company’s evaluation of the valuation allowance used against its deferred tax assets, The Company concluded that it is more likely than not, that all or some portion of the deferred tax assets will not be realized. Accordingly, the Company has a valuation allowance of \$287.3 million (2021: \$208.5 million, 2020: \$95.9 million) against its deferred tax assets primarily consisting of net operating loss carryforwards. The net change in the total valuation allowance for each years ended December 31, 2022 and 2021 was an increase of \$78.8 million and \$112.6 million, respectively, primarily consisting of net operating loss carryforwards in relation to continuous operations. In addition, the valuation allowance decreased by approximately \$3.3 million in FY21 due to the acquisition of \$2.6 million and \$0.7 million of deferred tax liabilities from the acquisitions of Meritage Medical Network and Higi SH Holdings, Inc., respectively.

The Company is subject to taxation in the U.K., U.S. and other various foreign jurisdictions. All net operating losses generated to date are subject to adjustment for U.S. federal and state income tax purposes. Additionally, all tax years remain open to examination as of December 31, 2022 with the exception of tax years beginning in 2021 in the U.K.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

The reconciliation of the U.K. statutory income tax rate, to the Company's effective tax rate, done on the basis that the company is a UK domicile income tax payer, consisted of the following:

	For the Year Ended December 31,		
	2022	2021	2020
Tax at statutory income tax rate	(19.0) %	(19.0) %	(19.0) %
Benefit of foreign operations	(2.2) %	(0.3) %	— %
Change in valuation allowance	32.1 %	57.8 %	17.3 %
Expenses not deductible for tax purposes	4.1 %	6.9 %	2.0 %
Non-taxable income	— %	(1.2) %	— %
Change in fair value of Earnout liabilities	(15.7) %	(46.3) %	— %
Impairments	3.5 %	— %	— %
All other, net	(2.8) %	0.4 %	1.9 %
Benefit / (provision) for income taxes	— %	(1.7) %	2.2 %

The Group recognizes the tax benefits of a tax position only after determining that the relevant taxing authority would more likely than not sustain the position upon an examination. For tax positions meeting the more likely than not threshold, the amount recognized in the Consolidated Financial Statements is the largest amount that has greater than 50% likelihood of being realized upon settlement with the relevant taxing authority. As of December 31, 2022, 2021, and 2020, the Group had no unrecognized tax benefits.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

10. Intangible Assets and Goodwill

The changes in the carrying amount of goodwill and intangible assets for the years ended December 31, 2022 and 2021 were as follows:

	Goodwill	Development costs	Customer relationships	Trademarks	Physician networks	Licenses	Total other intangible assets (excluding goodwill)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost							
Balance at January 1, 2021	17,776	—	3,100	3,300	1,500	—	7,900
Acquisitions through business combinations	49,585	6,000	11,600	5,050	3,500	3,290	29,440
Additions	—	—	—	—	—	—	—
Effect of movements in foreign exchange	—	—	—	—	—	—	—
Balance at December 31, 2021	67,361	6,000	14,700	8,350	5,000	3,290	37,340
Balance at January 1, 2022	67,361	6,000	14,700	8,350	5,000	3,290	37,340
Acquisitions through business combinations	—	—	—	—	—	—	—
Additions	—	—	—	—	—	—	—
Transferred to assets held for sale	(32,444)	(3,721)	(14,700)	(7,190)	(5,000)	(2,462)	(33,073)
Effect of movements in foreign exchange	—	—	—	—	—	—	—
Balance at December 31, 2022	34,917	2,279	—	1,160	—	828	4,267
Amortization							
Balance at January 1, 2021	—	—	845	83	38	—	966
Amortization for the year	—	—	2,835	3,347	1,025	393	7,600
Effect of movements in foreign exchange	—	—	—	—	—	—	—
Balance at December 31, 2021	—	—	3,680	3,430	1,063	393	8,566
Balance at January 1, 2022	—	—	3,680	3,430	1,063	393	8,566
Amortization for the year	—	703	650	660	988	1,464	4,465
Transferred to assets held for sale	—	(703)	(4,330)	(4,090)	(2,051)	(1,857)	(13,031)
Effect of movements in foreign exchange	—	—	—	—	—	—	—
Balance at December 31, 2022	—	—	—	—	—	—	—
Impairment							
Balance at January 1, 2021	—	—	—	—	—	—	—
Impairment	—	—	—	—	—	—	—
Effect of movements in foreign exchange	—	—	—	—	—	—	—
Balance at December 31, 2021	—	—	—	—	—	—	—
Balance at January 1, 2022	—	—	—	—	—	—	—
Impairment	34,917	2,279	—	1,160	—	828	4,267
Effect of movements in foreign exchange	—	—	—	—	—	—	—
Balance at December 31, 2022	34,917	2,279	—	1,160	—	828	4,267
Net book value							
At January 1, 2021	17,776	—	2,255	3,217	1,462	—	6,934
At December 31, 2021 and January 1, 2022	67,361	6,000	11,020	4,920	3,937	2,897	28,774
At December 31, 2022	—	—	—	—	—	—	—

No goodwill has been acquired through business combinations in December 31, 2022 (2021: \$49.6 million - Note 4). Goodwill has an indefinite remaining useful life. The total net book value is considered to be the recoverable amount, as this balance is reviewed annually and impaired as necessary (Note 2).

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

Impairment Analysis for Reporting Units Containing Goodwill and Other Intangibles

Goodwill and other intangibles are subject to impairment testing on an annual basis or whenever events or circumstances indicate that the carrying amount of goodwill may no longer be recoverable. During the second quarter of fiscal year 2022, the Company identified a triggering events associated with a combination of factors including a decline in its stock price, increases in market rates of interest, and a decline in general economic conditions impacting multiple sectors including the healthcare industry. In the fourth quarter of fiscal year 2022, we identified a separate triggering event as it was determined that the assets under the Higi and IPA reporting units, were more likely than not going to be disposed prior to the end of their previously determined useful lives. The terms Higi reporting unit and IPA reporting unit are considered interchangeable with “Higi Business” or “IPA Business”, respectively, throughout the Company’s consolidated financial statements. This resulted in the performance of both interim and annual impairment tests.

Interim Impairment Test

IPA Reporting Unit

The recoverable amount of the IPA reporting unit that included these intangible assets was estimated based on the present value of the future cash flows expected to be derived from the IPA reporting unit, using a discount rate of 14.5% and a terminal value growth rate of 3.0% from 2027. The recoverable amount of the IPA reporting unit was estimated to be higher than its carrying amount, and as a result there was no impairment related to the IPA reporting unit in 2022.

The below are factors considered when performing the 2022 sensitivity analysis:

Terminal value growth rate: Babylon used a terminal growth value of 3.0% which reflects long-term assumptions of growth. A 2.75% terminal growth rate would have resulted in a reduction to the fair value of the IPA reporting unit of \$1.3 million, and a 2.5% terminal growth rate would have resulted in a reduction of \$3.2 million.

Discount factor: Babylon used a discount factor of 14.5% based on market participation assumptions of comparable public companies. An increase in the discount rate to 15.0% would have resulted in a reduction to the fair value of the IPA reporting unit of \$4.8 million, and a discount rate of 15.5% would have resulted in a reduction of \$9.2 million.

No reasonably possible change to the key assumptions would lead to an impairment of goodwill.

Higi Reporting Unit

The recoverable amount of the Higi reporting unit that included these intangible assets was estimated based on the present value of the future cash flows expected to be derived from the Higi reporting unit. The income approach utilizes management’s estimates of future operating results and discounted cash flows using operating forecasts over a period of 8 years with the terminal period beginning in 2031, approved by management. As a result of the analysis, the Company identified that the carrying amount of its Higi reporting unit exceeded its value in use by \$24.8 million. The impairment was allocated to long lived assets on a pro rata basis using the relative carrying amounts of those assets but limited to the extent that the adjusted carrying amounts were not reduced below the asset’s fair value. Based on this pro rata allocation, the impairment charge was allocated between Goodwill for \$14.3 million, and Other intangible assets for \$4.3 million, along with Property, Plant and Equipment for \$6.3 million described in more detail in Note 12.

The recoverable amount of the Higi reporting unit was estimated based on the present value of the future cash flows expected to be derived from the Higi reporting unit, using a discount rate of 13.5% and a terminal value growth rate of 3.0%. The discount rate was based on the WACC using market participant assumptions, which was adjusted for specific risks, and the terminal value growth rate was based on long term assumptions of growth. The estimation of recoverable amount reflects numerous assumptions that are subject to various risks and uncertainties, including key assumptions regarding expected growth rates and operating margin, discount rates, terminal growth rates, and other assumptions with respect to matters outside of the Group’s control. It requires significant judgments and estimates, and actual results including its fair value less costs of disposal, could be materially different than the judgments and estimates used to estimate value in use.

The following summarizes the impact of the recoverable amount on the Higi reporting unit for changes in significant assumptions:

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

Discount rate: An increase in the discount rate by 100 basis points would have resulted in a reduction of the recoverable amount by \$9.8 million.

Terminal growth rates: A decrease in the terminal growth rate by 100 basis points would have resulted in a reduction of the recoverable amount by \$5.3 million.

Revenue growth: A decrease of virtual and digital revenue growth by 5.0% would have resulted in a reduction of the recoverable amount by \$6.7 million.

Annual Impairment Test

IPA Reporting Unit

The recoverable amount of the IPA reporting unit was estimated using the same method used during our interim impairment testing, updated for any change in fact or circumstances occurring over the last six months of fiscal year 2022 impacting the underlying assumptions and resulting estimated cash flows. As a result of this review, the sensitivities disclosed in our interim impairment test and the conclusion that the fair value of the IPA reporting unit continued to be in excess of the carrying amount remain unchanged and therefore no impairment charge was recognized.

Higi Reporting Unit

The recoverable amount of the Higi reporting unit was estimated using the same method used during our interim impairment testing, updated for any change in fact or circumstances occurring over the last six months of fiscal year 2022 impacting the underlying assumptions and resulting estimated cash flows. As a result of this review, we noted that impacts from both macroeconomic factors effecting interest rates and market volatility combined with a decrease in estimated revenues and margins of the Higi reporting unit's projected cash flows resulted in an incremental Goodwill impairment charge of \$20.6 million. Refer to Note 5 for more details on further impairment recorded to the valuation allowance for impaired assets within the Higi reporting unit classified as held for sale as of the year ended December 31, 2022.

11. Variable Interest Entities

As discussed in Note 2, the PC entities were established to employ healthcare providers, contract with managed care payors and to deliver healthcare services to patients in the markets that the Company serves. Activities include but are not limited to operational support of the centers, marketing, information technology infrastructure and the sourcing and managing of health plan contracts.

The Company evaluated whether it has a variable interest in the PCs, whether the PCs are VIEs, and whether the Company has a controlling financial interest in the PCs. The Company concluded that it has variable interests in the PCs on the basis of its Management Services Agreement ("MSA") which provides for reimbursement of costs and a management fee payable to the Company from the PCs in exchange for providing management and administrative services which creates risks and a potential return to the Company. The PCs' equity at risk, as defined by U.S. GAAP, is insufficient to finance its activities without additional support, and, therefore, the PCs are considered VIEs.

In order to determine whether the Company has a controlling financial interest in the PCs, and, thus, is the Physician's primary beneficiary, the Company considered whether it has i) the power to direct the activities of PCs that most significantly impact its economic performance and ii) the obligation to absorb losses of the PCs that could potentially be significant to it or the right to receive benefits from PCs that could potentially be significant to it. The Company concluded that the shareholders and employees of the PCs are structured in a way that neither shareholders, employees nor their designees have the individual power to direct the activities of the PCs that most significantly impact its economic performance. Under the MSA, the Company is responsible for providing management and administrative services related to the growth of the patient population of the PCs, the management of that population's healthcare needs and the provision of required healthcare services to those patients. Babylon has concluded that the success or failure of the Company in conducting these activities will most significantly impact the economic performance of the PCs. In addition, the Company's variable interests in the PCs provide the Company with the right to receive benefits that could potentially be significant to it. The single member of the PCs is a member and employee of the Company. As a result of this analysis, the Company concluded that it is the primary beneficiary of the PCs and therefore consolidates the balance sheets, results of operations and cash flows of the PCs. The Company performs a qualitative assessment of the PCs on an ongoing basis to determine if it continues to be the primary beneficiary.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

The tables below illustrate the VIE assets and liabilities and performance of the PCs:

	As of December 31,	
	2022	2021
	\$'000	\$'000
Total assets	137,675	104,703
Total liabilities	228,283	168,240

	For the Year Ended December 31,		
	2022	2021	2020
	\$'000	\$'000	\$'000
Total revenues	480,925	154,508	17,436
<i>Operating expenses:</i>			
Claims expense	(462,226)	(135,674)	(16,007)
Clinical care delivery expense	(38,787)	(19,517)	(4,168)
Sales, general and administrative expenses	(37,027)	(47,354)	(2,809)
Depreciation and amortization expenses	(2,049)	(7,652)	(989)
Impairment expense	—	—	—
Premium deficiency reserve income / (expense)	16,077	(30,814)	—

12. Property, Plant and Equipment

	Computer Equipment	Fixtures and Fittings	Deployed Machinery	Total
	\$'000	\$'000	\$'000	\$'000
<i>Cost</i>				
Balance at January 1, 2021	2,860	180	—	3,040
Additions	2,830	6,979	—	9,809
Acquisitions through business combinations	105	41	17,618	17,764
Effect of movements in foreign exchange	(107)	(130)	—	(237)
Balance at December 31, 2021	5,688	7,070	17,618	30,376
Balance at January 1, 2022	5,688	7,070	17,618	30,376
Additions	1,132	7,903	—	9,035
Transferred to assets held for sale	(319)	(42)	(17,618)	(17,979)
Effect of movements in foreign exchange	(537)	(830)	—	(1,367)
Balance at December 31, 2022	5,964	14,101	—	20,065

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

	Computer Equipment \$'000	Fixtures and Fittings \$'000	Deployed Machinery \$'000	Total \$'000
<i>Depreciation and impairment</i>				
Balance at January 1, 2021	1,576	130	—	1,706
Depreciation	1,248	337	—	1,585
Effect of movements in foreign exchange	(69)	329	—	260
Balance at December 31, 2021	2,755	796	—	3,551
Balance at January 1, 2022	2,755	796	—	3,551
Depreciation	1,781	2,989	2,815	7,585
Impairment	—	—	6,287	6,287
Transferred to assets held for sale	(127)	(13)	(9,102)	(9,242)
Effect of movements in foreign exchange	(640)	(134)	—	(774)
Balance at December 31, 2022	3,769	3,638	—	7,407
<i>Net book value</i>				
At January 1, 2021	1,284	50	—	1,334
At December 31, 2021 and January 1, 2022	2,933	6,274	17,618	26,825
At December 31, 2022	2,195	10,463	—	12,658

During the second quarter of fiscal year 2022, the Company identified a triggering events associated with reporting units with Goodwill described in Note 10. As a result of this analysis, we recognized an impairment charge to the Higi reporting unit, resulting in the impairment charge shown in the schedule above. Refer to Note 10 for more details. Subsequent to this impairment expense, assets included in our IPA and Higi reporting units were classified as held for sale. Refer to Note 5 for more details on further impairment recorded to the valuation allowance for impaired assets within the Higi reporting unit classified as held for sale as of the year ended December 31, 2022.

13. Trade and Other Receivables, Prepayments and Contract Assets

The components of Trade receivables, Other receivables and Prepayments and contract assets reflected on the Consolidated Balance Sheets are disaggregated, as applicable, in the table below:

	As of December 31,	
	2022 \$'000	2021 \$'000
Trade receivables, gross	17,635	10,355
Allowance for doubtful accounts	(2,111)	(2,077)
Trade receivables, net (Note 6)	15,524	8,278
Other receivables	7,205	9,751
Security deposit	8,481	3,962
VAT receivable (payable)	1,816	2,045
Other receivables	17,502	15,758
Prepayments	12,237	21,576
Contract assets	6,112	4,484
Prepayments and contract assets	18,349	26,060

The Group has assessed its current expected credit loss estimate, in line with the requirements of ASC 326 by taking into consideration historical credit loss experience and financial factors specific to the debtors and general economic conditions. As part of this assessment, the Group has performed a recoverability assessment of its outstanding trade and other

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

receivables at the reporting date and concluded that the expected credit loss as of December 31, 2022 and 2021 is immaterial.

The table below shows significant changes in contract assets:

	2022	2021
	\$'000	\$'000
Balance at January 1	4,484	2,378
Revenues recognized but not billed	4,478	3,444
Amounts reclassified to trade receivable	(1,914)	(1,338)
Amounts transferred to assets held for sale	(936)	—
Balance at December 31,	6,112	4,484

14. Trade and Other Payables, Accruals and Other Liabilities

The components of Trade payables, Other payables and Accruals and other liabilities reflected on the Consolidated Balance Sheets are disaggregated, as applicable, in the table below:

	As of December 31,	
	2022	2021
	\$'000	\$'000
Trade payables	9,600	17,179
Taxation and social security	4,839	4,039
Other	—	1,468
Other payables	4,839	5,507
Accruals	28,878	36,366
Other liabilities	1,151	363
Accruals and other liabilities	30,029	36,729

15. Claims Payable

The following table is a summary of claims activity for the periods presented:

	\$'000
Balance at January 1, 2021	3,890
Claims incurred, net	216,791
Claims settled	(196,053)
Balance at December 31, 2021	24,628
Balance at January 1, 2022	24,628
Claims incurred, net	1,017,003
Claims settled	(991,506)
Claims payable transferred to liabilities held for sale	(41,650)
Balance at December 31, 2022	8,475

16. Leases

The Group leases several assets which consist of buildings and IT equipment. The Group recognizes right-of-use assets and lease liabilities for its building leases only, as the leases for IT equipment meet the exemption requirements as short-term

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

leases and leases expensed in accordance of our capitalization threshold described in Note 2. Therefore, the disclosures below for the Group's right-of-use assets relate only to buildings. Options to extend or terminate the lease are assessed and included in the lease liability if they are reasonably certain of being exercised.

Operating lease costs are included in selling, general and administrative expenses in the Consolidated Statement of Operations and Other Comprehensive Loss. The Company elected to combine lease and non-lease components as a single lease component and not include short-term leases, defined as leases with an initial term of twelve months or less, in its Consolidated Balance Sheets. The Company's short-term leases are immaterial. The Company's operating lease costs were \$ 6.8 million for the year ended December 31, 2022 (2021: \$3.6 million, 2020: \$1.7 million).

The Company entered into operating leases that resulted in \$1 1.5 million of right-of-use assets in exchange for operating lease obligations for the year ended December 31, 2022 (2021: \$7.7 million).

The company had an impairment of \$4.2 million during the year ended December 31, 2022 related to our restructuring activities in 2022. Refer to Note 7 for details.

The table below summarizes the Company's lease cash flows and other supplemental information related to its operating leases:

	December 31, 2022	December 31, 2021
	\$'000	\$'000
Cash paid for amounts included in the measurement of operating lease liabilities	\$6,200	\$4,156
Weighted-average remaining lease term (in years)	6.14	3.53
Weighted-average discount rate	12.2 %	12.1 %

The table below presents the future minimum lease payments under the noncancelable operating leases as of December 31, 2022:

	\$'000
2023	7,075
2024	4,656
2025	2,789
2026	2,777
2027	2,707
2028	2,932
Thereafter	3,527
Total lease payments	26,463
<i>Less: imputed interest</i>	(7,305)
Total operating lease liabilities	19,158
Reported as:	
Operating lease liabilities, current	5,102
Operating lease liabilities, non current	14,056
Total operating lease liabilities	19,158

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

17. Loans and Borrowings

	As of December 31,	
	2022	2021
	\$'000	\$'000
Non-current liabilities		
Loan notes	310,466	200,000
Unamortized fair value adjustment, discount, and debt issuance costs	(32,438)	(31,399)
	<u>278,028</u>	<u>168,601</u>
Current liabilities		
Convertible loan notes	—	—
Other	—	185
	<u>—</u>	<u>185</u>

Albacore Original Notes

On October 8, 2021, Babylon entered into a note Subscription Agreement (the “Note Subscription Agreement”). The Note Subscription Agreement provided for the issuance of up to \$200.0 million in unsecured notes due 2026 (the “Unsecured Notes”) to affiliates of, or funds managed or controlled by, AlbaCore Capital LLP (the “Note Subscribers”). On November 4, 2021 (“Note Closing Date”), Babylon issued the full \$200.0 million (“Principal Amount”) of Unsecured Notes under the Note Subscription Agreement at a discount of 95.5% of the Principal Amount. The Unsecured Notes bear interest accruing on the Principal Amount (which for these purposes shall include any capitalized interest from time to time) at the following rates: (i) 8.00% per annum for the period commencing from (and including) the Note Closing Date to (but excluding) the date falling two years after the Note Closing Date; (ii) 10.00% per annum for the period commencing from (and including) the date falling two years after the Note Closing Date, to (but excluding) the date falling three years after the Note Closing Date; and (iii) 12.00% per annum for the period commencing from (and including) the date falling three years after the Note Closing Date. The applicable interest rate is subject to a step-up margin of 6.5 basis points per annum if Babylon and its subsidiaries do not achieve a target of adding 100,000 Medicaid lives to value-based care contracts by January 1, 2024. Interest is payable on the Unsecured Notes semi-annually on May 4 and November 4 each year and the first interest payment was due on the six-month anniversary of the Note Closing Date on May 4, 2022. At Babylon’s election, up to 50.00% of the interest payable in respect of any interest period may be satisfied by the issuance by Babylon of further Unsecured Notes to be immediately consolidated and form a single series with the outstanding Unsecured Notes. The Unsecured Notes will mature five years from the Note Closing Date on November 4, 2026 (the “Final Maturity Date”).

Babylon is required to redeem the Unsecured Notes (unless previously purchased and cancelled or redeemed) on the Final Maturity Date at 100% of the principal amount on such date. Babylon may redeem the Unsecured Notes at any time at a redemption amount (the “Redemption Amount”) equal to: (i) from (and including) the Note Closing Date to (but excluding) the date falling one year after the Note Closing Date, the amount that is the greater of (A) 104.00% of the principal amount (including capitalized interest) and (B) 104.00% of the principal amount (including capitalized interest) plus an interest make whole premium; (ii) from (and including) the date falling one year after the Note Closing Date to (but excluding) the date falling two years after the Note Closing Date, 104.00% of the principal amount (including any capitalized interest); and (iii) on or after the date falling two years after the Closing Date and until (but not including or after) the Final Maturity Date, 107.00% of the principal amount (including any capitalized interest). Each holder of Unsecured Notes (each a “Noteholder”) has the option to require Babylon to redeem the Unsecured Notes held by such Noteholder at the Redemption Amount upon specified change of control events.

The terms of the Unsecured Notes include covenants, which covenants are subject to certain limitations and exceptions, limiting the ability of Babylon and its subsidiaries to, among other things: incur additional debt; pay or declare dividends or distributions on Babylon’s share capital; repay or distribute any additional paid in capital reserve or redeem, repurchase or retire its Class A ordinary shares; incur or allow to remain outstanding guarantees; make certain joint venture investments; enter into operating or capital lease contracts; create liens on Babylon’s or its subsidiaries’ assets; enter into sale and leaseback transactions; pay management and advisory fees outside the ordinary course of business; acquire a company or any shares or securities or a business or undertaking; merge or consolidate with another company; borrow or receive

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

investments from certain shareholders other than through Babylon; and sell, lease, transfer or otherwise dispose of assets. The terms of the Unsecured Notes also include customary events of default.

On the Note Closing Date, Babylon issued warrants to subscribe for an aggregate of 70,299 Class A ordinary shares (the “AlbaCore Warrants”) to the Note Subscribers on a pro rata basis by reference to the relevant proportion of the Principal Amount of Unsecured Notes subscribed for by each Note Subscriber. The AlbaCore Warrants confer the right to subscribe for up to 70,299 Class A ordinary shares exercisable on certain agreed upon exercise events, subject to: (i) Babylon’s right to elect to redeem the AlbaCore Warrants in whole or in part in cash upon an exercise event; (ii) an agreed adjustment formula to reduce the number of Class A ordinary shares to be issued upon exercise of the AlbaCore Warrants in certain circumstances linked to Babylon’s trading performance; and (iii) customary adjustments for certain common stock reorganizations (such as share splits and consolidations).

We capitalized debt issuance costs of \$3.4 million in connection with the issuance of the Unsecured Notes. Please refer to Note 20 for additional discussion surrounding the AlbaCore Warrants.

AlbaCore Additional Notes and Warrants

On December 23, 2021, Babylon entered into an additional note subscription agreement (the “Second Note Subscription Agreement”) providing for the issue of not less than \$75 million and not more than \$100 million additional Unsecured Notes (the “Additional Notes”) to AlbaCore Partners III Investment Holdings Designated Activity Company, and any new note subscribers that are affiliates of, or funds managed or controlled by, AlbaCore Capital LLP and that adhere to the Second Note Subscription Agreement (the “Second Note Subscribers”).

The closing of the issue of the Additional Notes under the Second Note Subscription Agreement, for the principal amount of \$100 million, occurred on March 31, 2022 (the “Second Closing Date”). The terms and conditions of the Additional Notes are the same as the terms of the original Unsecured Notes, with the exception that the Additional Notes were issued at 100% of their principal amount. At Babylon’s election, up to 50.00% of the interest payable in respect of any interest period may be satisfied by the issuance by Babylon of further Unsecured Notes to be immediately consolidated and form a single series with the outstanding Unsecured Notes.

On the Second Closing Date, Babylon issued AlbaCore Warrants to subscribe for an aggregate of 35,150 additional Class A ordinary shares (the “Additional AlbaCore Warrants”) to the Second Note Subscribers. Upon an exercise event, the AlbaCore Warrants are exercisable in full and not in part only. The exercise events applicable to the Additional AlbaCore Warrants are the same as the AlbaCore Warrants.

We capitalized debt issuance costs of \$4.0 million in connection with the issuance of the Additional Notes. Please refer to Note 20 for additional discussion surrounding the Additional AlbaCore Warrants.

Upon any exercise event Babylon has a right to elect to satisfy the subscription entitlement in respect of the AlbaCore Warrants by issuing Class A ordinary shares, by making a redemption payment in cash, or by a combination of both (in such proportions as Babylon may in its absolute discretion determine). The cash redemption payment per Note Warrant shall be determined by reference to the closing price for the Class A ordinary shares on such date as is specified in the Amended and Restated Warrant Instrument in respect of each exercise event, provided that if the closing price is in excess of \$375.00 per Class A ordinary share (subject to customary adjustments), the cash redemption payment shall be capped at \$375.00 per Note Warrant.

Where Babylon elects upon exercise of the AlbaCore Warrants to issue Class A ordinary shares in satisfaction in whole or in part of the subscription entitlement under the AlbaCore Warrants, Babylon is required to issue one Class A ordinary share credited as fully paid and free from all encumbrances (except as set out in Babylon’s memorandum and articles of association from time to time) per AlbaCore Warrant held, subject to a proportionate downwards adjustment to the number of Class A ordinary shares to be issued per AlbaCore Warrant where the closing price of the Class A ordinary shares on such date as is specified in the Amended and Restated Warrant Instrument in respect of each exercise event is in excess of \$375.00 per Class A ordinary share.

Accrued Interest

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

Interest is payable on the Unsecured Notes semi-annually on May 4 and November 4 each year. The first and second interest payment was due on the six-month and one-year anniversary of the Note Closing Date on May 4, 2022 and November 4, 2022 respectively. As of May 4, 2022 and November 4, 2022, the interest payable on the Unsecured Notes was \$8.8 million and \$12.2 million, respectively. In accordance with the Note Subscription Agreement, Babylon elected to satisfy 50.0% of the interest payable of \$4.4 million and \$6.1 million through the issuance of further Unsecured Notes, which were immediately consolidated and formed into a single series with the outstanding Unsecured Notes. The remaining \$4.4 million and \$6.1 million of the interest payable was settled in cash and reflected within the Consolidated Statement of Cash Flows line item for Decrease in accruals and other liabilities and due to related parties.

VNV Loan and Unsecured Bonds

On July 15, 2021, Babylon Holdings entered into a loan agreement with VNV Group for \$5.0 million (“VNV Loan”). The interest rate on the loan was 14%.

On August 18, 2021, the Group issued \$50.0 million in unsecured bonds at a discount of 4.0% (“Unsecured Bonds”), including the non-cash conversion of \$8.0 million in borrowings under the VNV Loan agreement into Unsecured Bonds. The interest rate on the loan is 10%, with interest payable quarterly. The proceeds from the Unsecured Bonds can be used for general corporate purposes. The Company utilized proceeds of \$7.2 million from the Unsecured Bonds to settle the remainder of the VNV Loan principal and interest. Cash proceeds from the bond issuance, net of discounts, repayments of borrowings, and transaction expenses totaled \$32.1 million. The Unsecured Bonds had a one-year term and were redeemable by Babylon Holdings at any time. The Unsecured Bonds were repaid in full following the closing of the Merger.

Convertible Loan Note Agreements

On November 12, 2020, the Group executed a Convertible Loan Note agreement (“CLN” or “Loan Notes”) with a borrowing capacity of up to \$300.0 million, under which \$30.0 million Tranche 1 Notes and \$70.0 million Tranche 2 Notes were issued to Global Health Equity (Cyprus) Ltd (“GHE” or the “Noteholder” or the “Lender”) in November and December 2020. GHE is part of the VNV Global group. VNV Global has a pre-existing equity interest in Babylon. The notes had a nominal value of \$1.

Tranche 1 Notes

Tranche 1 Notes of \$30.0 million were issued to GHE on November 12, 2020. Interest accrues at a fixed non-compounding rate of 1% per annum from the date of issuance to redemption or conversion. These notes were subsequently converted into Series C Preferred Shares after the issuance of the Tranche 2 Notes and shareholder approval of the conversion feature.

Tranche 2 Notes

Tranche 2 Notes of \$70.0 million were issued on December 16, 2020 and are not interest bearing. The Tranche 2 Notes are exchangeable into a variable number of Series C Preferred Shares upon the earlier of the occurrence of certain events or June 30, 2021. These notes were subsequently converted into Series C Preferred Shares after shareholder approval of the conversion feature.

As the Tranche 2 Notes fail the definition of equity, the Group considered whether the conversion feature in the Tranche 2 Notes is a non-closely related embedded derivative which would require separation from the debt host contract and to be accounted for separately as a standalone derivative at fair value through profit or loss (“FVTPL”). It has been determined that the Tranche 2 Notes represent a hybrid instrument containing a debt host debt contract and a non-closely related embedded derivative for the conversion feature.

The debt host contract is measured at amortized cost using the effective interest rate (“EIR”) method. The fair value of the embedded derivative and transaction costs associated with issuance of the instrument are not material.

On June 30, 2021, the \$70.0 million Tranche 2 notes were converted into 41,012,358 “C” preference shares.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

Changes in Loans and Borrowings from Financing Activities

	Albacore Notes	VNV Loan Notes	Unsecured Bonds	Convertible Loan Notes	Other Loans and Borrowings	Total Loans and Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at January 1, 2021	—	—	—	70,000	357	70,357
Changes from financing cash flows						
Proceeds from issuance of notes and warrants	191,000	15,000	64,563	—	—	270,563
Payment of debt issuance costs	(3,429)	—	(1,375)	—	—	(4,804)
Repayment of cash loan	—	(7,000)	(75,000)	—	—	(82,000)
Total changes from financing cash flows	187,571	8,000	(11,812)	—	—	183,759
Other changes						
Fair value of warrants issued	(16,930)	—	—	—	—	(16,930)
Unpaid debt issuance costs	(2,801)	—	(171)	—	—	(2,972)
Amortization of fair value adjustment, discount, and debt issuance costs	761	—	3,983	—	—	4,744
Convertible loan notes converted	—	—	—	(70,000)	—	(70,000)
Non-cash conversion of loan notes to bonds	—	(8,000)	8,000	—	—	—
Other loans and borrowings activity, net	—	—	—	—	(172)	(172)
Total other changes	(18,970)	(8,000)	11,812	(70,000)	(172)	(85,330)
Balance at December 31, 2021	168,601	—	—	—	185	168,786
Balance at January 1, 2022	168,601	—	—	—	185	168,786
Changes from financing cash flows						
Proceeds from issuance of notes and warrants	100,000	—	—	—	—	100,000
Payment of debt issuance costs	(4,256)	—	—	—	—	(4,256)
Repayment of cash loan	—	—	—	—	—	—
Total changes from financing cash flows	95,744	—	—	—	—	95,744
Other changes						
Fair value of warrants issued	(3,418)	—	—	—	—	(3,418)
Unpaid debt issuance costs	—	—	—	—	—	—
Amortization of fair value adjustment, discount, and debt issuance costs	6,635	—	—	—	—	6,635
Issuance of notes upon conversion of interest	10,466	—	—	—	—	10,466
Non-cash conversion of loan notes to bonds	—	—	—	—	—	—
Other loans and borrowings activity, net	—	—	—	—	(185)	(185)
Total other changes	13,683	—	—	—	(185)	13,498
Balance at December 31, 2022	278,028	—	—	—	—	278,028

During the year ended December 31, 2022, interest paid on Loans and borrowings was \$0.5 million (2021: \$1.4 million). As of December 31, 2022, the unpaid portion of interest on Loans and borrowings, recognized within Accruals and other liabilities, was \$3.9 million (2021: \$2.5 million).

18. Employee Benefits

Pension Plans

The Group has established a defined contribution plan (the “U.S. 401(k) Plan”) pursuant to Section 401(k) of the U.S. Internal Revenue Code. Under the U.S. 401(k) Plan, eligible employees voluntarily contribute up to 80% of their compensation in a given year, subject to limits on the amount of annual contributions, and the Group will match a portion of those contributions. The Group has established a separate defined contribution plan (the “U.K. Plan”) in the U.K. to eligible employees. Under the U.K. plan, the employee voluntarily elects to either contribute a percentage of their salary

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

directly to the U.K. Plan or exchange a percentage of their salary and have the Group contribute to the U.K. Plan on their behalf. During fiscal year 2022, the Group paid fixed contributions totaling \$7.2 million (2021: \$6.3 million, 2020: \$5.2 million).

Equity Incentive Plans

On December 15, 2022, we completed a 1-for-25 reverse share split (the “2022 Reverse Share Split”) of its Class A ordinary shares and Class B ordinary shares that was applied retrospectively throughout the Consolidated Financial Statements. The description of activity in the narratives and tables below have been adjusted to reflect the 2022 Reverse Share Split. Refer to Note 19 for more details in relation to this reverse share split.

On October 21, 2021 we effected a reclassification (the “2021 Reclassification”) whereby all outstanding shares of Babylon, including the various options previously granted under the below plans, were reclassified to Class A ordinary shares or Class B ordinary shares, subject to a conversion ratio of approximately 0.3 (the “2021 Conversion Ratio”). The description of activity in the narratives and tables below have been adjusted to reflect the Reclassification.

On July 27, 2015, the Board of Directors adopted the Babylon Holdings Limited Long Term Incentive Plan (the “LTIP”). Following the Reclassification, the options subsist over Class A ordinary shares. Upon approval of the Babylon Holdings Limited 2021 Equity Incentive Plan, including the Non-Employee Sub-Plan (collectively, the “2021 Plan”), the LTIP Plan was no longer available for future awards.

On February 21, 2021, the Board of Directors adopted the Company Share Option Plan (“CSOP”) which was intended to qualify as a company share option plan that meet certain requirements under the Income Tax Act of 2003. The options granted under the CSOP are, subject to certain qualifying conditions being met, potentially U.K. tax-favored options. Upon approval of the 2021 Plan, the CSOP Plan was no longer available for future awards.

In March 2021, the Company made an offer to all existing U.K. participants in the LTIP to convert their LTIP share options into the CSOP or into restricted stock awards (“RSAs”). All employees who elected to have their LTIP option converted to a new CSOP or RSA had their existing LTIP options forfeited and were granted an increased number of share options in line with the increased exercise price under the CSOP and RSA plans resulting in an equivalent economic value as compared to the grantee’s original award. There were no changes made to other terms, including vesting conditions or the period the original share options were granted. For the participants who accepted the offer to transfer their LTIP awards into RSAs or CSOP options, their LTIP options were cancelled and replaced with an equivalent economic value of RSAs or CSOP options during year ending December 31, 2021.

On October 21, 2021, the shareholders approved the 2021 Plan. The 2021 Plan provides for an automatic share reserve increase, or “evergreen” feature, whereby the share reserve will automatically be increased on January 1st of each year commencing on January 1, 2022 and ending on and including January 1, 2031, in an amount equal to the least of: (i) 1,813,408 Class A ordinary shares; (ii) 5% of the total number of all classes of our shares that have been issued as at December 31st of the preceding calendar year, in each case, subject to applicable law and our having sufficient authorized but unissued shares; and (iii) such number of Class A ordinary shares as our board of directors may designate prior to the applicable January 1 (collectively referred to as the “evergreen” feature). In addition, the 2021 Plan provides for recycling of a maximum of 956,091 Class A ordinary shares underlying 2021 Plan awards and options granted under our legacy LTIP and CSOP Plans, in each case which have expired, lapsed, terminated or meet other recycling criteria set forth in the 2021 Plan (collectively referred to as the “share recycling” feature). Upon approval of the 2021 Plan, the LTIP and CSOP were no longer available for future awards. The 2021 Plan provides for the grant of options, share appreciation rights (“SARs”), restricted shares (“RSAs”), restricted share units (“RSUs”), and other stock-based awards, including performance share units (“PSUs”). As of December 31, 2022, there are 779,131 Class A ordinary shares available for issuance pursuant to future awards under the 2021 Plan considering the evergreen and share recycling features processed during the year ending December 31, 2022.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

Stock-based Payments

The Company issues equity settled compensation to employees of the Company and advisors, whereby services are rendered in exchange for rights over shares in the Company. Employees of all subsidiaries of the Company participate within this scheme through a variety of plans described above.

Under these plans, options are granted to employees at the start of their employment and typically expire between 0 to 15 years. Generally, upon completion of the first year of employment, 25.0% of options will vest, and the remainder will vest monthly over the next three years. In certain circumstances, additional options are granted to employees to recognize performance. Such options vest in the same manner as those granted on joining. RSUs, RSAs and PSUs granted under the 2021 Plan vest in accordance with the individual award agreements and are summarized within the corresponding award types below. The estimated forfeiture rate for share-based payments was 35.9%, 20.4%, and 22.1% for the years ended December 31, 2022, 2021 and 2020, respectively. The company estimates the number of awards that will be forfeited when recognizing share-based payment expense throughout the award's vesting period. The cumulative effect on current and prior periods for a change in the estimate or actual forfeitures is recognized in the current period of the change. This change in estimate will impact current and future period share-based payment expense in the period the estimate is changed.

Stock-based compensation expense is recognized using the graded vesting method. Stock-based payments are recognized as expense for RSUs, RSAs, PSUs and options, net of estimated forfeitures, as follows:

	For the Year Ended December 31,		
	2022	2021	2020
	\$'000	\$'000	\$'000
Total stock-based compensation expense	34,556	48,186	9,557

Restricted Stock Awards

RSAs granted prior the implementation of the 2021 Plan traditionally followed similar vesting schedules as options including 25.0% vesting upon satisfying one year of employment, and the remainder vesting monthly over the next three years. RSAs granted under the 2021 Plan vest pursuant to the terms of the individual agreements which typically include a specified service condition term and any unvested shares are forfeited upon separation from the Company.

The following table displays RSA activity and weighted average grant date fair values for the year ended December 31, 2022:

	RSAs	Weighted average grant date fair value per RSA
Balance at January 1, 2022	201,825	\$ 9.98
Granted	632,000	\$ 24.12
Vested and issued	(133,511)	\$ 21.79
Forfeited	(130,000)	\$ 26.25
Balance at December 31, 2022	570,314	\$ 19.50
Vested and unissued at December 31, 2022	169,520	\$ 15.57
Unvested at December 31, 2022	400,794	\$ 24.20

The total grant-date fair value of RSAs granted during the year ended December 31, 2022 and 2021 was \$15.2 million and \$6.7 million respectively. No RSAs were granted during the year ended December 31, 2020.

The Company recorded stock-based compensation expense related to RSAs of \$5.9 million during the year ended December 31, 2022 (2021: \$3.6 million).

As of December 31, 2022, the unrecognized compensation cost related to unvested RSAs is \$4.1 million, which is expected to be recognized over a weighted average period of 2.67 years.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

Restricted Stock Units

The following table displays RSU activity and weighted average grant date fair values for the year ended December 31, 2022:

	RSUs	Weighted average grant date fair value per RSU ⁽¹⁾
Balance at January 1, 2022	279,891	\$ 155.75
Granted	934,538	\$ 79.50
Vested and issued	(162,815)	\$ 126.65
Forfeited	(348,791)	\$ 101.60
Balance at December 31, 2022	702,823	\$ 82.85
Vested and unissued at December 31, 2022	7,178	\$ 133.85
Unvested at December 31, 2022	695,645	\$ 82.30

(1) The calculation of weighted average grant date fair value excludes RSUs issued to Higi employees upon the acquisition of Higi during the year ended December 31, 2021.

The total grant-date fair value of RSUs granted during the years ended December 31, 2022 and 2021 was \$74.2 million and \$37.2 million, respectively. No RSUs were granted during the year 2020.

The Company recorded stock-based compensation expense related to RSUs of \$28.6 million during the year ended December 31, 2022 (2021: 6.5 million).

As of December 31, 2022, the Company had \$46.2 million in unrecognized compensation cost related to unvested RSUs which is expected to be recognized over a weighted average period of 2.8 years.

Performance Share Units

The following table displays PSU activity and weighted average fair values for the periods presented:

	PSUs	Weighted average fair value
Balance at January 1, 2022	—	\$ —
Granted	726,000	\$ 11.38
Vested and issued	—	\$ —
Forfeited / cancelled during the period	(102,000)	\$ 12.31
Balance at December 31, 2022	624,000	\$ 11.23
Vested and unissued at December 31, 2022	—	
Unvested at December 31, 2022	624,000	

The total grant-date fair value of PSUs granted during the year ended December 31, 2022 was \$8.3 million. No PSUs were granted during the years 2021 and 2020.

The Company recorded stock-based compensation expense related to PSUs of \$0.6 million during the year ended December 31, 2022.

As of December 31, 2022, the Company had \$5.3 million in unrecognized compensation cost related to unvested PSUs, which is expected to be recognized over a weighted average period of 2.1 years.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

The shares typically have three equal tranches, with each tranche vesting upon the achievement of an agreed upon share price on the New York Stock Exchange over any 20 trading days within a 30-day period, and accelerate vesting upon a change of control. The PSUs typically expire after 4-years from the grant date and any unvested shares are forfeited upon separation from the Company.

The grant-date fair value and derived implicit service period of PSUs granted under the 2021 Plan were determined using a Monte Carlo simulation model, and involve input of subjective assumptions, including share price and volatility. For the share price, the Company used the publicly traded share price on the date of the grant. For volatility, the Company determined the % using historical volatilities for selected comparable peer companies.

Options

There were no options granted during the year ended December 31, 2022. Options were granted in prior years under the LTIP, CSOP or 2021 Plan described above. The fair value of each employee and non-employee stock option award was estimated on the date of grant for each option using the Black-Scholes option pricing model. The group uses the following key assumptions to determine the grant date fair value of options in the period they were granted as follows:

Fair Value of Underlying Stock

The fair value of the Company's Class A ordinary shares is determined by the closing price, on the date before the grant, of its Class A ordinary shares, which is traded on the NYSE. Prior to the Merger described in Note 1, the estimated fair value of the Class A ordinary shares had been determined by the Board of Directors as of the date of each grant, with input from management, considering the most recently available third-party valuations of the Group's Class A ordinary shares, and the assessment of additional objective and subjective factors that they believed were relevant and which may have changed from the date of the most recent valuation through the date of the grant.

Volatility

The Company uses an average historical stock price volatility of a peer group of comparable publicly traded healthcare companies representative of our expected future stock price volatility, as there is not sufficient trading history for our Class A ordinary shares. For purposes of identifying these peer companies, the Company considers the industry, stage of development, size and financial leverage of potential comparable companies. For each grant, the Company measures historical volatility over a period equivalent to the expected term.

Risk-Free Interest Rate

The risk-free interest rate is based on the implied yield currently available on U.S. Treasury zero-coupon issues with maturities similar to the expected term of the award.

Expected Dividend Yield

The Company has not paid and does not anticipate paying any dividends in the foreseeable future. Accordingly, the Company estimates the dividend yield to be zero.

Expected Term

The Company determines the expected term of awards using the simplified method which is used when there is insufficient historical data about exercise patterns and post-vesting employment termination behavior. The simplified method is based on the vesting period and the contractual term for each grant. The mid-point between the vesting date and the maximum contractual expiration date is used as the expected term under this method.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

The following table displays option activity, aggregate intrinsic values, and weighted average exercise prices and remaining contractual lives for the year ended December 31, 2022:

	Weighted average exercise price	Number of options	Weighted average remaining contractual life in years	Aggregate intrinsic value
	\$			\$'000
Outstanding at the beginning of the year	36.75	915,850	10.40	\$ 99,065
Granted during the year	—	—	N/A	
Exercised during the year	0.41	(346,906)	N/A	\$ (7,602)
Forfeited / cancelled during the year	130.24	(200,875)	N/A	
Outstanding at the end of the year	19.76	368,069	8.62	\$ (4,723)
Exercisable at the end of the year	19.14	330,194	8.32	\$ (4,092)

No options were granted during the year ended December 31, 2022. The total grant-date fair value of options granted during the years 2021 and 2020 was \$59.3 million and \$20.5 million, respectively.

Due to the cumulative effect of the change in estimated forfeitures recognized in the current period for current and prior period options, \$0.5 million of stock-based compensation expense was recognized during the year ended December 31, 2022. During the year ended December 31, 2021, the Company recognized \$26.6 million of stock-based compensation expense.

As of December 31, 2022, the Company had \$0.8 million in unrecognized compensation cost related to unvested options, which is expected to be recognized over a weighted average period of 0.9 years.

Included within the forfeited / cancelled quantity during the year ended December 31, 2022 are 51,654 stock options that were replaced by 80,000 RSAs included within the granted quantity reported within the RSA table above. This transaction was accounted for as a modification occurring in July 2022, the date the replacement RSA was granted and the option was cancelled. The Company determined that the replacement RSA's fair value exceeds the cancelled options fair value on the date of modification by \$1.7 million of which, the Company recognized \$1.1 million in stock-based compensation expense associated with the modification during the year ended December 31, 2022 with the remaining \$0.6 million to be recognized over the next 0.5 years.

19. Equity

Equity Following the Conversion and Reverse Share Split

The Consolidated Financial Statements are prepared as a continuation of the financial statements of Babylon Holdings Limited, which have been adjusted to reflect i) the conversion of our historical Class B ordinary shares into our Class A ordinary shares associated with our private placement of our Class A ordinary shares (collectively referred to as the "Conversion") and ii) the 1-for-25 reverse share split.

On December 15, 2022, we completed a 1-for-25 reverse share split of its Class A ordinary shares and Class B ordinary shares as announced on our November 9, 2022 press release. Beginning on December 16, 2022, every twenty-five (25) shares of Babylon were automatically converted into one (1) issued and outstanding share of Babylon Class A ordinary shares with a \$0.001056433113 par value. This conversion applies a round down feature for any converted share that results in fractional shares. This round down feature is not considered to have a material impact on the Consolidated Financial Statements. All share quantities and prices mentioned throughout the Consolidated Financial Statements are reflected of the retrospective application of this reverse share split for all periods presented.

On November 4, 2022, as a condition to closing the Private Placement (referred to as "PIPE financing" on our Consolidated Statement of Changes in Stockholders' Equity) announced in our October 18, 2022 press release, we announced the conversion of our all of our outstanding Class B ordinary shares, par value \$0.001056433113, into Class A ordinary shares, par value \$0.001056433113, effective on November 1, 2022. Associated with the conversion of our outstanding Class B ordinary shares, were private placement transactions consisting of initial and additional subscription

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

agreements, providing a sale of 7,596,979 Class A ordinary shares (collectively referred to as the “Conversion” throughout our Consolidated Financial Statements).

On October 16, 2022 and October 17, 2022, Babylon entered into subscription agreements (the “Subscription Agreements”) with several investors (collectively, the “Investors”) for a private placement of our Class A ordinary shares (the “Private Placement” or “PIPE financing”). On November 3, 2022, the Private Placement closed, and Babylon issued 7,596,979 Class A ordinary shares to the Investors and received \$80.0 million in proceeds.

As a condition to closing the Private Placement, our founder, Dr. Ali Parsadoust and ALP Partners Limited, as the sole holder of the outstanding 3,185,503 Class B ordinary shares, par value 0.0010564331130 per share (the “Class B ordinary shares”), converted all of the outstanding Class B ordinary shares to 3,185,503 Class A ordinary shares, par value \$0.001056433113 per share, on November 1, 2022. Following the Conversion, there are no Class B ordinary shares issued and outstanding.

The following tables display the number of shares of Babylon Holdings Limited, reflected in post-reverse share split quantities for Class A ordinary and Class B ordinary shares authorized, issued and outstanding as of January 1, 2022, and reconciled for activity that occurred during the year ended December 31, 2022, including the Private Placement and Conversion, to the shares issued and outstanding as of December 31, 2022:

(In thousands of shares)	Class A ordinary shares	Class B ordinary shares
Authorized	260,000	124,000
On issue at January 1, 2022	13,357	3,186
Issued during the year prior to the Private Placement and Conversion	659	—
Conversion of Class B ordinary shares into Class A ordinary shares	3,186	(3,186)
Shares issued as part of the Private Placement	7,597	—
Issued following the Conversion and Private Placement	60	—
On issue at December 31, 2022—fully paid	24,859	—

Share Rights

Each Class A ordinary share will have the right to exercise one vote at any general meeting of the shareholders of the Company, to participate pro rata in all dividends declared by the Company, and the rights in the event of the Company’s dissolution.

Each Class B ordinary share has the same economic terms as the Class A ordinary shares, but the Class B ordinary shares have the right to exercise 15 votes per share.

There were 100,000 authorized Deferred Shares with a par value of \$0.0000422573245084686, which are non-voting shares and do not convey upon the holder the right to be paid a dividend or notice to attend, vote or speak at a shareholder meeting. No Deferred Shares have been issued.

These share rights did not change as a result of the Conversion.

Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign controlled entities are recognized in other comprehensive loss and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

Other Comprehensive Income (“OCI”) Accumulated in Reserves, Net of Tax

	2022	2021	2020
	\$'000	\$'000	\$'000
January 1,	(2,808)	(2,244)	(5,824)
Foreign operations – foreign currency translation differences	7,080	(564)	3,580
December 31,	4,272	(2,808)	(2,244)

Retained Earnings

The retained earnings account represents retained profits or losses less amounts distributed to shareholders.

20. Warrant and Earnout Liabilities

The Company’s warrant and earnouts are classified and accounted for as liabilities at fair value, with changes in fair value recorded in the Consolidated Statement of Operations and Other Comprehensive Loss in Fair Value Remeasurement. The following table displays the number of warrant and earnouts in issue as of December 31, 2022:

(In thousands of shares)	Tradeable No. of warrants	Non-tradeable No. of warrants	Total No. of warrants
In issue at January 1, 2022	345	307	652
Issuance of AlbaCore Warrants	—	35	35
Exchange of Alkuri Warrants	(345)	(237)	(582)
In issue at December 31, 2022	—	105	105

(In thousands of shares)	Total No. of earnouts
In issue at January 1, 2022	1,604
Release of Stockholder Earnout Shares	—
Release of Sponsor Earnout Shares	—
In issue at December 31, 2022	1,604

Alkuri Warrants

As of December 31, 2022 there were no Alkuri Warrants outstanding related to the Merger. At the date of the Merger, the warrants entitled the holder to purchase one Class A ordinary share of Babylon Holdings Limited at an exercise price of \$287.50 per share. Until warrant holders acquire the Company’s ordinary shares upon exercise of such warrants, they have no rights with respect to the Company’s ordinary shares. The warrants expire on October 21, 2026, or earlier upon redemption or liquidation in accordance with their terms. The initial and subsequent measurement of the fair value of the Alkuri Warrants on the date of issuance and at each reporting period end date, respectively, is determined by using the prevailing market price for warrants that are trading on the NYSE under the ticker BBLN.W.

In June 2022, the Company completed a registered exchange offer of the Company’s 582,333 outstanding Alkuri Warrants (“Warrant Exchange”). In connection therewith, the Company exchanged 535,517 warrants tendered for shares of the Company’s Class A ordinary shares at an exchange ratio of 0.295 shares for each warrant. As a result, at closing, the Company issued 157,978 Class A ordinary shares. The fair value of Class A ordinary shares issued in excess of the Warrant liability at settlement date of \$2.4 million, including transaction costs, was recorded as a Loss on settlement of warrants in the Consolidated Statement of Operations and Other Comprehensive Loss.

In July 2022, in accordance with the Warrant Amendment, the Company exercised its right to exchange the remaining outstanding Alkuri Warrants for the Company’s Class A ordinary shares, at an exchange ratio of 0.2655 shares for each

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

warrant. As a result of the transaction, 46,816 warrants were converted into 12,430 Class A ordinary shares. In addition, the Alkuri Warrants that were previously traded on the NYSE under the ticker symbol BBLN.W were delisted in July 2022, as no such Alkuri warrants remained outstanding.

AlbaCore Warrants and Additional Albacore Warrants

As of December 31, 2022 there were a combined total of 105,449 Albacore Warrants and Additional Albacore Warrants outstanding representing the entire outstanding warrants as of December 31, 2022. The warrants entitle the holder to purchase one Class A ordinary share at a subscription price of \$0.001 per share upon occurrence of an exercise event. Until warrant holders acquire the Company's Class A ordinary shares upon exercise of such warrants, they have no rights with respect to the Company's ordinary shares. The warrants expire on November 4, 2026, or earlier upon redemption or liquidation in accordance with their terms. The initial and subsequent measurements of fair value are derived using a Monte Carlo simulation. Refer to Note 22 for the fair value movements of this instrument through the period resulting with an ending liability balance of \$0.7 million as of December 31, 2022.

Earnout Shares

As of December 31, 2022 there were 1,603,750 Earnout Shares outstanding consisting of 1,552,000 Class A ordinary shares to its Founder and Chief Executive Officer ("Stockholder Earnout") and 51,750 Class A ordinary shares to Alkuri's sponsor ("Sponsor Earnout Shares"). Originally, the Stockholder Earnout shares were entitled the Founder and Chief Executive Officer to a right to receive Class B ordinary shares upon achieving the milestones described in Note 3. However, as part of the Conversion described in Note 19, this converted to a right to receive Class A ordinary shares. As discussed in Note 3, the Earnout Shares are classified as a liability and recognized at fair value. The initial and subsequent measurements of fair value are derived using a Monte Carlo simulation. Refer to Note 22 for the fair value movements of this instrument through the period resulting with an ending liability balance of \$0.7 million in the aggregate for both Stockholder and Sponsor earnouts, as of December 31, 2022.

21. Related Parties

Transactions with Management

During the year ended December 31, 2022, Babylon recognized an contractual termination benefit expense of \$4.8 million within the Due to related parties account on the Consolidated Balance Sheet for costs incurred during the year related to a guarantee of a minimum level of compensation based in part on the Company's stock price for a senior (non-Director) employee under their employment agreement.

Directors' remuneration is borne by the Company's subsidiary, Babylon Partners Limited.

In February of 2022, we identified a related party relationship between our acting CFO for our IPA Business, who was appointed that position for the IPA Business in August of 2022, and an entity that receives administrative services from one of the IPA Business' subsidiaries. This individual was also appointed as CFO of the entity that receives these administrative services in February of 2022. While a related party relationship exists, the amounts recognized during the period are immaterial.

During the years ended December 31, 2022 and 2021, Babylon had loan balances owed by various executive officers to the Company. A portion of their compensation during the years ended December 31, 2022 and 2021, included the forgiveness of these loans in their entirety.

ALP Note

On June 3, 2020, in connection with our initial investment in Higi, ALP Partners Limited ("ALP"), as lender, entered into a promissory note with Higi, as borrower, in which Higi promised to pay ALP an aggregate principal sum of \$5.0 million (the "ALP Note"). On December 7, 2021, we exercised our option to acquire the remaining equity interest in Higi pursuant to the Higi Acquisition Agreement. The closing of this acquisition occurred on December 31, 2021. The exercise price of the option to acquire the remaining Higi equity stake included the payment of \$5.4 million at the closing to satisfy the principal and interest payable by a subsidiary of Higi pursuant to the ALP Note. As a result, no remaining balance related to this Note existed as of December 31, 2021. Refer to Note 4 for details related to the Higi acquisition.

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

PIPE Transaction

On June 3, 2021, we completed the PIPE Transaction, in which we issued and sold, in private placements that closed immediately prior to the Merger, an aggregate of 896,000 of our Class A ordinary shares to certain Babylon shareholders for \$ 250.00 per share. The PIPE Transaction included the issuance of 20,000 Class A ordinary shares to VNV (Cyprus) Limited, 20,000 Class A ordinary shares to Black Ice Capital Limited, an affiliate of VNV (Cyprus) Limited, 20,000 Class A ordinary shares to Invik S.A. and 8,000 Class A ordinary shares to ALP.

22. Fair Value Measurements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

There were no transfers between fair value levels during the year.

The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis at December 31, 2022 and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value.

	Fair Value			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Tradeable Alkuri Warrants	—	—	—	—
Non-tradeable Alkuri Warrants	—	—	—	—
AlbaCore Warrants	—	—	711	711
Stockholder earnouts	—	—	646	646
Sponsor earnouts	—	—	21	21
	—	—	1,378	1,378

The following table presents a reconciliation of the fair values for each level of fair value instruments is below:

	Tradeable (Level 1)	Non-tradeable (Level 2)	Non-tradeable (Level 3)	Total
	\$'000	\$'000	\$'000	\$'000
Balance of Warrant and Earnout liabilities at December 31, 2021	5,865	4,035	185,177	195,077
Fair value of Additional AlbaCore warrants upon issuance	—	—	3,418	3,418
Fair value remeasurement of Warrant and Earnout liabilities prior to settlement of Alkuri warrants	(3,105)	(2,136)	(173,489)	(178,730)
Settlement of Alkuri warrants upon issuance of shares	(2,760)	(1,899)	291	(4,368)
Fair value remeasurement of Warrant and Earnout liabilities	—	—	(14,019)	(14,019)
Balance of Warrant and Earnout liabilities at December 31, 2022	—	—	1,378	1,378

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

There tradeable Alkuri Warrants were valued using the instrument's publicly listed trading price as of the date of the Consolidated Balance Sheets, which is considered to be a Level 1 measurement due to the use of an observable market quote in an active market. There we no tradeable Alkuri Warrants as of December 31, 2022.

As the non-tradeable Alkuri Warrants have identical terms as the tradeable Alkuri Warrants, the non-tradeable Alkuri Warrants were valued using the tradeable Alkuri Warrants' publicly listed trading price, which is considered to be a Level 2 fair value measurement due to the use of an observable market quote from a similar instrument in an active market. There we no non-tradeable Alkuri Warrants as of December 31, 2022.

The AlbaCore Warrants and Earnout shares were valued using a Monte Carlo simulation, which is considered to be a Level 3 fair value measurement. The Earnout shares include both Stockholder and Sponsor Earnouts and have equivalent terms and conditions. The primary unobservable input utilized in determining the fair value of the AlbaCore Warrants and Earnout shares is the expected volatility of our ordinary shares. The expected volatility of the Company's ordinary shares was determined using peer group companies ranging from 35.8% to 111.9%. Due to the nominal exercise price of the AlbaCore Warrants, changes in volatility would not result in a material change in the fair value of the warrants.

The key inputs into the Monte Carlo simulation model for the AlbaCore Warrants were as follows on the date of issuance and as of December 31, 2021 and 2022:

	As of December 31, 2022	As of December 31, 2021	As of November 4, 2021
Underlying stock price (USD)	\$ 6.75	\$ 145.75	\$ 241.50
Exercise price (USD)	\$ 0.00106	\$ 0.00106	\$ 0.00106
Volatility	75.7 %	71.6 %	66.7 %
Remaining term (years)	3.85	4.85	5.00
Risk-free rate	4.0 %	1.2 %	1.1 %

The key inputs into the Monte Carlo simulation model for the Earnout shares were as follows on the date of issuance and as of December 31, 2021 and 2022:

	As of December 31, 2022	As of December 31, 2021	As of October 21, 2021
Underlying stock price (USD)	\$ 6.75	\$ 145.75	272.50
Exercise price (USD)	N/A	N/A	N/A
Volatility	75.2 %	69.5 %	62.6 %
Remaining term (years)	4.56	5.56	5.75
Risk-free rate	4.0 %	1.3 %	1.3 %

The Gain / (loss) on Warrant liabilities for the years ended December 31, 2022, 2021 and 2020 is \$8.2 million, \$27.8 million and nil, respectively. The Gain / (loss) on Earnout liabilities for the years ended December 31, 2022, 2021 and 2020 is \$174.3 million, \$206.7 million and nil, respectively.

23. Net Loss Per Share

Class A ordinary shareholders have the same rights to earnings as Class B ordinary shareholders. Accordingly, basic and diluted EPS is the same for both forms of ordinary shares and collectively referred to as ordinary shareholders in this footnote. The following table sets forth the computation of basic and dilutive net loss per share attributable to the Group's ordinary shareholders:

(In thousands, except for share count and per share data)	2022	2021	2020
Net loss attributable to ordinary shareholders	(221,449)	(77,409)	(211,797)
Weighted average shares outstanding – Basic and Diluted	18,439,104	11,169,203	9,717,434
Net loss per share – Basic and Diluted	(12.01)	(6.93)	(21.80)

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

Refer to Note 2 for our accounting policy over net loss per share for details.

24. Quarterly Statement of Operations and Other Comprehensive Loss (Unaudited)

The following table sets forth our quarterly Consolidated Statement of Operations and Other Comprehensive Loss (unaudited) data through the years ended December 31, 2022 and 2021:

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	71,293	57,478	74,462	117,594	266,446	265,362	288,898	288,963
Claims expense	(23,917)	(40,384)	(51,298)	(104,026)	(247,552)	(238,764)	(264,283)	(266,404)
Clinical care delivery expense	(11,823)	(16,013)	(17,038)	(24,957)	(23,927)	(21,649)	(18,505)	(16,543)
Platform & application expenses	(4,718)	(12,472)	(4,852)	(10,681)	(13,748)	(6,567)	(5,074)	(4,508)
Research & development expenses	(16,246)	(12,667)	(25,195)	(14,365)	(17,314)	(27,577)	(23,008)	(11,256)
Sales, general & administrative expenses	(30,986)	(43,753)	(39,257)	(73,176)	(55,649)	(64,503)	(54,474)	(53,311)
Impairment expense	—	—	—	—	—	(24,820)	(647)	(38,599)
Depreciation and amortization expenses	(713)	(1,310)	(2,659)	(4,503)	(3,078)	(3,906)	(2,456)	(2,610)
Premium deficiency reserve (expense) / income	(1,179)	(25)	2,870	(48,199)	(6,868)	9,123	21,518	7,538
Loss from operations	(18,289)	(69,146)	(62,967)	(162,313)	(101,690)	(113,301)	(58,031)	(96,730)
Interest expense	(1,083)	(1,309)	(1,684)	(8,971)	(5,982)	(9,192)	(8,255)	(9,307)
Interest income	14	14	2	295	255	128	284	374
Loss on settlement of warrants	—	—	—	—	—	(2,375)	(22)	—
Gain / (loss) on fair value remeasurement	—	—	—	239,195	78,773	99,957	11,249	2,770
Exchange (loss) / gain	(573)	482	(396)	1,270	(447)	(7,350)	(4,848)	2,225
Gain on sale of subsidiary	3,917	—	—	—	—	—	—	—
Share of net loss on equity method investments	(455)	(821)	(1,017)	(1,046)	—	—	—	—
Net loss before taxation	(16,469)	(70,780)	(66,062)	68,430	(29,091)	(32,133)	(59,623)	(100,668)
Tax (provision) / benefit	(8)	2,501	(7)	(1,043)	(9)	(199)	(280)	554
Net loss	(16,477)	(68,279)	(66,069)	67,387	(29,100)	(32,332)	(59,903)	(100,114)

25. Subsequent Events

Bridge Facility

On March 9, 2023, the Company announced that it and certain affiliates of, or funds managed and/or advised by, AlbaCore Capital LLP (the “AlbaCore Bridge Notes Subscribers”) entered into a bridge loan notes facility agreement (the “Bridge Facility Agreement”) by and among the Company, as borrower, Babylon Healthcare Inc., Babylon Partners Ltd., and Babylon Inc., as subsidiary guarantors (the “Subsidiary Guarantors”), and Babylon Group Holdings Limited, a limited company organized under the laws of England, as parent guarantor (the “Parent Guarantor” and, together with the Subsidiary Guarantors, the “Guarantors”), pursuant to which the AlbaCore Bridge Notes Subscribers have agreed to provide Babylon with secured debt financing in the form of a senior secured term loan notes facility (the “Bridge Facility”) for an aggregate principal amount of up to \$34.5 million, to be funded in three tranches subject to conditions existing in the Bridge Facility Agreement. The Bridge Facility is subject to an original issue discount (calculated on the basis of an aggregate principal amount of \$30.0 million). The provision of the Bridge Facility is subject to the satisfaction of the customary conditions precedent described in the Bridge Facility Agreement, including the receipt of certain security agreements and other transaction documentation.

In connection with, and as following execution of the Bridge Facility Agreement, the AlbaCore Bridge Notes Subscribers shall have the right to nominate a candidate for appointment by the Company as an independent, non-executive director to the board of directors of the Company. The Company shall use all reasonable endeavors to complete such appointment to the board of directors within 15 business days of the day on which AlbaCore selects such nominee and the appointment shall be completed not later than 30 business days of such date. The Company has also agreed that it shall appoint one additional independent, non-executive director (the identity of such director to be determined in consultation with the AlbaCore Bridge Notes Subscribers or, if no director is selected within 20 business days after the execution of the Bridge Facility Agreement, with the assistance of an independent search consultant) to the board of directors of the Company and

Babylon Holdings Limited
Notes to the Consolidated Financial Statements

that the appointment shall be completed not later than the date that is 50 business days after the date of the Bridge Facility Agreement. In the event that the Company does not achieve certain milestones as described in the Bridge Facility Agreement, the Company has agreed that the Company shall appoint two additional independent, non-executive directors to the board of directors of the Company on the basis of a selection and appointment process substantially similar to the aforementioned process. The milestones consist of the Company: (i) receiving one or more non-binding term sheets in respect of the Recapitalization or one or more non-binding bids in respect of the M&A Process by not later than March 27, 2023 or (ii) receiving binding term sheets or commitments from one or more financiers in respect of the Recapitalization process or binding bids from one or more bidders in respect of the M&A Process on or before May 1, 2023 (subject to the extension provisions described above).

In connection with, and as a condition subsequent to the execution of the Bridge Facility Agreement, the Company shall issue Class A ordinary shares representing 2.3%, or 534,911 Class A ordinary shares of the Company (excluding earnout shares and employee awards) as at the Closing Date to the AlbaCore Bridge Note Subscribers at par value in a private placement pursuant to a subscription agreement (the "Equity Subscription Agreement"), and shall amend and restate the Warrant Instrument such that the subscription entitlement of the AlbaCore Existing Notes Subscribers to receive Class A ordinary shares pursuant to the terms of the Warrant Instrument is deemed automatically and irrevocably exercised following the Closing Date. Under the terms of the Equity Subscription Agreement, the Company will be required to file a registration statement on Form S-3 with the Securities and Exchange Commission (the "SEC") registering the resale of Class A ordinary shares issued under the Equity Subscription Agreement not more than 20 business days after the filing of the Company's Annual Report on Form 10-K with the SEC.

Cash and Cash Equivalents Held with Silicon Valley Bank

As at, and subsequent to December 31, 2022, the Company had cash and cash equivalents that were deposited with Silicon Valley Bank ("SVB"). On March 10, 2023, SVB was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation ("FDIC") as receiver. The amount of any cash or cash equivalents held on deposit at SVB on March 10, 2023 is immaterial and the impact of any amounts that the Company is unable to recover will not have a significant disruption on ongoing business activities.



**Jersey Financial
Services Commission
Registry**

**Companies (Jersey) Law 1991
Registration of a Special Resolution**

JFSC	
REGISTRY RECEIVED ON	
15 DEC 2022	
REGISTERED ON	
DATE AMENDED	
INITIALS	DATABASES

I (Insert declarant's name)

Computershare Company Secretary (Jersey) Limited

a Director ☐ Secretary ☒ *

*Tick as applicable

of the company named

Company Number 115471

Name of company

Babylon Holdings Limited

hereby certify that the special resolution(s) detailed below/on the attached page(s) which have been initialled by me*, was/were* duly passed at a meeting of the company held on

14 SEP 2022

Resolved that:

☐ Change of name

☒ Change of articles

☐ Change of status

☐ Continuance

☐ Change of limited life company expiration time period

☐ Merger

☒ Change of shares

☐ Dissolution

*Tick as applicable

Insert full resolution details

Signature

Date

14 DEC 2022

Note: This form, once registered, will be publicly available

Personal data provided in this application will be used by the Commission to discharge its statutory functions under the Companies (Jersey) Law 1991, as amended, and it may be disclosed to third parties for those purposes. Further information may be found in the Commission's Privacy Notice, which may be found on www.jerseyfsc.org.

The Commission may seek to verify the information in this application.





Registry

Resolved that: (Continued)

Special resolution - Resolution 3:

(1). pursuant to Article 38(1)(b) of the Companies (Jersey) Law 1991, as amended, a consolidation and Reverse Share Split of the issued and unissued Class A ordinary shares and Class B ordinary shares be approved (the "Reverse Share Split"), with the conversion calculation and corresponding new par value and number of issued and unissued shares of each class to be determined by the Board.

(2). the Board be authorized to carry out a Reverse Share Split of each issued and unissued Class A and Class B share and be approved to carry out such a Reverse Share Split such that:

- * the Board is authorized to determine the number of Class A ordinary shares that will be consolidated into one Class A share (the "Class A Share Conversion Ratio"), such Class A Share Conversion Ratio to be any number between 15 and 25, pursuant to which the par value of each issued and unissued Class A share will be increased accordingly; and

- * the Board is authorized to determine the number of Class B ordinary shares that will be consolidated into one Class B share (the "Class B Share Conversion Ratio" and, together with the Class A Share Conversion Ratio, the "Conversion Ratios"), such Class B Share Conversion Ratio to be any number between 15 and 25, pursuant to which the par value of each issued and unissued Class B share will be increased accordingly.

(3). following the determination by the Board of the Conversion Ratios, the authorized share capital of the Company and paragraph 4 of the Company's memorandum and articles of association ("memorandum") (in respect of the authorized share capital and nominal value of each share class) shall be amended accordingly to reflect the Reverse Share Split in such manner as determined by the Board in its sole discretion (the "Amendments"), subject to Resolution 3(2) and in the form set out below:

The share capital of the company is US\$409,896.05 divided into:

260,000,000 Class A Ordinary Shares with a par value of US\$0.001056433113 each
124,000,000 Class B Ordinary Share with a par value of US\$0.001056433113 each; and
100,000,000 Deferred Shares with a par value of US\$0.0000422573245084686 each.

(4). for the avoidance of doubt, if the directors determine in their sole discretion that the Reverse Share Split is not in the best interests of the Company or would not be required for any reason, then the directors be authorized to not proceed with the Reverse Share Split and the Company will make a public announcement in respect of the same.

Company number:
115471

JFSC	
REGISTRY RECEIVED ON	
15 DEC 2022	
REGISTERED ON	
DATE AMENDED	
INITIALS	DATABASES

THE COMPANIES (JERSEY) LAW 1991
A COMPANY LIMITED BY SHARES
AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION
OF
BABYLON HOLDINGS LIMITED
(Adopted by special resolution passed at the Annual General Meeting
on 14 September 2022
and effective on 15 December 2022)

-
1. The name of the company is **Babylon Holdings Limited**.
 2. The company is a public company.
 3. The company is a par value company.
 4. The share capital of the company is US\$409,896.05 divided into:
 - 4.1 260,000,000 Class A Ordinary Shares with a par value of US\$0.001056433113 each;
 - 4.2 124,000,000 Class B Ordinary Shares with a par value of US\$0.001056433113 each;
and
 - 4.3 100,000,000 Deferred Shares with a par value of US\$0.0000422573245084686 each.
 5. The liability of a member of the company is limited to the amount unpaid (if any) on such member's share or shares.

DESCRIPTION OF SECURITIES

A summary of the material provisions governing our securities registered pursuant to Section 12(b) of the Exchange Act of 1934, as amended (the “Exchange Act”) is provided below. This summary is not complete and should be read together with our Amended and Restated Memorandum and Articles of Association (the “Babylon Articles”), as amended by special resolution of the Company's shareholders and as implemented by the adoption of an Amended and Restated Memorandum of Association on 15 December 2022, copies of which are filed with the U.S. Securities Exchange and Commission (the “SEC”). References herein to “we,” “us,” “our,” “Babylon” and the “company” refer to Babylon Holdings Limited.

Share Capital

Our authorized share capital is \$409,896.05 divided into 260,000,000 Class A ordinary shares with a par or nominal value of \$0.001056433113 each (the “Class A Ordinary Shares”), 124000,000 Class B ordinary shares with a par value of \$0.001056433113 each (the “Class B Ordinary Shares”), and 100,000,000 deferred shares with a par value of \$0.0000422573245084686 each. Each issued Class A Ordinary Share is fully paid. No Class B Ordinary Shares or Deferred Shares are issued and outstanding.

Conversion of Class B Ordinary Shares

The Babylon Articles contain both mandatory and optional mechanics whereby Class B Ordinary Shares may be converted into Class A Ordinary Shares.

From a mandatory perspective, Class B Ordinary Shares will automatically be converted and immediately treated as Class A Ordinary Shares in the following circumstances:

- with the approval of the holders of at least two-thirds by nominal value of the issued Class B Ordinary Shares;
- upon any transfer of the Class B Ordinary Shares to any person (other than to specified permitted transferees of Ali Parsadoust (the “Founder”));
- where any of the Class B Ordinary Shares cease to be beneficially owned at any time by Dr. Ali Parsadoust or any of his permitted transferees; or
- on such date that (i) Dr. Parsadoust (together with any of his permitted transferees) no longer hold at least five per cent of the Class B Ordinary Shares held by Dr. Parsadoust (together with his permitted transferees) on October 21, 2021 and (ii) is either (a) at least 12 months following Dr. Parsadoust’s voluntary resignation as CEO and director of Babylon or (b) at least 12 months following the death or permanent incapacity of Dr. Parsadoust.

The Babylon Articles also contain a series of optional conversion mechanics for the Class B Ordinary Shares, primarily that a holder of Class B Ordinary Shares is entitled at any time to convert all (or part) of their holding of fully-paid Class B Ordinary Shares to the same number of fully paid Class A Ordinary Shares by delivering to the company (or its representative) written notice of such conversion (and in the case of a certificated share, the certificate(s) representing the Class B Ordinary Shares to be converted).

On November 1, 2022, all of the issued and outstanding Class B Ordinary Shares were converted to Class A Ordinary Shares. The company has agreed to use its commercially reasonable efforts to amend the Babylon Articles to remove the provisions related to the Class B Ordinary Shares, and to include a proposal to eliminate the Class B Ordinary Share provisions in the proxy statement for the 2023 Annual General Meeting of Shareholders.

Voting Rights

Subject to the rights attaching to the relevant shares in the Babylon Articles, holders of Class A Ordinary Shares are entitled to cast one (1) vote per Class A Ordinary Shares, and holders of Class B Ordinary Shares are entitled to cast fifteen (15) votes per Class B Ordinary Shares. Deferred shares carry no voting rights.

Shareholder Meetings

General Meetings

An annual general meeting and any other shareholders' meeting (whether convened for the passing of an ordinary or a special resolution) shall be called by at least 14 days' notice given to all of the shareholders, directors and auditors.

Special Meetings

Under the Jersey Companies Law, only our board of directors or shareholders holding at least 10% of the total voting rights of our share capital can requisition a shareholders' meeting. A meeting requisitioned by shareholders must be held within two months of receipt by us of the written request, but such shareholders may call the meeting if our board of directors does not call the meeting within 21 days of the date of deposit of the written request at our registered office, in which event such meeting must be held within three months of the date of deposit of the written request of our registered office.

Action by Written Consent

The Babylon Articles prohibit the passing of a resolution of the shareholders in writing, save that where the holder(s) of Class B Ordinary Shares hold at least a simple majority of the total voting rights held by the shareholders of Babylon, a resolution in writing (be that an ordinary or special resolution, but excluding a resolution removing an auditor) which is signed by shareholders who would be entitled to receive notice of and attend and vote at a general meeting at which such resolution would be proposed and which represent such number of the voting rights as would be required to pass the resolutions on a poll taken at the meeting of those shareholders, shall be valid and effectual.

Board of Directors

Election of Directors

Under the Babylon Articles, our board of directors shall not, unless otherwise determined by an ordinary resolution of the company, be less than three but is not subject to a maximum number. Shareholders are only able to appoint a person as a director at a shareholder meeting if either (i) the relevant person has been recommended by our board of directors or is a serving director who is retiring at that shareholder meeting; or (ii) if a shareholder (other than the person proposed as a director) who is entitled to attend and vote at that shareholder meeting has submitted written notice to us of their intention to nominate the relevant person no less than 90 and no more than 120 full days prior to the date of that shareholder meeting, along with a notice from the relevant person confirming their willingness to be appointed. In addition, the board of directors itself may appoint any person who is willing to act to be a director, subject to maximum director limitations.

Removal of Directors

Under the Babylon Articles, each director of the board of directors who holds such office on the date that is seven days before the notice of our annual general meeting shall retire from office and shall be subject to re-election at each annual general meeting.

Babylon may also remove a director, notwithstanding the above or in any agreement between a relevant director and Babylon, by an ordinary resolution of shareholders.

Director's Conflict of Interest

An interested director must disclose to the company the nature and extent of any interest in a transaction with the company, or one of its subsidiaries, which to a material extent conflicts or may conflict with the interests of the company and of which the director is aware. Failure to disclose an interest entitles the company or a shareholder to apply to the court for an order setting aside the transaction concerned and directing that the director account to the company for any profit or gain realized. A director shall not vote (or be counted in the quorum at a meeting) in respect of any resolution concerning that director's own appointment or termination, and may not vote (or be counted in the quorum at a meeting) in respect of any resolution relating to a transaction or arrangement of the company in which that director has an interests which may reasonably be regarded as likely to give rise to a conflict of interest, subject only to certain exceptions (including that the resolution concerns a transaction or arrangement in which the director is interested by virtue of an interest in shares, debentures or other securities of the company or otherwise in or through the company).

A transaction is not voidable and a director is not accountable notwithstanding a failure to disclose an interest if the transaction is confirmed by special resolution and the nature and extent of the director's interest in the transaction are disclosed in reasonable detail in the notice calling the meeting at which the resolution is passed.

Although it may still order that a director account for any profit, a court will not set aside a transaction unless it is satisfied that the interests of third parties who have acted in good faith would not thereby be unfairly prejudiced and the transaction was not reasonable and fair in the interests of the company at the time it was entered into.

Transfer of Shares

Under the Babylon Articles, a member is permitted to transfer all or any of their shares in any manner which is permitted by Jersey Companies Law, subject to certain restrictions in respect of lock-up provisions.

Dividends and Liquidation Rights

Subject to Babylon agreeing with any member that all or any part of the Class A Ordinary Shares or Class B Ordinary Shares held by such member (from time-to-time) shall be subject to provisions set out in a separate agreement, the holders of such Class A Ordinary Shares or Class B Ordinary Shares are entitled to receive dividends in proportion to the number of Class A Ordinary Shares or Class B Ordinary Shares held by them. Holders of Class A Ordinary Shares or Class B Ordinary Shares are entitled, in proportion to the number of ordinary shares held by them, to participate in a return of assets upon a liquidation/winding-up. Holders of deferred shares are not entitled to receive any dividend or distribution declared, nor are they entitled to share in any surplus on a winding up of Babylon.

Variation of Rights

The rights attached to any class of Babylon Shares may only be varied with the consent in writing of the holders of at least three quarters in nominal value of the issued shares of the relevant class, or with the authority of a special resolution passed at a separate meeting of the holders of those shares.

The consent in writing of the holders of more than half of the issued Class B Ordinary Shares is required for any amendment to the powers, preferences or other rights attached to the Class A Ordinary Shares; any dividend or other distribution to the Class A Ordinary Shares which is not made pro rata to the Class B Ordinary Shares; or any proposal to treat the Class A Ordinary Shares differently from the Class B Ordinary Shares with respect to any consolidation, subdivision, recapitalization or similar, with respect to any consideration in to which the shares are converted or any consideration paid or otherwise distributed to our shareholders upon a change of control following a listing, in each case where such action would be reasonably likely to adversely affect the rights attaching to the Class B Ordinary Shares.

The consent in writing of the holders of more than half of the issued Class A Ordinary Shares is required for any amendment to the powers, preferences or other rights attached to the Class B Ordinary Shares; any dividend or other distribution to the Class B Ordinary Shares which is not made pro rata to the Class A Ordinary Shares; or any proposal to treat the Class B Ordinary Shares differently from the Class A Ordinary Shares with respect to any consolidation, subdivision, recapitalization or similar, with respect to any consideration in to which the shares are converted or any consideration paid or otherwise distributed to our shareholders upon a change of control following a listing, in each case where such action would be reasonably likely to adversely affect the rights attaching to the Class A Ordinary Shares.

Options

The board of directors is able to exercise the powers of Babylon in order to, amongst other actions, establish, maintain, adopt and enable participation in any profit sharing or incentive scheme including shares, share options or cash or similar schemes for the benefit of any director or employee of Babylon. In addition, the board of directors has broad rights (subject to Jersey Companies Law, the Babylon Articles and any resolution of Babylon) to generally grant options over any unissued shares in Babylon on such terms as the board of directors may decide.

Calls on Shares

The board of directors may make calls on members in respect of any moneys unpaid on their shares (whether as to nominal amount or premium) and each member shall, subject to receiving at least 14 clear days'

notice specific when and where such payment is to be made) pay to the company as required the amount called. The board of directors is able to revoke or postpone such call as they may decide.

Limitations on Share Ownership

The Babylon Articles do not contain any provisions that limit the rights to own securities in the company from a non-resident/foreign holder perspective.

Anti-Takeover Effects of Certain Provisions of the Babylon Articles

General

The Babylon Articles contain provisions that could have the effect of delaying, deterring or preventing another party from acquiring or seeking to acquire control of us. These provisions are designed to discourage certain types of coercive takeover practices and inadequate takeover bids. These provisions are also intended to encourage anyone seeking to acquire control of us to negotiate first with our board of directors. However, these provisions may also delay, deter or prevent a change in control or other takeovers of our company that our shareholders might consider to be in their best interests, including transactions that might result in a premium being paid over the market price of our Class A Ordinary Shares or Class B Ordinary Shares and also may limit the price that investors are willing to pay in the future for our Class A Ordinary Shares or Class B Ordinary Shares. These provisions may also have the effect of preventing changes in our management. We believe that the benefits of increased protection give us the potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us, and that the benefits of this increased protection outweigh the disadvantages of discouraging those proposals, because negotiation of those proposals could result in an improvement of their terms. A description of these provisions is set forth below.

Dual Class

As described above in “—*Voting Rights*,” the Babylon Articles provide for a dual class share capital structure, as a result of which holders of Class B Ordinary Shares are entitled to fifteen (15) votes per share, while holders of Class A Ordinary Shares are entitled to one (1) vote per share. This provides holders of Class B Ordinary Shares with significant influence over matters requiring shareholder approval, including the election and removal of directors and significant corporate transactions, such as a merger or other sale of Babylon or its assets.

Advance Notice Procedure

The Babylon Articles provide that a shareholder of Babylon may propose the nomination of a candidate to be elected as a director at a general meeting. Such shareholder must, among other things, provide notice thereof in writing to Babylon not less than ninety (90) days nor more than one hundred and twenty (120) days prior to the meeting.

The notice must contain, among other things, the particulars which would, if the person were so elected to the position of director, be required to be included in Babylon’s register of directors and a notice executed by the person of the person’s willingness to be elected.

Exclusive Forum Provision

The Babylon Articles provide that, unless Babylon consents in writing to the selection of an alternative forum, the Courts of Jersey shall (to the fullest extent permitted by law) be the sole and exclusive forum for derivative shareholder actions, actions for breach of fiduciary duty by Babylon directors and officers, actions arising out of Jersey Companies Law or actions arising out of or in connection with the Babylon Articles (pursuant to any provisions of Jersey law) or otherwise relating to the constitution or conduct of the company itself (other than any such action of the company that may arise out of a breach of any federal law of the United States or the laws of any U.S. state). The exclusive forum provision would not prevent derivative shareholder actions based on claims arising under U.S. federal securities laws from being raised in a U.S. court and would not prevent a U.S. court from asserting jurisdiction over such claims. In addition, unless the company consents in writing to the selection of an alternative forum, U.S. federal district courts shall be the sole and exclusive form for any resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended (the “Securities Act”).

General Other Jersey, Channel Islands Law Considerations

Dividends and other distributions

We may not pay any dividend (whether in cash or assets) unless our directors who are to authorize the dividend have made a statutory solvency statement that, immediately following the date on which the payment is proposed to be made, we are able to discharge its liabilities as they fall due and, having regard to certain prescribed factors including the directors' intentions regarding the management of Babylon, Babylon is able to continue to carry on business and discharge its liabilities as they fall due for the 12 months immediately following the date on which the payment is proposed to be made (or until Babylon is dissolved on a solvent basis, if earlier).

Dividends may not be debited to the company's nominal capital account or any capital redemption reserve, but may be debited to a share premium account. Jersey law does not require that a company has positive profit and loss, retained earnings or similar in order for a dividend to be lawfully paid.

The foregoing also applies to certain types of other distributions made by a Jersey company.

Purchase of Own Shares

As with declaring a dividend, we may not buy back or redeem our shares unless our directors who are to authorize the buyback or redemption have made a statutory solvency statement that, immediately following the date on which the buyback or redemption is proposed to be made, the company is able to discharge its liabilities as they fall due and, having regard to certain prescribed factors including the directors' intentions regarding the management of the company, the company is able to continue to carry on business and discharge its liabilities as they fall due for the 12 months immediately following the date on which the buyback or redemption is proposed to be made (or until the company is dissolved on a solvent basis, if earlier).

If the above conditions are met, we may purchase shares in the manner described below.

We may purchase on a stock exchange our own fully paid shares pursuant to a special resolution of our shareholders. The resolution authorizing the purchase must specify:

- the maximum number of shares to be purchased;
- the maximum and minimum prices which may be paid; and
- a date, not being later than five years after the passing of the resolution, on which the authority to purchase is to expire.

We may purchase our own fully paid shares otherwise than on a stock exchange pursuant to a special resolution of our shareholders, but only if the purchase is made on the terms of a written purchase contract which has been approved by an ordinary resolution of our shareholders. The shareholder from whom we propose to purchase or redeem shares is not entitled to vote the shares being purchased on such resolutions.

We may fund a redemption or purchase of our own shares from any source. We cannot purchase our shares if, as a result of such purchase, only redeemable shares would remain in issue.

If authorized by a resolution of our shareholders, any shares that we redeem or purchase may be held by us as treasury shares. Any shares held by us as treasury shares may be cancelled, sold, transferred for the purposes of or under an employee share scheme or held without cancelling, selling or transferring them. Shares redeemed or purchased by us are cancelled where we have not been authorized to hold these as treasury shares.

Mandatory Purchases and Acquisitions

The Jersey Companies Law provides that where a person has made an offer to acquire a class of all of our outstanding shares not already held by the person and has as a result of such offer acquired or contractually agreed to acquire 90% or more of such outstanding shares, that person is then entitled (and may be required) to acquire the remaining shares of such shares. In such circumstances, a holder of any such remaining shares may apply to the Jersey court for an order that the person making such offer not be entitled to purchase the holder's shares or that the person purchase the holder's shares on terms different to those under which the person made such offer.

Other than as described above and below under "*U.K. City Code on Takeovers and Mergers*," we are not subject to any regulations under which a shareholder that acquires a certain level of share ownership is then required to offer to purchase all of our remaining shares on the same terms as such shareholder's prior purchase.

Compromises and Arrangements

Where we and our creditors or shareholders or a class of either of them propose a compromise or arrangement between us and our creditors or our shareholders or a class of either of them (as applicable), the Jersey court may order a meeting of the creditors or class of creditors or of our shareholders or class of shareholders (as applicable) to be called in such a manner as the court directs. Any compromise or arrangement approved by a majority in number representing 75% or more in value of the creditors or 75% or more of the voting rights of shareholders or class of either of them (as applicable) if sanctioned by the court, is binding upon us and all the creditors, shareholders or members of the specific class of either of them (as applicable).

Whether the capital of the company is to be treated as being divided into a single or multiple class(es) of shares is a matter to be determined by the court. The court may in its discretion treat a single class of shares as multiple classes, or multiple classes of shares as a single class, for the purposes of the shareholder approval referred to above taking into account all relevant circumstances, which may include circumstances other than the rights attaching to the shares themselves.

U.K. City Code on Takeovers and Mergers

The U.K. City Code on Takeovers and Mergers (the “Takeover Code”), applies, among other things, to an offer for a public company whose registered office is in the Channel Islands and whose securities are not admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom or any stock exchange in the Channel Islands or the Isle of Man if the company is considered by the Panel on Takeovers and Mergers (the “Takeover Panel”), to have its place of central management and control in the United Kingdom or the Channel Islands or the Isle of Man (in each case, a “Code Company”). This is known as the “residency test.” Under the Takeover Code, the Takeover Panel will determine whether we have our place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man by looking at various factors, including the structure of our board of directors, the functions of the directors and where they are resident.

The Takeover Code provides a framework within which takeovers of companies subject to it are conducted. In particular, the Takeover Code contains certain rules in respect of mandatory offers for Code Companies. Under Rule 9 of the Takeover Code, if a person:

- acquires an interest in shares of a Code Company that, when taken together with shares in which persons acting in concert with such person are interested, carry 30% or more of the voting rights of the Code Company; or
- who, together with persons acting in concert with such person, is interested in shares that in the aggregate carry not less than 30% and not more than 50% of the voting rights in the Code, acquires additional interests in shares that increase the percentage of shares carrying voting rights in which that person is interested;
- the acquirer, and, depending on the circumstances, its concert parties, would be required (except with the consent of the Takeover Panel) to make a cash offer (or provide a cash alternative) for the Code Company’s outstanding shares at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

We are not subject to the Takeover Code, but may in the future become subject to the Takeover Code in the event of changes in the board of directors’ composition, changes to the Takeover Code or other relevant change of circumstances.

Rights of Minority Shareholders

Under Article 141 of the Jersey Companies Law, a shareholder may apply to court for relief on the grounds that the conduct of our affairs, including a proposed or actual act or omission by us, is “unfairly prejudicial” to the interests of our shareholders generally or of some part of our shareholders, including at least the shareholder making the application. What amounts to unfair prejudice is not defined in the Jersey Companies Law. There may also be common law personal actions available to our shareholders.

Under Article 143 of the Jersey Companies Law (which sets out the types of relief a court may grant in relation to an action brought under Article 141 of the Jersey Companies Law), the court may make an order regulating our affairs, requiring us to refrain from doing or continuing to do an act complained of, authorizing civil proceedings and providing for the purchase of shares by us or by any of our other shareholders.

Jersey Regulatory Matters

The Jersey Financial Services Commission (“JFSC”), has given, and has not withdrawn, its consent under Articles 2 and 4 of the Control of Borrowing (Jersey) Order 1958 to the issue of securities in Babylon. The JFSC is protected by the Control of Borrowing (Jersey) Law 1947 against any liability arising from the discharge of its functions under that law.

It must be distinctly understood that, in giving these consents, neither the Jersey Registrar of Companies nor the JFSC takes any responsibility for the financial soundness of Babylon or for the correctness of any statements made, or opinions expressed, with regard to it.

It should be remembered that the price of securities and the income from them can go down as well as up. Nothing communicated to holders or potential holders of any of our Class A Ordinary Shares or Class B Ordinary Shares (or interests in them) by or on behalf of us is intended to constitute or should be construed as advice on the merits of the purchase of or subscription for any ordinary shares (or interests in them) for the purposes of the Financial Services (Jersey) Law 1998.

Listing of Securities

Our Class A Ordinary Shares are listed on the New York Stock Exchange under the symbol “BBLN”.

Date: 9 March 2023

AGREEMENT
relating to
US\$34,500,000 LOAN NOTE FACILITY

for

BABYLON HOLDINGS LIMITED

with

KROLL TRUSTEE SERVICES LIMITED
as Trustee

and

KROLL TRUSTEE SERVICES LIMITED
as Security Agent

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TABLE OF CONTENTS

Page

Table of Contents (Cont.)

	Page
1 Interpretation	1
2 Notes	37
3 Redemption at Maturity	40
4 Redemption Prior to Maturity	40
5 Interest Periods and Interest	47
6 Taxes	48
7 Increased Costs	53
8 Mitigation	55
9 Payments	56
10 Guarantee and Indemnity	61
11 Representations and Warranties	65
12 Information Covenants	69
13 Financial Covenants	75
14 General Covenants	78
15 Default	97
16 Role of the Trustee and Security Agent	102
17 Security Agent	116
18 Evidence and Calculations	117
19 Fees	117
20 Indemnities and Break Costs	118
21 Expenses	120
22 Amendments and Waivers	120
23 Prohibition on Debt Purchase Transactions by the Group	125
24 Changes to the Parties	126
25 Finance Party Default	131
26 Disclosure of Information	134
27 Set-Off	137
28 Pro Rata Sharing	138
29 Severability	139
30 Counterparts	139
31 Notices	139
32 Language	142
33 USA Patriot Act	142
34 Governing Law	142
35 Enforcement	143
SCHEDULE 1 Original Parties	144
SCHEDULE 2 Conditions Precedent Documents required to be delivered by an Additional Guarantor	146
SCHEDULE 3 Form of Minimum Liquidity Compliance Certificate	149
SCHEDULE 4 Form of Compliance Certificate	150
SCHEDULE 5 Form of Accession Agreement	151
SCHEDULE 6 Form of Certificate	152

THIS AGREEMENT is dated 9 March 2023 and made

BETWEEN:

- (1) **BABYLON HOLDINGS LIMITED**, a public limited company incorporated and existing under the laws of Jersey registered at 13 Castle Street, St. Helier, JE1 1ES, Jersey under number 115471 (the “**Issuer**”);
- (2) **THE SUBSIDIARIES OF THE ISSUER** listed in Schedule 1 (*Original Parties*) as original guarantors (in this capacity, together with the Issuer, the “**Original Guarantors**”);
- (3) **KROLL TRUSTEE SERVICES LIMITED** as trustee (in this capacity the “**Trustee**”); and
- (4) **KROLL TRUSTEE SERVICES LIMITED** as security agent and trustee for the Secured Parties (as defined in the Intercreditor Agreement) (in this capacity the “**Security Agent**”).

IT IS AGREED as follows:

1 INTERPRETATION

1.1 Definitions

In this Agreement:

“**Acceptable Bank**” means;

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by S&P or Fitch or A3 or higher by Moody’s or a comparable rating from an internationally recognised credit rating agency; or
- (b) any other bank or financial institution approved by the Majority Bridge Noteholders.

“**Acceptable Funding Sources**” means the proceeds of:

- (c) an issue of equity in the Issuer; or
- (d) any Permitted Subordinated Debt.

“**Agreed Bridge Equity Issue Shares**” means the 534,911 shares in the Issuer to be issued to the Original Bridge Noteholders pursuant to the terms of the Agreed Bridge Equity Issue Shares Documentation.

“**Agreed Bridge Equity Issue Shares Documentation**” means the subscription agreement relating to the issue of the Agreed Bridge Equity Issue Shares (on customary terms) to be entered into between the Issuer and the Original Bridge Noteholders on or as soon as reasonably practicable following the date of this Agreement and prior to the Original Issue Date.

“**Accession Agreement**” means a document, substantially in the form of Schedule 5 (*Form of Accession Agreement*) with such amendments as the Trustee and the Issuer may agree.

“**Accounting Principles**” means:

- (e) in relation to the consolidated financial statements of the Group or the Issuer, US GAAP; and
- (f) in relation to any other member of the Group, the generally accepted accounting principles, practices, policies and procedures in its jurisdiction of incorporation.

“**Additional Guarantor**” means a member of the Group which becomes a Guarantor after the date of this Agreement.

“**Additional Bridge Notes**” means any additional loan notes of the Issuer (other than the Original Bridge Notes) issued after the Original Issue Date in accordance with Clause 2.7 (*Additional Bridge Notes*) or the principal amount issued and outstanding for the time being of such loan notes.

“**Administrative Party**” means the Security Agent or the Trustee.

“**Affiliate**” means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company.

“**Anti-Corruption Laws**” means all laws, rules, and regulations of any jurisdiction applicable to the Issuer or its Subsidiaries from time to time concerning or relating to bribery or corruption.

“**Anti-Money Laundering Laws**” means all applicable financial recordkeeping and reporting requirements and laws or regulations related to money laundering or terrorist financing, including the anti-money laundering statutes and the rules and regulations thereunder and any related or similar laws, rules, regulations or guidelines in any jurisdiction to which the Issuer or Subsidiary is subject or in which the proceeds of the Notes will be used.

“**Bidder**” means any person or persons who is or are not Related Parties to any member of the Group participating as potential or actual bidders or purchasers in relation to the M&A Process.

“**Binding Terms Milestone**” means the Issuer or any other member of the Group receives either:

- (g) a binding termsheet or commitment from one or more Financiers in respect of the Recapitalisation Process; or
- (h) a binding bid from one or more Bidders in respect of the M&A Process,

which, in each case, upon execution of long-form documentation and completion of the relevant transactions anticipated under the terms of such binding term sheet, commitment or binding bid (as applicable), is reasonably likely to result in the satisfaction of the Completion Milestone.

“**Binding Terms Milestone Date**” has the meaning given to that term in Clause 14.29 (*Operational Milestones*).

“**Break Costs**” means the amount (if any) which a Bridge Noteholder is entitled to receive under Clause 20.4 (*Break Costs*).

“**Bridge Finance Document**” means:

- (i) this Agreement (including the Notes);

- (j) the Subscription Agreement;
- (k) any Transaction Security Document;
- (l) the Intercreditor Agreement;
- (m) a Fee Letter;
- (n) an Accession Agreement;
- (o) a Subscription Request;
- (p) a Certificate; or
- (q) any other document designated as such by the Trustee and the Issuer.

“Bridge Noteholder” means an Original Bridge Noteholder listed in Part 2 of Schedule 1 (*Original Parties*) or any bank, financial institution, trust, fund or other entity which has become a party as a Bridge Noteholder in accordance with the terms of this Agreement.

“Bridge Noteholder Advisor” means any legal, financial or other advisor appointed by the Bridge Noteholders from time to time.

“Bridge Noteholder-selected Independent Director” means any independent non-executive director nominated by the Majority Bridge Noteholders (in consultation with the Issuer) and appointed by the board of the Issuer.

“Business Day” means a day (other than a Saturday or a Sunday) on which banks are open for general business in Dublin, London, New York or Jersey.

“Capital Stock” of any person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such person, including any preferred stock, but excluding any debt securities convertible or exchangeable into such equity.

“Cash” means, at any time, cash in hand or on deposit with any Acceptable Bank.

“Cash Equivalents” means, at any time:

- (r) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (s) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (t) commercial paper not convertible or exchangeable to any other security:
 - (i) for which a recognised trading market exists;
 - (ii) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State;

- (iii) which matures within one year after the relevant date of calculation; and
- (iv) which has a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (u) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (v) any investment in money market funds which (i) have a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch. or P-1 or higher by Moody's, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (iii) can be turned into cash on not more than 45 days' notice; or
- (w) any other debt security approved by the Majority Bridge Noteholders,

in each case, to which any member of the Group is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security.

"Cashflow Forecast" means a consolidated cashflow forecast for the Group up to 30 June 2023, which includes details of both available Cash and Cash treated by the Group as restricted or trapped as well as details of actual available Cash as at the Friday immediately before the date of the Cashflow Forecast, in the same form as the cash flow forecast provided to the Bridge Noteholders as a condition precedent to the Original Issue Date or in a form otherwise agreed between the Issuer and the Bridge Noteholders and provided by the Issuer as a condition precedent to the Original Issue Date.

"Charged Property" means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

"Code" means the US Internal Revenue Code of 1986.

"Completion Milestone" means either:

- (x) the Recapitalisation Process completes such that the Recapitalisation Condition is satisfied; or
- (y) one or more Bidders enters into a legally binding sale and purchase agreement in respect of the M&A Process such that the M&A Process Condition will be satisfied upon completion of the transactions contemplated under that sale and purchase agreement and any related transaction documents.

"Compliance Certificate" means a certificate substantially in the form of Schedule 4 (*Form of Compliance Certificate*) setting out, among other things, calculations of the financial covenant.

"Consent Letter" means the consent letter (in the form acceptable to the Security Agent) executed by the Issuer consenting to the Jersey Registrations.

"Current Participating Member State" means a Participating Member State that has the euro as its lawful currency.

“Debt Purchase Transaction” means, in relation to a person, a transaction where such person:

- (z) purchases by way of assignment or transfer;
- (aa) enters into any sub-participation in respect of; or
- (ab) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of, any Notes.

“Default” means:

- (ac) an Event of Default; or
- (ad) an event or circumstance which would be (with the expiry of a grace period, the giving of notice or the making of any determination under Clause 15 (*Default*) or any combination of them) an Event of Default.

“Delegate” means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

“Disruption Event” means:

- (ae) a material disruption to the payment or communications systems or to the financial markets which are required to operate in order for payments to be made (or other transactions to be carried out) in connection with the transactions contemplated by the Bridge Finance Documents, which is not caused by, and is beyond the control of, any of the Parties; or
- (af) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing it, or any other Party from:
 - (i) performing its payment obligations under the Bridge Finance Documents; or
 - (ii) communicating with other Parties under the Bridge Finance Documents in accordance with the terms of the Bridge Finance Documents,
- (ag) and which (in either case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“Dormant Subsidiary” means a member of the Group which does not trade (for itself or as agent for any person).

“Electronic Means” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorisation codes, passwords and/or authentication keys issued by the Trustee or another method or system specified by the Trustee as available for use in connection with the services the Trustee provides hereunder.

“Event of Default” means an event or circumstance specified as such in Clause 15 (*Default*).

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Excluded Security Jurisdiction” means any of Brazil, India, Malaysia or Rwanda.

“Existing Notes” means the notes issued by the Issuer pursuant to a notes subscription agreement between the Issuer and the entities listed therein as note subscribers and the deed poll dated 4 November 2021, as amended and supplemented by a supplemental deed poll dated 31 March 2022, each as amended or as amended and restated from time to time.

“Existing Notes Amendment Documents” means the amendment documentation entered into for the purposes of amending the Existing Notes on or about the Original Issue Date.

“FATCA” means:

- (ah) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (ai) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (aj) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“FATCA Application Date” means:

- (ak) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or
- (al) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraph (a) above, the first date from which such payment may become subject to a deduction or withholding requirement by FATCA.

“FATCA Deduction” means a deduction or withholding from a payment under a Bridge Finance Document required by FATCA.

“FATCA Exempt Party” means a Party that is entitled to receive payments free from any FATCA Deduction.

“Fee Letter” means any letter entered into by reference to this Agreement between one or more Finance Parties and the Issuer setting out the amount of certain fees (including for the avoidance of doubt, any OID Fees and/or Deferred Upfront Fee) referred to in this Agreement or any other letter designated as such by the Trustee and the Issuer.

“Final Maturity Date” means 4 November 2026.

“Finance Lease” means any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease (but excluding any real estate lease or operating lease).

“Finance Party” means an Administrative Party or a Bridge Noteholder.

“Financial Indebtedness” means any indebtedness for or in respect of:

- (am) moneys borrowed and debit balances at banks or other financial institutions;
- (an) any acceptances under any acceptance credit or bill discount facility (or dematerialised equivalent);
- (ao) any note purchase facility or the issue of bonds (but not Trade Instruments), notes, debentures, loan stock or any similar instrument;
- (ap) the amount of any liability in respect of any Finance Lease;
- (aq) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis, where they meet any requirements for de-recognition under the Accounting Principles or where recourse is limited to customary warranties and indemnities);
- (ar) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument (but not, in any case, Trade Instruments) issued by a bank or financial institution in respect of an underlying liability of an entity which is not a member of the Group which liability would fall within one of the other paragraphs of this definition;
- (as) any Treasury Transaction and, when calculating the value of any Treasury Transaction, the marked to market net obligations of such person under such Treasury Transaction (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such person at such time) shall be taken into account;
- (at) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the date falling 6 months after the Final Maturity Date or are otherwise classified as borrowings under the Accounting Principles;
- (au) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind the entry into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question and (ii) the agreement is in respect of the supply of assets or services and payment is due more than 180 days after the date of supply;
- (av) any amount raised under any other transaction having the commercial effect of a borrowing; and
- (aw) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above.

The amount of Financial Indebtedness of any person at any time in the case of a revolving credit or similar facility shall be the total amounts of cash funds borrowed and then outstanding. In relation to any Financial Indebtedness in respect of bank accounts subject to netting, cash pooling, net balance, balance transfer or similar arrangements, only the net balance shall be used. The amount of Financial Indebtedness of any person at any date shall be determined as set forth above or as otherwise provided in this Agreement, and (other than with respect to letters of credit or guarantees or Financial Indebtedness specified in paragraph (f) above) shall equal the amount thereof that would appear on a balance sheet of such person (excluding any notes thereto) prepared on the basis of the Accounting Principles.

“Financial Quarter” means each period of three months ending on a Quarter Date.

“Financier” means any person or persons who is or are not Related Parties to any member of the Group participating as potential or actual financiers to or investors in the Group in relation to the Recapitalisation Process.

“Fitch” means Fitch Ratings Limited or any successor to its rating business.

“Fraudulent Transfer Law” means any applicable United States bankruptcy and State fraudulent transfer and conveyance statute and any related case law, and terms used in Clause 10.11(c) (U.S. Guarantors Guarantee Limitations) are to be construed in accordance with the Fraudulent Transfer Laws.

“Group” means the Issuer and its Subsidiaries provided that, for the avoidance of doubt, no P.C. shall be treated as a member of, or form part of, the Group for any purpose.

“Guarantor” means an Original Guarantor or an Additional Guarantor.

“Guarantor Coverage Test” has the meaning given to such term in Clause 13.5 (*Guarantor coverage*).

“Health Innovators Permitted Acquisition” means the acquisition by one or more members of the Group of the remaining shares or other equity interests in Health Innovators (dba DayToDay) India for an aggregate purchase price (including any deferred consideration or earn out arrangement) not exceeding \$1,000,000.

“Higi Business Disposal” means the disposal of the shares in Higi SH Holdings Inc. or any of its subsidiaries or all or part of the business of Higi SH Holdings Inc. and its subsidiaries to one or more *bona fide* third parties who is or are not Related Parties to any member of the Group.

“Holding Company” means a holding company within the meaning of section 1159 of the Companies Act 2006.

“IFRS” means international financial reporting standards promulgated by the International Accounting Standards Board or any successor board or agency) and as adopted by the European Union as in effect from time to time unless the Issuer or the Majority Bridge Noteholders have made an irrevocable determination that “IFRS” shall mean IFRS as in effect on a date that is on or prior to the date of such election.

“Intellectual Property Rights” means:

- (ax) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may on or after the date of this Agreement subsist), whether registered or unregistered; and
- (ay) the benefit of all applications and rights to use such assets of the Issuer (which may on or after the date of this Agreement Date subsist),

in each case whether registered or not, and includes any related application.

“Intercreditor Agreement” means the intercreditor agreement entered into on or about the Original Issue Date between, among others, the Bridge Noteholders, the Security Agent, the Trustee, the Issuer and the Obligors.

“Interest Period” means:

(az) the period from (and including) the Original Issue Date to (but excluding) the date falling one (1) month after the Original Issue Date; and

(ba) each subsequent one (1) month period commencing on the day after the last day of the preceding Interest Period.

“Interpolated Term SOFR” means, in relation to the applicable Term SOFR for any USD Term Rate Note, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

(bb) either:

(i) the most recent applicable Term SOFR for the longest period (for which Term SOFR is available) which is less than the Interest Period of that USD Term Rate Note; or

(ii) if no such Term SOFR is available for a period which is less than the Interest Period of that USD Term Rate Note, the most recently available SOFR for a day which is not less than two (2) US Government Securities Business Days before the Quotation Day; and

(bc) the most recent applicable Term SOFR for the shortest period (for which Term SOFR is available) which exceeds the Interest Period of that USD Term Rate Note,

each as of 1:00 p.m. on the date on which Term SOFR is fixed for that USD Term Rate Note.

“IPA Business Disposal” means the disposal of the Group’s Independent Physician Association business in California.

“IPA Business Disposal Condition” means that the Group will upon completion of the IPA Business Disposal receive an aggregate amount of net cash proceeds (for the avoidance of doubt, without taking into account any deferred consideration) (including, without limitation, any cash of any member of the Group which is restricted or trapped pursuant to applicable law or regulation and is or will no longer be so restricted or trapped and will accordingly be released to the Group on completion of the applicable transaction) equal to or greater than \$150,000,000.

“Jersey Obligor” means any Obligor incorporated or established in Jersey.

“Jersey Security Agreement” means each Jersey law security interest agreement to be entered into by the Issuer in favour of the Security Agent over the Issuer’s Jersey situs intangible movable property in a form and substance satisfactory to the Security Agent.

“Jersey Security Register” means the security interests register maintained under Part 8 of the SIJL.

“Joint Venture” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity not being a member of the Group.

“LMA” means the Loan Market Association.

“**M&A Process**” means a sales process by one or more members of the Group relating to the sale of (i) the Group, (ii) a strategic minority shareholding in any member of the Group and/or (iii) any material asset of the Group or shares in any member of the Group, in each case with the objective that the Group will satisfy the M&A Process Condition.

“**M&A Process Condition**” means that the Group will upon completion of the relevant transactions in respect of the M&A Process (for the avoidance of doubt, without taking into account any deferred consideration) receive an aggregate amount of net cash proceeds (which for these purposes shall include, without limitation, any cash of any member of the Group which is restricted or trapped pursuant to applicable law or regulation and is or will be no longer be so restricted or trapped and will accordingly be released to the Group on completion of the applicable transaction or transactions) equal to or greater than \$150,000,000.

“**Majority Bridge Noteholders**” means, at any time, a Bridge Noteholder or Bridge Noteholders, the face value of whose Notes aggregate at least 50 per cent. of the total face value of Notes in issue at such time.

“**Margin**” means 12 per cent. per annum.

“**Material Adverse Effect**” means a material adverse effect on:

- (bd) the business, operations, property or financial condition of the Issuer and its Subsidiaries taken as a whole;
- (be) the ability of the Issuer to comply with its obligations under Clause 13 (*Financial Covenants*);
- (bf) the ability of the Obligors taken as a whole to perform their payment obligations under any Bridge Finance Document; or
- (bg) subject to the Reservations, the validity or enforceability of, or the effectiveness or ranking of any Transaction Security granted or purporting to be granted pursuant to any of, the Transaction Security Documents or the rights or remedies of any Secured Party under any of the Bridge Finance Documents.

“**Material Company**” means each Obligor, each member of the Group which is the direct Holding Company of an Obligor and any Subsidiary of the Issuer which has:

- (bh) gross assets or net assets; or
- (bi) revenue,

(in each case calculated on an unconsolidated basis and excluding all intra-Group items) which exceed five (5) per cent. of the value of the gross assets or net assets or revenue (respectively) of the Group and for these purposes, any calculation shall be effected:

- (i) on the date each Compliance Certificate is required to be delivered to the Trustee pursuant to Clause 12.3 (*Compliance Certificate*); and
- (ii) within 45 days of the acquisition or incorporation of a Material Company.

“Minimum Liquidity Compliance Certificate” means a compliance certificate substantially in the form set out in Schedule 3 (*Form of Minimum Liquidity Compliance Certificate*).

“Milestone” means any of the Binding Terms Milestones and the Completion Milestones.

“Milestone Date” means the Binding Terms Milestone Date or the Completion Milestone Date (as applicable).

“Monthly Accounting Period” means for each month, the relevant weekly period within the quarterly accounting period used by the Group, consisting of two consecutive four week periods followed by a five week period.

“Moody’s” means Moody’s Investors Service Limited or any successor to its rating business.

“Net Financing Proceeds” has the meaning given to that term in Clause 4.3 (*Mandatory redemption - equity or capital market issue or debt financing*).

“New Articles” means the memorandum and articles of association of the Issuer in the form annexed to the proxy statement for special meeting of stockholders of Alkuri Global Acquisition Corp. dated 21 October 2021.

“New Noteholder” has the meaning given to that term in Clause 24.2 (*Assignments and transfers by Bridge Noteholders*).

“New HoldCo” means Babylon Group Holdings Limited, a limited liability company incorporated in England and Wales with registered number 14707874 and with its registered office at 1 Knightsbridge Green, London, SW1X 7QA, United Kingdom.

“Notes” means the Original Bridge Notes and the Additional Bridge Notes.

“Obligor” means the Issuer or a Guarantor.

“OID Fees” means the original issue discount to be applied to the Original Bridge Notes in accordance with the terms of the Fee Letter to be entered into by the Issuer and the Original Bridge Noteholders on or about the date of this Agreement.

“Original Financial Statements” means:

- (a) the audited consolidated annual financial statements of the Issuer for its financial year ending 31 December, 2021; and
- (b) the interim half yearly unaudited financial statements of the Group for the month ending 30 June 2022.

“Original Issue Date” means the date on which the Tranche 1 Notes are issued.

“Original Jurisdiction” means, in relation to an Obligor, the jurisdiction under whose laws that Obligor is incorporated or established as at the date of this Agreement or, in the case of an Additional Guarantor, as at the date on which that Additional Guarantor becomes Party as a Guarantor (as the case may be).

“Original Bridge Notes” means the Tranche 1 Notes, the Tranche 2 Notes and the Tranche 3 Notes.

“Original Obligor” means the Issuer or an Original Guarantor.

“**Pari Debt**” means any financial indebtedness that ranks pari passu with the Notes.

“**Participating Member State**” means a member state of the European Union that has the euro as its lawful currency under the legislation of the European Union for Economic and Monetary Union.

“**Party**” means a party to this Agreement.

“**P.C.**” means any “professional corporation” or “P.C.” under the laws of any member state of the United States of America, to which any member of the Group provides management, operational and/or administrative services or in which the Group has an economic interest.

“**Permitted Acquisition**” means:

- (c) any acquisition of any shares or securities owned by minority shareholders in members of the Group;
- (d) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of by another member of the Group in circumstances constituting a Permitted Disposal or a Permitted Transaction;
- (e) the incorporation of a company or the acquisition of the issued share capital of a limited liability company, including by way of formation, which has not traded prior to the date of the acquisition and has no material liabilities or obligations or assets prior to the date of the acquisition;
- (f) on and from the date on which the Completion Milestone is satisfied, the acquisition of, or investment in, any share or interest in any Permitted Joint Venture provided that the aggregate of all amounts paid or to be paid in connection with such acquisition (including all related fees, costs, commissions and expenses) is funded solely from Acceptable Funding Sources and does not, when aggregated with the total consideration for each other acquisition made pursuant to this paragraph (d), paragraph (i) below and paragraph (a) of the definition of Permitted Joint Venture, exceed \$50,000,000;
- (g) the acquisition by a member of the Group of securities which are Cash Equivalent Investments;
- (h) an acquisition in respect of which the Majority Bridge Noteholders have given their consent;
- (i) an acquisition of shares of a member of the Group by its immediate Holding Company;
- (j) an acquisition of shares by any member of the Group as part of the Agreed Management MIP;
- (k) on and from the date on which the Completion Milestone is satisfied, any other acquisition by any member of the Group provided that either (i) at least 51% of the issued share capital (or equivalent ownership interest) of a corporation or other entity is acquired; or (ii) the acquisition is of a business or undertaking or assets (in each case, the “**Acquisition Target**”) and in each case where the following conditions are satisfied:
 - (i) no Default is continuing or would occur as a result of the acquisition on the date the Group contractually commits to make the acquisition;

- (ii) the person, business or undertaking to be acquired is engaged in a business the general nature of which is similar or complementary to that carried on by the Group or a part of the Group;
- (iii) the person, business or undertaking to be acquired is not incorporated in or carries out a material part of its business in any Sanctioned Country or with any Sanctioned Person;
- (iv) the Acquisition Target:
 - (x) had positive earnings before interest, tax, depreciation and amortisation (“**EBITDA**”) as reasonably calculated on a last 12 months look-back (“**LTM**”) basis; or
 - (y) did not have negative EBITDA as reasonably calculated on an LTM basis:
 - (1) on a standalone basis of more than \$5,000,000 as reasonably calculated on a LTM basis; and
 - (2) the Issuer certifies that the Acquisition Target is forecast to contribute positively to the EBITDA of the Group by no later than the end of the period of 24 months following completion of the applicable acquisition, provided that such forecast is arrived at after careful consideration and prepared in good faith on the basis of assumptions which are believed to be fair and reasonable as at the date they are prepared and supplied; and
- (v) the aggregate of all amounts paid or to be paid in connection with such acquisition (including all related fees, costs, commissions and expenses) are or will be funded from Acceptable Funding Sources and does not, when aggregated with the total consideration for each other acquisition made pursuant to this paragraph (i), paragraph (d) above and the aggregate amount of all investments made pursuant to paragraph (a) of the definition of Permitted Joint Venture, exceed \$50,000,000.

“**Permitted Disposal**” means any of the following:

- (a) any sale, lease, licence, transfer or other disposal of shares by a member of the Group pursuant to any management incentive scheme existing as at the Original Issue Date in an amount not exceeding \$50,000 or as part of the Agreed Management MIP to any director, officer, manager or employee of any member of the Group at or below par or at or below market value;
- (b) the IPA Business Disposal provided that the IPA Business Disposal Condition will be satisfied upon completion of that disposal;
- (c) the Higi Business Disposal;
- (d) with the prior consent of the Majority Bridge Noteholders (such consent not to be unreasonably withheld or delayed), any disposal that is required to satisfy the M&A Process; or
- (e) any other disposal in respect of which the Majority Bridge Noteholders have given their consent.

“Permitted Financial Indebtedness” means Financial Indebtedness:

- (f) arising under the Original Bridge Notes;
- (g) arising under the Existing Notes;
- (h) arising under any Permitted Pari Debt;
- (i) any financial indebtedness owing by any member of the Group to any other member of the Group;
- (j) on and from the date on which the Completion Milestone is satisfied, the amount of any liability in respect of any Finance Lease and which in aggregate does not exceed \$10,000,000 (or its equivalent in other currencies) at any time;
- (k) arising under a Permitted Loan or a Permitted Guarantee;
- (l) arising under a Permitted Transaction (having regard to the limitations under paragraph (a) of the definition of Permitted Transaction);
- (m) on and from the date on which the Completion Milestone is satisfied, arising under a Permitted Joint Venture to the extent permitted in the definition of Permitted Joint Venture;
- (n) on and from the date on which the Completion Milestone is satisfied, in respect of any deferred consideration or earn-out arrangements made available by the relevant vendor in connection with any Permitted Acquisition and /or Permitted Joint Venture **provided that** the aggregate of all amounts paid or to be paid in respect of such deferred consideration or earn-out arrangements (including all related fees, costs, commissions and expenses) is funded solely from Acceptable Funding Sources;
- (o) arising under a Permitted Hedging Transaction;
- (p) arising under any cash pooling, netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements;
- (q) arising as a result of daylight exposures of any member of the Group in respect of banking arrangements entered into in the ordinary course of its treasury activities;
- (r) permitted by the Majority Bridge Noteholders; or
- (s) not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed US\$5,000,000 (or its equivalent in other currencies) at any time.

“Permitted Guarantee” means:

- (t) any guarantee arising under or in respect of, the Existing Notes and/or the Permitted Pari Debt;
- (u) the endorsement of negotiable instruments in the ordinary course of trade;
- (v) any guarantee or indemnity issued in respect of any performance or similar bond guaranteeing performance by a member of the Group under any contract entered into in the ordinary course of trade;

- (w) on and from the date on which the Completion Milestone is satisfied, any guarantee issued by a member of the Group in respect of a Permitted Joint Venture to the extent permitted in the definition of Permitted Joint Venture;
- (x) any guarantee or indemnity of Permitted Financial Indebtedness;
- (y) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to paragraph (b) of the definition of "Permitted Security";
- (z) any guarantee by a member of the Group of the obligations of another member of the Group;
- (aa) any guarantees issued or to be issued in the ordinary course of business to a landlord (or to a bank on account of lease obligations);
- (ab) guarantees which are in favour of institutions (financial institutions or insurers, or equivalent) which have guaranteed (or otherwise issued a letter of credit, bond, indemnity, documentary or like credit in support of) obligations of a member of the Group pursuant to transactions which that member of the Group has entered into in the ordinary course of business;
- (ac) any customary indemnity to a vendor in relation to a Permitted Acquisition or a purchaser in relation to a Permitted Disposal;
- (ad) any guarantee in relation to a Permitted Hedging Transaction;
- (ae) guarantees of Permitted Transactions;
- (af) any guarantee granted to the trustee of any employee share option or management incentive or unit trust scheme as part of the Agreed Management MIP;
- (ag) guarantees made in substitution for an extension of credit permitted under the definition of Permitted Loan to the extent that the issuer of the relevant guarantee would have been entitled to make a loan in an equivalent amount under the definition of Permitted Loan to the person whose obligations are being guaranteed;
- (ah) any guarantee given or arising under legislation relating to Tax or corporate law under which any member of the Group assumes general liability for the obligations of another member of the Group incorporated or Tax resident in the same country (including any guarantee, liability or indemnity provided under or for the purpose of any fiscal unity for corporate income tax and VAT of members of the Group);
- (ai) any guarantee or counter-indemnity granted in favour of a financial institution which has guaranteed Tax liabilities owed to any relevant tax authority or rent obligations of a member of the Group in the ordinary course of business, where such Tax liabilities or rent obligations were incurred as part of the ordinary course operational requirements of the Group;
- (aj) customary indemnities given to professional advisors and consultants in the ordinary course of the business of the Group;
- (ak) customary guarantees and indemnities in favour of directors and officers in their capacity as such;

- (al) any customary indemnity given under any commitment letter, mandate letter or similar document entered into for the purposes of refinancing any Permitted Financial Indebtedness;
- (am) guarantees and indemnities entered into by a member of the Group in the ordinary course of its banking arrangements to facilitate the operation of bank accounts of members of the Group; or
- (an) any guarantee not permitted in the preceding paragraphs and the amount of which does not exceed US\$5,000,000 (or its equivalent in other currencies) in aggregate at any time.

“Permitted Hedging Transaction” means:

- (ao) any interest rate or currency swap entered into in respect of Permitted Financial Indebtedness or in connection with a Permitted Acquisition.
- (ap) arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates where that foreign exchange exposure arises in the ordinary course of trade, but not a foreign exchange transaction for investment or speculative purposes; or
- (aq) any Treasury Transaction entered into for the hedging of actual or projected real exposures arising in the ordinary course of trading activities of the Issuer or a member of the Group and not for speculative purposes.

“Permitted Joint Venture” means:

- (ar) on and from the date on which the Completion Milestone is satisfied, any investment in or in respect of any Joint Venture where the following conditions are satisfied and provided that, for the purposes of this paragraph (a), the term ‘investment’ shall comprise any acquisition of an ownership interest in, transfer of assets or loan to or grant of a guarantee or security in respect of obligations of any Permitted Joint Venture (including in each case all related fees, costs, commissions and expenses):
 - (i) no Default is continuing or would occur as a result of the investment on the date the Group contractually commits to make the investment;
 - (ii) Joint Venture being invested in is engaged in a business the general nature of which is similar or complementary to that carried on by the Group or a part of the Group;
 - (iii) the Joint Venture to be invested in is not incorporated in or carries out a material part of its business in any Sanctioned Country or with any Sanctioned Person; and
 - (iv) any such investment is or will be funded from Acceptable Funding Sources and does not, when aggregated with the total amount of each other investment made pursuant to this paragraph (a) and the total consideration in respect of each acquisition made pursuant to paragraphs (i) and (d) of the definition of Permitted Acquisition, exceed \$50,000,000; or
- (as) any investment in any Joint Venture in respect of which the Majority Bridge Noteholders have given their consent.

“Permitted Loan” means:

- (at) any loan made or trade credit extended by any member of the Group to its customers, franchisees and/or partners or, in relation to capital expenditure, under Finance Leases, advance payment (or other forms of financing), in each case, in the ordinary course of business;
- (au) a loan which constitutes Permitted Financial Indebtedness;
- (av) on and from the date on which the Completion Milestone is satisfied, a loan made to a Permitted Joint Venture to the extent permitted in the definition of Permitted Joint Venture;
- (aw) a loan made by a member of the Group to another member of the Group;
- (ax) a loan made by a member of the Group to an employee or director of any member of the Group if the amount of that loan when aggregated with the amount of all loans to employees and directors by members of the Group does not exceed US\$5,000,000 (or its equivalent in other currencies) at any time;
- (ay) any loans or extensions of credit to the extent that the amount thereof would be a Permitted Guarantee if made by way of a guarantee and not by way of a loan;
- (az) on and from the date on which the Completion Milestone is satisfied, a loan or credit made available to the Issuer or another member of the Group for the direct purpose of enabling a Permitted Joint Venture or Permitted Acquisition to be made by that member of the Group;
- (ba) any loans or extensions of credit by a member of the Group made as part of the Agreed Management MIP;
- (bb) advances of payroll payment to employees in the ordinary course of business;
- (bc) any loan that is a Permitted Transaction;
- (bd) any loan or extension of credit in respect of which the Majority Bridge Noteholders have given their consent;
- (be) any loan or extension of credit by any member of the Group to any P.C.; or
- (bf) any other loan so long as the aggregate amount of the Financial Indebtedness under all such loans does not exceed US\$5,000,000 (or its equivalent in other currencies) in aggregate at any time.

“Permitted Pari Debt” means any Pari Debt, the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other Pari Debt and assuming that such Pari Debt is fully drawn or otherwise incurred and is outstanding) does not exceed \$50,000,000 (or its equivalent in other currencies) at any time less the amount equal to the outstanding principal amount of any Original Bridge Notes issued and outstanding (ignoring for these purposes any interest which has been capitalised thereon) and the principal amount of any Original Bridge Notes available to be issued under the Senior Note Documents which the Issuer has not requested are cancelled at the time of incurrence of such Pari Debt, provided that (unless otherwise agreed by the Majority Bridge Noteholders):

- (bg) no Default is continuing at the time the Issuer signs a binding commitment to incur such indebtedness;

- (bh) such indebtedness does not have a maturity date which falls on or before the Final Maturity Date;
- (bi) the borrower or issuer of such indebtedness shall be the Issuer only;
- (bj) to the extent such indebtedness is secured and/or guaranteed, the relevant secured parties may only have the benefit of the same guarantees and security as the Existing Notes on a pro rata and pari passu basis;
- (bk) the persons providing such indebtedness (or the relevant trustee or agent acting on their behalf) shall accede to the Intercreditor Agreement and any liabilities owed to such persons in respect of such indebtedness shall rank pari passu with the Existing Notes and the Original Bridge Notes in respect of the application of any proceeds in connection with the realisation or enforcement of all or any part of the Common Transaction Security (as defined in the Intercreditor Agreement); and
- (bl) no payment may be made by the Issuer or any other member of the Group in respect of such indebtedness other than:
 - (i) (prior to the redemption and/or cancellation of the Original Bridge Notes) any payment made in respect of cash interest and fees; or
 - (ii) any prepayment made prior to the Final Maturity Date shall be made pro rata with any early redemption of the Existing Notes and on or after the Original Bridge Notes have been redeemed in full; and
 - (iii) any prepayment made using an amount of the net proceeds of certain M&A transactions on terms to be agreed with the Majority Bridge Noteholders.

“Permitted Security” means:

- (a) any lien arising by operation of law and in the ordinary course of business;
- (b) any cash-pooling, netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking or hedging arrangements for the purpose of netting debit and credit balances of members of the Group;
- (c) any retention of title, hire purchase or conditional sale arrangements or similar arrangements having the same effect and rights of set-off arising in the ordinary course of business;
- (d) any Security or Quasi-Security arising as a result of a Permitted Disposal;
- (e) any Security or Quasi-Security arising under any Finance Lease provided that the Financial Indebtedness secured is Permitted Financial Indebtedness;
- (f) any Security or Quasi-Security over any rental deposits given by any member of the Group in the ordinary course of business in relation to any property leased or licensed by any member of the Group;
- (g) any Security or Quasi-Security created pursuant to any Permitted Transaction (other than any Treasury Transaction contemplated under paragraph (c) of the definition of Permitted Hedging Transaction);

- (h) any Security or Quasi-Security over goods and documents of titles to goods arising under documentary credit transactions entered into in the ordinary course of trading;
- (i) any Security or Quasi-Security entered into by any member of the Group in the ordinary course of its banking arrangements over bank accounts in favour of the account holding bank and granted as part of that financial institution's standard terms and conditions;
- (j) any Security or Quasi-Security arising as a result of legal proceedings discharged within 30 days or otherwise contested in good faith (and not otherwise constituting an Event of Default);
- (k) any Security or Quasi-Security arising by operation of law in respect of Taxes which are not yet due or the liability in respect of which is being contested in good faith;
- (l) on and from the date on which the Completion Milestone is satisfied, any Security or Quasi-Security over ownership interests in joint ventures to secure obligations to other joint venture partners where the recourse is to those ownership interests only and which is required to be provided by the terms of that Permitted Joint Venture agreement and to the extent permitted in the definition of Permitted Joint Venture;
- (m) any Security over cash paid into an escrow or similar account in connection with a Permitted Disposal or Permitted Acquisition or any Security over cash granted in the ordinary course of business;
- (n) any Security or Quasi-Security which does not secure any outstanding actual or contingent obligations;
- (o) payments into court or any Security or Quasi-Security arising under any court order or injunction or security for costs arising in connection with any litigation or court proceedings being contested by any member of the Group in good faith;
- (p) any Security required by law or by a court to be granted in favour of creditors in relation to mergers of members of the Group in order to permit or facilitate the merger occurring, where such merger would constitute a Permitted Reorganisation or otherwise for the purposes of a capital reduction permitted under the Notes;
- (q) any payment or close out netting or set-off arrangement pursuant to any Treasury Transaction or foreign exchange transaction entered into by a member of the Group which constitutes Permitted Financial Indebtedness, including any Security or Quasi-Security under a credit support arrangement;
- (r) any cash collateral provided in respect of letters of credit or bank guarantees to the extent such letter or credit or bank guarantees are not prohibited under this Agreement;
- (s) any right of set-off arising under contracts entered into by members of the Group in the ordinary course of their day-to-day trading;
- (t) any Security or Quasi-Security in respect of which the Majority Bridge Noteholders have given their consent; or

- (u) any other Security or Quasi-Security (other than over shares) securing indebtedness the principal amount of which does not exceed US\$5,000,000 in aggregate at any time.

“Permitted Subordinated Debt” means any new subordinated indebtedness, provided that (unless otherwise agreed by the Majority Bridge Noteholders):

- (v) no Default is continuing at the time the Issuer signs a binding commitment to incur such indebtedness;
- (w) such indebtedness does not have a maturity date which falls on or before the date falling six (6) months after the final maturity date of the Existing Notes;
- (x) the entities providing such indebtedness (or the relevant trustee or agent acting on their behalf) shall accede to the Intercreditor Agreement and any liabilities owed to such entities in respect of such indebtedness shall constitute Subordinated Liabilities (as defined in the Intercreditor Agreement); and
- (y) no payment is made by the Issuer or any other member of the Group in respect of such indebtedness:
 - (i) in respect of any cash interest or fees; or
 - (ii) any repayment or prepayment prior to the redemption and/or cancellation of the Original Bridge Notes and the Existing Notes in full.

“Permitted Transaction” means:

- (a) any transaction (including any disposal, solvent liquidation or re-organisation, loan, borrowing, guarantee, indemnity, Security, Quasi-Security, share issue or repayment) expressly contemplated under the Notes;
- (b) any transaction (other than the granting or the creation of Security, the making of loans, the granting of guarantees, the making of acquisitions, any sale, lease, licence, transfer or other disposal, the making of dividends or the incurring or permitting to subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm’s length terms;
- (c) any transaction involving the licensing or the re-charging of Intellectual Property to or between members of the Group in the ordinary course of business;
- (d) any surrender of group relief by a member of the Group to another member of the Group, or to any Holding Company of the Issuer in order to mitigate the tax liabilities of that Holding Company which could otherwise have been funded pursuant to paragraph (c) of the definition of Permitted Payment above;
- (e) any payment by a member of the Group made pursuant to an employee share option scheme or unit trust or management incentive scheme as at the Original Issue Date and which the relevant member of the Group is (or may become, pursuant to the terms of such employee share option scheme or unit trust or management incentive scheme) legally committed to make (or has already made) under such employee share option scheme or unit trust or management incentive scheme as at the Original Issue Date;

- (f) any transaction entered into by any member of the Group and any P.C. that is conducted in the ordinary course of business;
- (g) the acquisition by New HoldCo of, and corresponding disposal by the Issuer of, the entire issued share capital of each of Babylon Healthcare Services Limited, Babylon Partners Limited and Babylon Inc. pursuant to the share purchase agreement to be entered into on or about the date of this Agreement between the Issuer as seller and New HoldCo as purchaser (the “**New HoldCo Transfer**”);
- (h) any acquisition by New HoldCo of, and corresponding disposal by any member of the Group of, the share capital of any member of the Group that is not a Subsidiary of New HoldCo; or
- (i) any transaction permitted by the Majority Bridge Noteholders.

“**Quarter Date**” means each of 31 March, 30 June, 30 September and 31 December or such other dates which correspond to the quarter end dates within the financial year in accordance with the accounting practices of the Group.

“**Quasi-Security**” has the meaning given to that term in paragraph (b) of Clause 14.5 (*Negative pledge*).

“**Quotation Day**” means, in respect of a USD Term Rate Note, in relation to any period for which an interest rate is to be determined two (2) US Government Securities Business Days (for which banks are open for general business in London) before the first day of that period

“**Recapitalisation Process**” means a financing process by one or more members of the Group relating to the issuance of equity, Permitted Subordinated Debt and/or Permitted Pari Debt by the Issuer, which upon completion will result in the Issuer or any member of the Group receiving net cash proceeds in respect of one or more such transactions (for the avoidance of doubt, net of any amounts applied in redemption of the Original Bridge Notes, including pursuant to a mandatory redemption of the Original Bridge Notes pursuant to Clause 4.3 (*Mandatory redemption - equity or capital market issue or debt financing*)) constituting an aggregate amount of not less than \$50,000,000 (the receipt of this minimum amount of net cash proceeds being, the “**Recapitalisation Condition**”) to be applied towards meeting any working capital and/or liquidity requirements of the Issuer including, without limitation, until completion of the M&A Process (subject to the other terms and conditions of this Agreement).

“**Receiver**” means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

“**Register**” has the meaning given to that term in paragraph (a) of Clause 22.6 (*Maintenance of Register*).

“**Related Entity**” in relation to an entity (the first entity), means an entity which is managed or advised by the same investment manager or investment adviser as the first entity (or its Affiliates) or, if it is managed by a different investment manager or investment adviser, an entity (or its Affiliates) whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first entity (or its Affiliates) or an investor or limited partner in any such entity (or their Affiliates).

“**Related Party**” means, with respect to any entity, such entity’s Affiliates, and such entity’s and such entity’s Affiliates’ respective current and former officers, directors,

managers, committee members, principals, employees, agents, trustees and advisory board members.

“Relevant Interbank Market” means, in relation to US Dollars, the market for overnight cash borrowing collateralised by US Government securities.

“Relevant Jurisdiction” means, in relation to an Obligor:

- (j) its Original Jurisdiction;
- (k) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security expressed to be created by it is situated;
- (l) any jurisdiction where it conducts its business; and
- (m) any jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it.

“Relevant Nominating Body” means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

“Repeating Representations” means at any time the applicable representations and warranties which are then made or deemed to be repeated under Clause 11.22 (*Times for making representations and warranties*).

“Representative” means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

“Reservations” means:

- (n) the principle that equitable remedies are remedies which may be granted or refused at the discretion of the court, the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration, examinership and other laws generally affecting the rights of creditors;
- (o) the time barring of claims under applicable limitation laws (including the Limitation Acts, the Statute of Limitations 1957 of Ireland and the Statute of Limitations (Amendment) Act 1991 of Ireland), the possibility that an undertaking to assume liability for or to indemnify a person against non-payment of stamp duty may be void, defences of set-off or counterclaim;
- (p) similar principles, rights and defences under the laws of the jurisdiction of incorporation of an Obligor;
- (q) the possibility that a court may strike out provisions of a contract as being invalid for reasons of oppression, undue influence or similar reasons;
- (r) the possibility that any obligation to pay default interest may be held to be unenforceable on the grounds that it is a penalty;
- (s) the possibility that an obligation under an indemnity may be void insofar as it relates to stamp duty payable in the U.K;
- (t) the possibility that an English Court may not give effect to an indemnity for legal costs incurred by an unsuccessful litigant; and

- (u) any other legal reservations or qualifications not mentioned above as they are set out in any legal opinion provided to the Trustee or any Noteholder pursuant to clause 5.1 and schedule 2 of the Subscription Agreement, or Clause 24.5 (*Additional Guarantor*) and Schedule 2 (*Conditions Precedent*) of this Agreement.

“Restricted Person” means a person that is (i) listed on, or owned or controlled by a person listed on any Sanctions List; (ii) located or incorporated within or operating from a country or territory subject to a general export, import, financial or investment embargo under Sanctions; or (iii) otherwise a target of Sanctions.

“Restricted Purpose” means:

- (v) any new acquisition of shares or securities, businesses, material assets or undertakings (or, in each case, any interest in any of them) except for the Health Innovators Permitted Acquisition or for any material assets acquired in the ordinary course of business;
- (w) any payments to any shareholder of the Issuer, including (but not limited to) any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind);
- (x) any extension of credit to any person that is not a member of the Group (other than any extension of credit to any participant in the Agreed Management MIP or for any extension of credit made in the ordinary course of business); or
- (y) any repayment or prepayment of (or other concession in respect thereof) any Financial Indebtedness incurred by any member of the Group under paragraphs (e), (i) or (n) of the definition of Permitted Financial Indebtedness.

“S&P” means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. or any successor to its rating business.

“Sale” means a disposal (whether in a single transaction or a series of related transactions) of all or substantially all of the assets of the Group to persons who are not members of the Group.

“Sanctioned Country” means, at any time, any country or other territory that is the subject of comprehensive country-wide Sanctions, which at the date of this Agreement are Crimea (as defined and construed in the applicable Sanctions), Cuba, Iran, North Korea, South Sudan and Syria.

“Sanctioned Person” means, at any time, any individual or entity that is:

- (z) listed on, owned 50% or more, or otherwise controlled (directly or indirectly) by a person listed on a Sanctions List;
- (aa) a government of a Sanctioned Country;
- (ab) an agency or entity directly or indirectly owned 50% or more or controlled by, a government of a Sanctioned Country; or
- (ac) located, incorporated, organised or ordinarily resident in a Sanctioned Country;

“Sanctions” means any trade, financial or economic sanctions or trade embargoes imposed, enacted, administered or enforced by the United States of America (including, without limitation, the Office of Foreign Assets Control of the US)

Department of the Treasury), the United Nations Security Council, the United Kingdom, the European Union, Jersey, and/or the governments and official institutions or agencies of any of the aforementioned.

“**Sanctions List**” means any of the lists of specifically designated nationals or similarly sanctioned individuals or entities (or equivalent) issued by the authorities listed in the definition of “Sanctions”.

“**Screen Rate**” means, in relation to SOFR, the appropriate page of such information service which publishes that rate from time to time. If such page or service ceases to be available, the Trustee may specify another page or service displaying the relevant rate in accordance with Clause 22.7 (*Replacement of Screen Rate*).

“**Secured Account**” means the bank account denominated in US Dollars held in the name of Babylon Holdings Limited as notified by the Babylon Holdings Limited to the Trustee prior to the Original Issue Date and subject to the Transaction Security.

“**Secured Parties**” has the meaning given to that term in the Intercreditor Agreement.

“**Security Interest**” means any mortgage, hypothec, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having substantially similar effect.

“**Security Property**” means:

- (ad) the Transaction Security expressed to be granted in favour of the Security Agent as agent and/or trustee for the Secured Parties pursuant to the Intercreditor Agreement and all proceeds of that Transaction Security;
- (ae) all obligations expressed to be undertaken by an Obligor to pay amounts in respect of the obligations and liabilities secured by the Transaction Security Documents to the Security Agent as agent and/or trustee for the Secured Parties pursuant to the Intercreditor Agreement and secured by the Transaction Security together with all representations and warranties expressed to be given by an Obligor in favour of the Security Agent as agent and/or trustee for the Secured Parties pursuant to the Intercreditor Agreement; and
- (af) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Security Agent is required by the terms of the Intercreditor Agreement to hold as agent and/or trustee for the Secured Parties.

“**SIJL**” means the Security Interests (Jersey) Law 2012.

“**SOFR**” means the secured overnight financing rate administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

“**Strategic Committee**” means the strategic committee of the Issuer established as at the date of this Agreement pursuant to a governance protocol that has been delivered to the Bridge Noteholders prior to the date of this Agreement.

“**Super Majority Bridge Noteholders**” means, at any time, a Bridge Noteholder or Bridge Noteholders the face value of whose Notes aggregate at least 80 per cent. of the total face value of Notes in issue at such time.

“**Subscription Agreement**” means the subscription agreement dated on or about the date of this Agreement entered into between, among others, the Issuer and the Bridge Noteholders in respect of the subscription of the Original Bridge Notes.

“**Subsidiary**” means in the case of one company in respect of another company (its “**Holding Company**”) if that other company, directly or indirectly, through one or more subsidiaries:

- (ag) holds a majority of the voting rights in it;
- (ah) is a member or shareholder of it and has the right to appoint or remove a majority of its board of directors or equivalent managing body;
- (ai) is a member or shareholder of it and controls alone, or pursuant to an agreement with other shareholders or members, a majority of the voting rights in it; or
- (aj) has the right to exercise a dominant influence over it, for example by having the right to give directions with respect to its operating and financial policies, with which directions its directors are obliged to comply.

“**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Tax Payment**” has the meaning given to that term in Clause 6.1 (*General*).

“**Term Reference Rate**” means in relation to any USD Term Rate Note, the aggregate of:

- (ak) Term SOFR; and
- (al) the applicable USD Credit Adjustment Spread in relation thereto.

“**Term SOFR**” means in relation to any Note denominated in USD:

- (am) the term SOFR reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period published (before any correction, recalculation or republication by the administrator) by CME Group Benchmark Administration Limited (or any other person which takes over the publication of that rate) and if such page or service is replaced or ceases to be available, the Trustee may specify another page or service displaying the relevant rate in accordance with Clause 22.7 (*Replacement of Screen Rate*);
- (an) (if the term SOFR reference rate is not available for the Interest Period of that Note) Interpolated Term SOFR (rounded to the same number of decimal places as Term SOFR) for that Note; or
- (ao) if:
 - (i) no term SOFR reference rate is available for the Interest Period of that Note; and
 - (ii) it is not possible to calculate Interpolated Term SOFR for that Note,

the USD Central Bank Rate (or if the USD Central Bank Rate is not available at 1:00 p.m. on the Quotation Day, most recent USD Central Bank Rate for a

day which is no more than five (5) US Government Securities Business Days before the relevant Quotation Day),

as of, in the case of paragraphs (a) and (c) above 1:00 p.m. on the Quotation Day for USD and for a period equal in length to the Interest Period of that Note and, if the aggregate of any applicable USD Credit Adjustment Spread and any such rate applicable to:

- (A) the Original Bridge Notes or the Additional Bridge Notes are below one (1.00) per cent. at any time when Term SOFR is fixed, Term SOFR for such Note will be deemed to be zero point five (0.50) per cent.; and
- (B) the Additional Bridge Notes which are denominated in USD are below any percentage agreed with the relevant Additional Facility Bridge Noteholders in the Additional Facility Notice for those Additional Facility Commitments, Term SOFR will be deemed to be such percentage rate specified in such Additional Facility Notice.

“Trade Instruments” means any performance bonds, advance payment bonds or documentary letters of credit issued in respect of the obligations of any member of the Group arising in the ordinary course of trading of that member of the Group.

“Tranche 1 Notes” means the floating rate notes due 2026 in an aggregate principal amount of \$13,800,000 issued by the Issuer on the Original Issue Date.

“Tranche 2 Notes” means the floating rate notes due 2026 in an aggregate principal amount of \$11,500,000 issued by the Issuer on the Tranche 2 Issue Date which shall be consolidated and form a single series with the Tranche 1 Notes and the Tranche 2 Notes on the last day of the first Interest Period in respect of the Tranche 2 Notes.

“Tranche 3 Notes” means the floating rate notes due 2026 in an aggregate principal amount of \$9,200,000 issued by the Issuer on the Tranche 3 Issue Date which shall be consolidated and form a single series with the Tranche 1 Notes on the last day of the first Interest Period in respect of the Tranche 3 Notes.

“Tranche 2 Issue Date” means the date on which the Tranche 2 Notes are issued in accordance with the Subscription Agreement.

“Tranche 3 Issue Date” means the date on which the Tranche 3 Notes are issued in accordance with the Subscription Agreement.

“Transaction Documents” means the Bridge Finance Documents, the Existing Notes Amendment Documents and the Agreed Bridge Equity Issue Shares Documentation.

“Transaction Security” means the Security Interest created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents.

“Transaction Security Document” means any document entered into by any Obligor creating or expressed to create any Security over all or part of its assets in respect of the obligations of any of the Obligors under any of the Bridge Finance Documents.

“Treasury Transaction” means any derivative transaction entered into in connection with protection against or to benefit from fluctuations in any rate, price, index or credit rating.

“Trustee’s Spot Rate of Exchange” means:

- (a) the Trustee’s spot rate of exchange; and
- (b) (if the Trustee does not have an available spot rate of exchange) any other publicly available spot rate of exchange selected by the Trustee (acting reasonably),

for the purchase of the relevant currency in the London foreign exchange market with US Dollars as of 11.00 a.m. on a particular day.

“U.K.” means the United Kingdom.

“Unpaid Sum” means any sum due and payable but unpaid by the Issuer under the Finance Documents.

“USA Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 of the United States.

“USD Central Bank Rate” means the percentage rate per annum which is the aggregate of:

- (c) the short-term interest rate target set by the US Federal Open Market Committee as published by the Federal Reserve Bank of New York from time to time or, if that target is not a single figure, the arithmetic mean of (i) the upper bound of the short-term interest rate target range set by the US Federal Open Market Committee and published by the Federal Reserve Bank of New York, and (ii) the lower bound of that target range; and
- (d) the applicable USD Central Bank Rate Adjustment.

“USD Central Bank Rate Adjustment” means, in relation to the USD Central Bank Rate prevailing at close of business on any US Government Securities Business Day, the twenty (20) per cent. trimmed arithmetic mean (calculated by the Trustee) of the USD Central Bank Rate Spreads for the five (5) most immediately preceding US Government Securities Business Days for which Term SOFR is available.

“USD Central Bank Rate Spread” means, in relation to any US Government Securities Business Day, the difference (expressed as a percentage rate per annum) calculated by the Trustee of (i) Term SOFR for that Business Day; and (ii) the USD Central Bank Rate prevailing at close of business on that US Government Securities Business Day.

“USD Credit Adjustment Spread” means, in relation to any USD Term Rate Loan zero point ten (0.10) per cent. per annum.

“US Dollars” means United States dollars.

“USD Term Rate Note” means a Note which is denominated in US Dollars.

“US Government Securities Business Day” means any day other than:

- (e) a Saturday or a Sunday; and
- (f) a day on which the Securities Industry and Financial Markets Association (or any successor organization) recommends that the fixed income departments of

its members be closed for the entire day for purposes of trading in US Government securities.

“U.S. Guarantor” means any Guarantor that is incorporated or organized under the laws of the United States of America or any State of the United States of America (including the District of Columbia) or that has a place of business or property in the United States of America.

“VAT” means:

- (g) any Tax charged in accordance with the Value Added Tax Act 1994, as may be amended or substituted from time to time;
- (h) any Tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (i) any other Tax of a similar nature, whether imposed in substitution for, or levied in addition to, such Tax referred to in paragraph (a) or (b) above, or imposed elsewhere, including, without limitation, goods and services tax as provided for under the Goods and Services Tax (Jersey) Law 2007.

“Voting Stock” of a person means all classes of Capital Stock or other interests (including partnership interests) of such person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or the controlling managing member or general partner, as applicable).

“Warrant Amendment Documentation” means the deed of amendment and restatement in the agreed form amending the terms of the Warrant Instrument to be entered into by the Issuer on or as soon as reasonably practicable following the date of this Agreement and prior to the Original Issue Date.

“Warrant Shares” means the shares in the Issuer to be issued to the Existing Noteholders pursuant to the exercise provisions of the Warrant Instrument, as amended by the Warrant Amendment Documentation.

1.2 Construction

- (a) In this Agreement, unless the contrary intention appears, a reference to:
 - (i) a document being in the “agreed form” is to a form of that document designated as such by or on behalf of the Trustee and the Issuer;
 - (ii) the “Trustee”, the “Security Agent”, any “Finance Party”, any “Secured Party”, any “Bridge Noteholder”, any “Obligor”, any “Party” or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Bridge Finance Documents and, in the case of the Security Agent, any person for the time being appointed as Security Agent or co-trustee or co-agent in accordance with the Bridge Finance Documents;
 - (iii) an “amendment” includes a supplement, novation, extension (whether of maturity or otherwise) restatement, re-enactment or replacement (in each case, however fundamental and whether or not more onerous or involving any change in or addition to the parties to any agreement or document) and “amended” will be construed accordingly;

- (iv) “**assets**” includes present and future properties, revenues and rights of every description;
- (v) an “**authorization**” includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
- (vi) “**change of control**” has the meaning given to that term in Clause 4.2 (*Mandatory redemption - Exit*).
- (vii) “**disposal**” means a sale, transfer, assignment, grant, lease, license, declaration of trust or other disposal, whether voluntary or involuntary, and dispose will be construed accordingly;
- (viii) “**guarantee**” means (other than in Clause 10 (*Guarantee and Indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
- (ix) “**indebtedness**” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (x) “**know your customer requirements**” means the identification checks that a Finance Party requests in order to meet its obligations under any applicable law or regulation to identify a person who is (or is to become) its customer;
- (xi) a “**participation**” of a Bridge Noteholder in the Notes means the principal amount of Notes held by it;
- (xii) “**person**” includes any individual, firm, Issuer, corporation, association or body (including a partnership, trust, joint venture or consortium), government, state, agency, organisation or other entity (whether or not having separate legal personality);
- (xiii) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any class of person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (xiv) a currency is a reference to the lawful currency for the time being of the relevant country;
- (xv) a Default being “**outstanding**” or “**continuing**” means that it has not been remedied or waived;
- (xvi) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
- (xvii) a Clause, a Subclause or a Schedule is a reference to a clause or subclause of, or a schedule to, this Agreement;

- (xviii) a Bridge Finance Document or other document or security includes (without prejudice to any prohibition on amendments) any amendment to that Bridge Finance Document or other document or security, including any change in the purpose of, any extension for or any other change to the Notes made available under any such agreement or instrument; and
- (xix) a time of day is a reference to London time.
- (b) Unless the contrary intention appears, a reference to a “**month**” or “**months**” is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
 - (i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
 - (ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
 - (iii) notwithstanding subparagraph (i) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
- (c) Unless expressly provided to the contrary in a Bridge Finance Document, a person who is not a party to a Bridge Finance Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”) and, notwithstanding any term of any Bridge Finance Document, no consent of any third party is required for any amendment (including any release or compromise of any liability) or termination of any Bridge Finance Document. Any Receiver, Delegate or Trustee Affiliate may, subject to this paragraph and the Third Parties Act, rely on any Clause of this Agreement which expressly confers rights on it.
- (d) Unless the contrary intention appears:
 - (i) a reference to a Party will not include that Party if it has ceased to be a Party under this Agreement;
 - (ii) a word or expression used in any other Bridge Finance Document or in any notice given in connection with any Bridge Finance Document has the same meaning in that Bridge Finance Document or notice as in this Agreement; and
 - (iii) any obligation of an Obligor under the Bridge Finance Documents which is not a payment obligation remains in force for so long as any payment obligation of an Obligor is, or may be outstanding under the Bridge Finance Documents.
- (e) The headings in this Agreement do not affect its interpretation.
- (f) For the purposes of any decision to be taken by the Majority Bridge Noteholders or all of the Bridge Noteholders under or in connection with a Bridge Finance Document, a reference to “**Bridge Noteholder**” will exclude all members of the Group.

- (g) Unless this Agreement expressly provides to the contrary, in any provision of this Agreement where any Party (other than the Security Agent) (the “**Consulting Party**”) is required to consult with another Party (the “**Other Party**”) before making any decision, the Consulting Party’s obligation to consult will be treated as being discharged and final and binding on the Other Party, and the Consulting Party will, unless otherwise stated in the relevant Bridge Finance Documents, have no liability to the Other Party or its Affiliates for any relevant decision or for any matter arising from that decision (if any) or consultation, if it follows the following procedure:
- (i) the consultation period will start upon the Consulting Party’s notice (giving reasonable details of the relevant matter in writing to the Other Party) and will last for the period (the “**Consultation Period**”) required by the relevant provision or, if no period for consultation is specified, five Business Days or such other period as may be agreed between the Consulting Party and the Other Party;
 - (ii) during the Consultation Period the Other Party may submit comments and/or suggestions in writing to the Consulting Party relating to the relevant decision (if any) or issue for consideration by the Consulting Party; and
 - (iii) the Consulting Party will not take any decision (if the relevant provision requires a decision) prior to the expiry of the Consultation Period and in taking the decision will take account of any comments or suggestions submitted to it by the Other Party during the Consultation Period but will not be bound by them,
- and the terms consultation and consulted will be construed accordingly.
- (h) Any reference within this Agreement or any other Bridge Finance Document to the Trustee providing approval or consent or making a request, or to an item or a person being acceptable to, satisfactory to, to the satisfaction of or approved by the Trustee, are to be construed, unless otherwise specified, as references to the Trustee taking such action or refraining from acting on the instructions of the Majority Bridge Noteholders, and reference in this Agreement or any other Bridge Finance Document to (i) the Trustee acting reasonably, (ii) a matter being in the reasonable opinion of the Trustee, (iii) the Trustee’s approval or consent not being unreasonably withheld or delayed or (iv) any document, report, confirmation or evidence being required to be reasonably satisfactory to the Trustee, are to be construed, unless otherwise specified in this Agreement or such other relevant Bridge Finance Document, as the Trustee acting on the instructions of the Majority Bridge Noteholders who are acting reasonably.
- (i) Where the Trustee is obliged to consult under the terms of this Agreement, unless otherwise specified, the Majority Bridge Noteholders must instruct the Trustee to consult in accordance with the terms of this Agreement and the Trustee must carry out that consultation in accordance with the instructions it receives from the Majority Bridge Noteholders. The Trustee is not under any obligation to determine the reasonableness of such circumstances or whether in giving such instructions the Majority Bridge Noteholders are acting in a reasonable manner or not unreasonably withholding or delaying their consent (as the case may be).
- (j) Any reference to an “**assignment**” or “**transfer**” in Clause 24.2 (*Assignments and transfers by Bridge Noteholders*) shall include any sub-participation (funded or unfunded or a derivative transaction which has an economic effect

substantially similar to a sub-participation which, in any case, transfers (or is capable of transferring) any discretion with regard to voting rights.

1.3 **Jersey Terms**

In each Finance Document, where it relates to a person: (i) incorporated; (ii) established; (iii) constituted; (iv) formed; (v) which carries on, or has carried on, business; or (vi) that has immovable property, in each case, in Jersey, a reference to:

- (a) a composition, compromise, assignment or arrangement with any creditor, winding up, liquidation, administration, dissolution, insolvency event or insolvency includes, without limitation, bankruptcy (as that term is interpreted pursuant to Article 8 of the Interpretation (Jersey) Law 1954), a compromise or arrangement of the type referred to in Article 125 of the Companies (Jersey) Law 1991 and any procedure or process referred to in Part 21 of the Companies (Jersey) Law 1991;
- (b) a liquidator, receiver, administrative receiver, administrator or the like includes, without limitation, the Viscount of the Royal Court of Jersey, Autorisés or any other person performing the same function of each of the foregoing;
- (c) security or a security interest includes, without limitation, any hypothèque whether conventional, judicial or arising by operation of law and any security interest created pursuant to the Security Interests (Jersey) Law 1983 or SIJL and any related legislation; and
- (d) any equivalent or analogous procedure or step being taken in connection with insolvency includes any corporate action, legal proceedings or other formal procedure or step being taken in connection with an application for a declaration of *en désastre* being made in respect of any assets of such person (or the making of such declaration).

1.4 **Intercreditor Agreement**

This Agreement is subject to the terms of the Intercreditor Agreement and, in the event of a conflict between the terms of this Agreement and the terms of the Intercreditor Agreement, the terms of the Intercreditor Agreement will prevail.

1.5 **The Trustee**

- (a) Any references within this Agreement or any other Bridge Finance Document to the Trustee providing approval or consent or making a request, decision, determination, judgment or acting in its discretion, or to an item or a person being acceptable to, satisfactory to, to the satisfaction of or approved by the Trustee, are to be construed, unless otherwise specified, as references to the Trustee taking such action or refraining from acting on the instructions of the Majority Bridge Noteholders (or, if the relevant Bridge Finance Document stipulates the matter is a decision for any other Bridge Noteholder or group of Bridge Noteholders, from that Bridge Noteholder or group of Bridge Noteholders), and reference in this Agreement or any other Bridge Finance Document to (i) the Trustee acting reasonably, (ii) a matter being in the reasonable opinion of the Trustee, (iii) the Trustee's approval or consent not being unreasonably withheld or delayed or (iv) any document, report, confirmation or evidence being required to be reasonably satisfactory to the Trustee, are to be construed, unless otherwise specified in this Agreement or such other relevant Bridge Finance Document, as the Trustee acting on the instructions of the Majority Bridge Noteholders (or, if the relevant Bridge

Finance Document stipulates the matter is a decision for any other Bridge Noteholder or group of Bridge Noteholders, on the instructions of that Bridge Noteholder or group of Bridge Noteholders) who are acting reasonably or not unreasonably withholding or delaying their consent (as the case may be).

- (b) Where the Trustee is obliged to consult with the Issuer under the terms of this Agreement, unless otherwise specified, the Majority Bridge Noteholders (or, if the relevant Bridge Finance Document stipulates the matter is a decision for any other Bridge Noteholder or group of Bridge Noteholders, that Bridge Noteholder or group of Bridge Noteholders) must instruct the Trustee to consult in accordance with the terms of this Agreement and the Trustee must carry out that consultation in accordance with the instructions it receives from the Majority Bridge Noteholders (or such other group of Bridge Noteholders).
- (c) Any corporation into which the Trustee may be merged or converted, or any corporation with which the Trustee may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation, including affiliated corporations, to which the Trustee shall sell or otherwise transfer: (i) all or substantially all of its assets or (ii) all or substantially all of its corporate trust business shall, on the date when the merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws and subject to any credit rating requirements set out in this agreement become the successor Trustee under this Agreement without the execution or filing of any paper or any further act on the part of the Parties, unless otherwise required by the Bridge Noteholders (acting reasonably), and after the said effective date all references in this Agreement to the Trustee shall be deemed to be references to such successor corporation. Written notice of any such merger, conversion, consolidation or transfer shall promptly be given to the Issuer by the Trustee.
- (d) In carrying out some of the payment and other functions and responsibilities under this Agreement and the other Bridge Finance Documents, the Trustee may delegate to and act as paying agent and registrar through any of its affiliates (the “**Trustee Affiliate**”). In so doing the Parties hereto consent and authorise the Trustee to disclose to the Trustee Affiliate information and data pursuant to this Agreement in connection with the foregoing activities. Further, the rights, privileges, protections, indemnities, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified and/or secured to its satisfaction, are extended to, and shall be enforceable by, the Trustee Affiliate, in the capacities to which it is employed to act hereunder.

2 NOTES

1.1 Principal Amount

- (a) The principal amount of each Note shall be as specified in the applicable Certificate.
- (b) The Notes shall be issued fully paid in amounts and integral multiples of \$0.01 and shall be transferable only as provided in this Agreement.

1.2 Nature of a Finance Party’s rights and obligations

Unless all the Finance Parties agree otherwise:

- (a) the obligations of a Finance Party under the Bridge Finance Documents are several;

- (b) failure by a Finance Party to perform its obligations does not affect the obligations of any other Party under the Bridge Finance Documents;
- (c) no Finance Party is responsible for the obligations of any other Finance Party under the Bridge Finance Documents;
- (d) the rights of a Finance Party under the Bridge Finance Documents are separate and independent rights and any debt arising under the Bridge Finance Documents to a Finance Party from an Obligor is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (e) below. The rights of each Finance Party include any debt owing to that Finance Party under the Bridge Finance Documents and, for the avoidance of doubt, any part of the Notes or any other amount owed by an Obligor which relates to a Finance Party's holding of the Notes or its role under a Bridge Finance Document (including any such amount payable to the Trustee on its behalf) is a debt owing to that Finance Party by that Obligor; and
- (e) a Finance Party may, except as specifically provided in the Bridge Finance Documents, separately enforce its rights under or in connection with the Bridge Finance Documents.

1.3 **Ranking**

The Notes shall constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall rank pari passu between each other, equally and rateably without discrimination or preference between them.

1.4 **Purpose**

Subject to Clause 14.31 (*Spending Covenant*), the proceeds of the Notes may only be used to directly finance or refinance the working capital requirements of the Group and any fees (including any OID Fees and the Deferred Upfront Fee), costs and expenses incurred directly in connection with the Transaction Documents.

1.5 **Monitoring**

No Finance Party is bound to monitor or verify the application of the proceeds of any Notes.

1.6 **Certificates**

- (a) Each Bridge Noteholder will be entitled without charge to one Certificate for the aggregate amount of Notes registered in its name.
- (b) Each Certificate shall bear a denoting number and shall be executed by the Issuer. The Certificates are not required to be authenticated by the Trustee or any other Person, **provided that** promptly following the execution of any Certificate, the Issuer shall notify the Trustee and provide a copy of such duly executed Certificate to the Trustee.
- (c) Each Certificate shall be in the form or substantially in the form set out in Schedule 6 (*Form of Certificate*).
- (d) The Issuer shall not be bound to register more than two persons as the joint holders of any Notes and shall not be bound to issue more than one Certificate for Notes held jointly by several persons. Delivery of a Certificate to one of such persons shall be sufficient delivery to all.

- (e) Where a Bridge Noteholder transfers part (but not all) of its Notes represented by a Certificate, the old Certificate shall be cancelled and a new Certificate for the balance of such Notes shall be issued without charge.
- (f) Where part (but not all) of the Notes represented by a Certificate are repaid, redeemed or repurchased, subject to the terms hereof, the Trustee and Issuer will note by pool factor decrease on the Register the principal amount of the Notes so redeemed with respect to each Bridge Noteholder.
- (g) Any signatures required on any Certificate may be affixed by means of electronic or mechanical signature.
- (h) If any Notes of a Bridge Noteholder are to be repaid, redeemed or repurchased in full such Bridge Noteholder shall deliver up to the Trustee, on or prior to the date falling two Business Days prior to the proposed date of such repayment, redemption or repurchase (or such later date as the Trustee may in its sole discretion agree):
 - (i) the Certificate in respect of the Notes to be subject to such repayment, redemption or repurchase; and/or
 - (ii) in the case of a lost, defaced or destroyed Certificate, such indemnity and other documentation as the Issuer may reasonably require under paragraph (j) below.
- (i) If any Certificate or other documentation delivered pursuant to paragraph (h) above includes any Notes which will not be repaid, redeemed or repurchased in full, the Issuer shall issue at the request of the applicable Bridge Noteholder a new Certificate for the balance of the Notes which will remain outstanding following such repayment, redemption or repurchase, free of charge and shall provide a copy of such new Certificate to the Trustee.
- (j) If the Certificate for any Note is lost, defaced or destroyed, the Issuer shall, promptly upon payment by the applicable Bridge Noteholder of any reasonable out-of-pocket expenses of the Issuer, replace such Certificate on such terms of the Directors may reasonable determine, provided that:
 - (i) the Issuer has received any evidence or indemnity reasonably requested by the Issuer in connection with such loss, defacement or destruction; and
 - (ii) in the case of a defacement, the defaced Certificate has been delivered up to the Issuer prior to the issuance of the new Certificate.

1.7 **Additional Bridge Notes**

The Issuer may from time to time, by resolution of the Directors create and issue further loan notes to be constituted by this Agreement, either so as to be identical in all respects and form a single series with the Original Bridge Notes or to carry such rights as to interest, redemption and otherwise as agreed with the Bridge Noteholders.

1.8 **Foreign Bridge Noteholders**

- (a) The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, nor under any of the relevant securities laws of any province or territory of any jurisdiction in which such offer, sale or delivery would be unlawful.

- (b) Unless an exception under such act or laws is applicable, the Notes may not be offered, sold or delivered, directly or indirectly, in or into any jurisdiction in which such offer, sale or delivery would be unlawful or to or for the account or benefit of any resident of any jurisdiction in which such offer, sale or delivery would be unlawful.

1.9 Death or Bankruptcy of Bridge Noteholders

- (a) The executors or administrators of a deceased or bankrupt registered Bridge Noteholder (not being one of several joint holders) and, in the case of the death of one or more of several joint registered holders, the survivor or survivors of such joint registered holders, shall be the only person or persons recognised by the Issuer as having any title to such Notes.
- (b) Any person becoming entitled to Notes in consequence of the death or bankruptcy of a holder of Notes or of any other event giving rise to the transmission of such Notes by operation of law may, upon producing such evidence in respect of which it proposes to act under this Condition or of its title to such Notes as the Issuer shall reasonably require, be registered itself as the holder of such Notes or may transfer such Notes.

1.10 Listing

The Issuer shall apply for the admission of the Notes to The International Stock Exchange (“TISE”) as soon as practicable after, in the case of the Tranche 1 Notes, the Original Issue Date and, in the case of the Tranche 2 Notes, the Tranche 3 Notes and any Additional Bridge Notes, the relevant date such Tranche 2 Notes, Tranche 3 Notes or Additional Bridge Notes are issued; and shall use best commercial efforts to obtain and retain such listing for so long as such Notes are outstanding, provided that if the Issuer is unable to obtain admission to listing of the Notes on the TISE or if at any time the Issuer determines that it will not so list or maintain such listing, it will use its best commercial efforts to obtain and maintain, a listing of such Notes on another “recognised stock exchange” as defined in Section 1005 of the Income Tax Act 2007 of the United Kingdom.

1.11 Control of Borrowing (Jersey) Order 1958

Prior to the satisfaction of the provisions of paragraph (b) of Clause 14.40 (*Condition Subsequent*), the number of persons in whose names the Notes are or are to be registered will not exceed ten (joint holders being counted as one person).

3 REDEMPTION AT MATURITY

The Issuer shall redeem the Notes in full on the Final Maturity Date.

4 REDEMPTION PRIOR TO MATURITY

1.1 Illegality of a Bridge Noteholder

- (a) A Bridge Noteholder must notify the Trustee and the Issuer promptly if it becomes aware that it is unlawful in any applicable jurisdiction for such Bridge Noteholder to hold any Notes or perform any of its obligations under a Bridge Finance Document.
- (b) After notification under paragraph (a) above the Trustee must notify the Issuer and the Issuer will, on such date as the Trustee shall have specified (being no earlier than the last day permitted by law) or if not later than that specified by the Trustee, the next date on which interest is capitalised in accordance with

Clause 5.5 (*Capitalisation of interest*), redeem the Notes held by that Bridge Noteholder (together with accrued interest on and all other amounts owing to that Bridge Noteholder under the Bridge Finance Documents) to the extent of such unlawfulness or, if required by the Issuer, the Notes held by that Bridge Noteholder shall no later than on such date be transferred at par to another person nominated by the Issuer willing to accept that transfer (to the extent it is lawful for such Bridge Noteholder to undertake that transfer).

1.2 Mandatory redemption - Exit

- (a) For the purposes of this Clause:

a **“Change of Control”** means the occurrence of any of the following:

- (i) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act or any successor provision), is or becomes the beneficial owner (as such term is used in Rules 13d-3 and 13d-5 under the Exchange Act or any successor provision), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer;
 - (ii) the adoption of a plan relating to the liquidation or dissolution of the Issuer; or
 - (iii) the merger or consolidation of the Issuer with or into another person or the merger of another person with or into the Issuer.
- (b) The Issuer must promptly notify the Trustee not later than two (2) Business Days following such event if it becomes aware of any Change of Control or a Sale.
- (c) After a Change of Control or Sale, if the Majority Bridge Noteholders so require by delivering a notice to the Trustee no later than sixty (60) Business Days following the later of (i) the Change of Control or Sale or (ii) the receipt of a notice by the Trustee pursuant to paragraph (b) above, the Trustee must, by giving not less than ten (10) Business Days’ prior notice to the Issuer, declare that all amounts payable under the Bridge Finance Documents by the Obligors will become immediately due and payable and the Issuer will immediately redeem all Notes.
- (d) Any such notice will take effect in accordance with its terms.

1.3 Mandatory redemption - equity or capital market issue or debt financing

- (a) In this Clause 4.3:

“Capital Markets Issue” means any public or private bond or other debt capital markets issue;

“Debt Financing” means (i) any loan facility or loan note facility (secured or unsecured) received by any member of the Group or (ii) any loan facility (secured or unsecured) that is convertible into common stock or other equity security received by any member of the Group and proceeds of any such issuance into common stock or other equity security on conversion.

“Excess Net Financing Proceeds” means Net Financing Proceeds received in excess of Excluded Financing Proceeds.

“Excluded Financing Proceeds” means Net Financing Proceeds in respect of any Capital Markets Issue, Relevant Issue or Debt Financing, in a cumulative aggregate amount when aggregated with any Net Disposal Proceeds, of up to \$100,000,000.

“Net Financing Proceeds” means any amount received by a member of the Group in cash as consideration for a Capital Markets Issue, Relevant Issue or Debt Financing less all Taxes and reasonable costs and expenses incurred by any member of the Group in connection with that Capital Markets Issue, Relevant Issue or Debt Financing (as applicable).

“Relevant Issue” means any issue, sale or public offering of any equity security (including any preference share).

- (b) Unless otherwise agreed by the Majority Bridge Noteholders, the Issuer shall apply seventy (70) per cent. of the Excess Net Financing Proceeds received by any member of the Group from any Capital Markets Issue, Relevant Issue or Debt Financing in mandatory redemption of the Notes at the times and in the order of application contemplated by this Clause 4.3.
- (c) Any Excluded Financing Proceeds and the remaining thirty (30) per cent. of any Excess Net Financing Proceeds after the relevant amounts have been applied towards the mandatory redemption of the Notes pursuant to paragraph (b) above shall be retained by the Group for the purposes of financing the working capital requirements of the Group.
- (d) Any redemption under this Clause 4.3 shall be made on or before the date that is five (5) Business Days after receipt of the relevant Net Financing Proceeds.
- (e) The amount to be redeemed will also be applied in accordance with paragraph (g) of Clause 4.9 (*Miscellaneous provisions*).
- (f) Any mandatory redemption made under this Clause 4.3 shall be applied in accordance with Clause 4.10 (*Application of redemptions*).

1.4 **Mandatory redemption – Disposals**

- (a) In this Clause 4.4:

“Disposal” means a sale, lease, licence, transfer, loan or other disposal by any member of the Group of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions) except for an Exempt Disposal.

“Excess Disposal Proceeds” means Net Disposal Proceeds received in excess of Excluded Disposal Proceeds.

“Excluded Disposal Proceeds” means the Net Disposal Proceeds, in a cumulative aggregate amount when aggregated with any Net Financing Proceeds, of up to \$100,000,000.

“Exempt Disposal” means any Disposal made pursuant to paragraphs 14.6(b)(i), 14.6(b)(ii), 14.6(b)(iii), 14.6(b)(iv), 14.6(b)(v), 14.6(b)(vi), 14.6(b)(vii), 14.6(b)(viii), (b)(ix) (to the extent that it relates to paragraph (a) of the definition of “Permitted Disposal”) and (b)(x) (other than paragraph (a) of the definition of “Permitted Transaction”) of Clause 14.6 (*Disposals*).

“Net Disposal Proceeds” means the cash consideration received by any member of the Group (including any amount received in repayment of intercompany debt) for any Disposal made by any member of the Group except for any Exempt Disposal and after deducting:

- (i) any reasonable expenses which are incurred by any member of the Group with respect to that disposal to persons who are not members of the Group; and
 - (ii) any Tax incurred by any member of the Group in connection with that disposal (as reasonably determined by the seller, on the basis of existing rates and taking account of any available credit, deduction or allowance).
- (b) Unless otherwise agreed by the Majority Bridge Noteholders, the Issuer shall apply seventy (70) per cent. of the Excess Disposal Proceeds received by any member of the Group in mandatory redemption of the Notes at the times and in the order of application contemplated by this Clause 4.4.
- (c) Any Excluded Disposal Proceeds and the remaining thirty (30) per cent. of the Excess Disposal Proceeds after the amounts have been applied towards the mandatory redemption of the Notes pursuant to paragraph (b) above shall be retained by the Group for the purposes of financing the working capital requirements of the Group.
- (d) Any mandatory redemption under this Clause 4.4 shall be made on or before the date that is five (5) Business Days after receipt of the Net Disposal Proceeds.
- (e) The amount to be redeemed will also be applied in accordance with paragraph (g) of Clause 4.9 (*Miscellaneous provisions*).
- (f) Any mandatory redemption made under this Clause 4.4 shall be applied in accordance with Clause 4.10 (*Application of redemptions*).

1.5 **Mandatory redemption – Insurance proceeds**

- (a) In this Clause 4.5:

“Net Insurance Proceeds” means the proceeds that are received by any member of the Group in respect of any insurance claims pursuant to an insurance policy held by a member of the Group after deducting:

- (i) any reasonable expenses which are incurred by any member of the Group with respect to that insurance claim; and
- (ii) any Tax incurred by any member of the Group in connection with that insurance claim (as reasonably determined by the insured, on the basis of existing rates and taking account of any available credit, deduction or allowance); and

“Relevant Assets” means the assets that are the subject of any insurance claim.

- (b) Unless otherwise agreed by the Majority Bridge Noteholders, subject to paragraph (c) below, the Issuer must procure that an amount equal to any Net Insurance Proceeds received is applied towards the mandatory redemption of

the Notes at the times and in the order of application contemplated by this Clause 4.5.

- (c) Mandatory redemption pursuant to paragraph (b) above is not required in circumstances where:
 - (i) the proceeds of an insurance claim are required to be applied in accordance with applicable law and/or regulation;
 - (ii) the net proceeds are to be applied in replacement, reinstatement or repair of the Relevant Assets or otherwise in amelioration of the loss in which the relevant insurance claim was made and are actually so applied within 18 months of receipt of those proceeds by the applicable member of the Group;
 - (iii) the proceeds of an insurance claim must be applied to meet a third party claim to which the relevant insurance proceeds relate;
 - (iv) the proceeds of an insurance claim are applied to cover operating losses in respect of which the relevant insurance claim was made; or
 - (v) the proceeds of an insurance claim are applied to cover business interruption, stop-loss and similar claims in respect of which the relevant insurance claim was made.
- (d) Any mandatory redemption under this Clause 4.5 shall be made on or before the date that is five (5) Business Days after receipt of the Net Insurance Proceeds.
- (e) The amount to be redeemed will also be applied in accordance with Clause 4.9 (*Miscellaneous provisions*).
- (f) Any mandatory redemption made under this Clause 4.5 shall be applied in accordance with Clause 4.10 (*Application of redemptions*).

1.6 Voluntary cancellation

- (a) The Issuer may, by giving not less than three Business Days' (or such shorter period as the Majority Bridge Noteholders may agree) prior notice to the Trustee:
 - (i) immediately cancel all or any part of the Notes; or
 - (ii) immediately upon any redemption in accordance with Clause 4.7 (*Voluntary redemption*) cancel all or part of the Notes subject to such redemption.
- (b) Any cancellation under this Clause 4.6 shall reduce the participations held by the Bridge Noteholders in the Notes pro rata.

1.7 Voluntary redemption

- (a) The Issuer may, by giving not less than three Business Days' (or such shorter period as the Majority Bridge Noteholders may agree) prior notice to the Trustee, redeem or repurchase the Notes on the last day of an Interest Period in whole or in part.

- (b) Subject to paragraph (a) above, and subject to paragraph (c) below, a redemption or repurchase made pursuant to this Clause 4.7 must be an amount that reduces the amount of the relevant Notes by a minimum amount of \$1,000,000 or such lesser amount as the Trustee may agree.
- (c) Any repurchase or redemption made under this Clause 4.7 must be applied across the Notes of all Bridge Noteholders pro rata.
- (d) The amount to be redeemed will also be applied in accordance with Clause 4.9 (*Miscellaneous provisions*).

1.8 **Right of repayment of a single Bridge Noteholder**

- (a) If:
 - (i) an Obligor is, or will be, required to pay to a Finance Party:
 - (A) a Tax Payment; or
 - (B) an Increased Cost; or

the Issuer may, while the requirement continues, give notice to the Trustee requesting redemption in respect of that Bridge Noteholder.

- (b) On the last day of each Interest Period after notification under paragraph (a) above (or, if earlier, the date specified by the Issuer in that notice) the Issuer must redeem or repurchase all Notes held by that Bridge Noteholder (or, if applicable, the relevant part thereof).

1.9 **Miscellaneous provisions**

- (a) Any notice of mandatory redemption under this Agreement is irrevocable and must specify the relevant date(s) and the amount of the Notes to be redeemed. The Trustee must notify the relevant Bridge Noteholders promptly of receipt of any such notice.
- (b) All redemptions or repurchases under this Agreement must be made with accrued interest on the amount redeemed or repurchased. No premium or penalty is payable in respect of any prepayment except for Break Costs.
- (c) The Majority Bridge Noteholders may agree a shorter notice period for a voluntary redemption.
- (d) No redemption or repurchase is allowed except in accordance with the express terms of this Agreement.
- (e) To the extent that any mandatory redemption is:
 - (i) to be made in respect of Notes that are not denominated in the currency in which the relevant proceeds were received by the Group (the Received Currency):
 - (A) any costs of converting the relevant redemption amount into the currency of the Notes shall reduce the amount to be applied against the Notes (and, for the avoidance of doubt, such costs shall not reduce the amount applied against other Notes denominated in the Received Currency or increase the amount required to be paid by any member of the Group); and

(B) to be made in respect of any amount denominated in a currency other than the Received Currency, the required redemption amount shall be reduced by any costs of converting the relevant amount into the currency of the required redemption.

- (f) If the Trustee receives a notice under this Clause 4.9, it shall promptly forward a copy of that notice to either the Issuer or the affected Bridge Noteholder, as appropriate.
- (g) All Notes repaid, prepaid, redeemed or repurchased by the Issuer shall be cancelled and may not be subsequently re-issued.

1.10 Application of redemptions

Any mandatory redemption of the Notes pursuant to Clause 4.3 (*Mandatory redemption - equity or capital market issue or debt financing*), Clause 4.4 (*Mandatory redemption – Disposals*) or Clause 4.5 (*Mandatory redemption – Insurance proceeds*) shall be applied pro rata to the face value of the Notes held by each Bridge Noteholder in issue at such time and in accordance with the Intercreditor Agreement.

5 INTEREST PERIODS AND INTEREST

1.1 Interest Period

- (a) The initial Interest Period for the Tranche 1 Notes shall commence on the Original Issue Date and end on the day before the date falling one (1) month after the Original Issue Date.
- (b) The initial Interest Period for the Tranche 2 Notes shall commence on the Tranche 2 Issue Date and end on the last day of the then current Interest Period of the Tranche 1 Notes already issued and outstanding prior to the Tranche 2 Issue Date.
- (c) The initial Interest Period for the Tranche 3 Notes shall commence on the Tranche 3 Issue Date and end on the last day of the then current Interest Period of the Tranche 1 Notes already issued and outstanding prior to the Tranche 3 Issue Date.
- (d) An Interest Period for the Notes shall not extend beyond the Final Maturity Date.
- (e) Each Interest Period for any Notes shall start on the relevant Issue Date in respect of those Notes or (if such Notes have already been issued) on the day after the last day of its preceding Interest Period.
- (f) The initial Interest Period for any Additional Notes issued after the Original Issue Date (a “**Subsequent Issue Date**”) shall end on the last day of the then current Interest Period of any Notes already issued and outstanding prior to such Subsequent Issue Date.

1.2 Non-Business Days

- (a) If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

1.3 Other Adjustments

- (a) Notwithstanding anything to the contrary but without prejudice to the rights of any member of the Group under any other provision of the Bridge Finance Documents (including Clause 5.1 (Interest Period)), the Trustee and the Issuer may agree any alternative and/or additional arrangements regarding the adjustment of Interest Periods, the consolidation and/or splitting of Notes and/or the administration and operation of the Notes (subject to the requirement for the Trustee to act on the instructions of all Noteholders participating in the relevant Notes). If there is a conflict between the terms of any Bridge Finance Documents and any such alternative or additional arrangements, the terms of those alternative or additional arrangements will prevail.

1.4 Calculation of interest

The rate of interest on the Notes for any Interest Period is the percentage rate per annum equal to the aggregate of the applicable:

- (a) Margin; and
- (b) the Term Reference Rate.

1.5 Capitalisation of interest

Any interest accrued on the Notes will on the last day of the relevant Interest Period for any Notes be capitalised and added to the outstanding principal amount of the Notes.

1.6 Interest on overdue amounts

- (a) If an Obligor fails to pay any amount payable by it under the Bridge Finance Documents, it must immediately on demand by the Trustee pay interest on the overdue amount from its due date up to the date of actual payment, both before, on and after judgment.
- (b) Interest on an overdue amount is payable at a rate which is 2% per annum above the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted Notes in the currency of the overdue amount for successive Interest periods, each of a duration selected by the Trustee (acting reasonably).
- (c) Interest (if unpaid) on an overdue amount will be compounded with that overdue amount at the end of each of Interest Period but will remain immediately due and payable.

6 TAXES

1.1 General

In this Clause:

“**CTA**” means the Corporation Tax Act 2009.

“**ITA**” means the Income Tax Act 2007.

“**Protected Party**” means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum

received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Bridge Finance Document.

“**Tax Credit**” means a credit against any Tax or any relief or remission for Tax (or repayment of any Tax).

“**Tax Deduction**” means a deduction or withholding for or on account of Tax from a payment under a Bridge Finance Document, other than a FATCA Deduction.

“**Tax Payment**” means either the increase in a payment made by an Obligor to a Finance Party under Clause 6.2 (*Tax gross-up*) or a payment under Clause 6.3 (*Tax indemnity*).

1.2 Tax gross-up

- (a) Each Obligor must make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Issuer must promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Trustee accordingly. Similarly, a Bridge Noteholder shall notify the Trustee on becoming so aware in respect of a payment payable to that Bridge Noteholder. If the Trustee receives such notification from a Bridge Noteholder it shall notify the Issuer and that Obligor.
- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor must be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (e) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction or payment must deliver to the Trustee for the Finance Party entitled to the payment a statement under section 975 of the ITA or other evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

1.3 Tax indemnity

- (a) The Issuer shall (within three Business Days of demand by the Trustee) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party (in its absolute discretion) determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a payment received or receivable from an Obligor under a Bridge Finance Document.

- (b) Paragraph (a) above does not apply:
 - (i) with respect to any Tax assessed on a Finance Party:
 - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes;
 - (B) under the law of the jurisdiction in which that Finance Party's facility office is located in respect of amounts received or receivable in that jurisdiction; or

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or
 - (ii) to the extent a loss, liability or cost:
 - (A) is compensated for by an increased payment under Clause 6.2 (*Tax gross-up*); or
 - (B) relates to a FATCA Deduction required to be made by a Party.
- (c) A Protected Party making, or intending to make a claim under paragraph (a) above must promptly notify the Trustee of the event which will give, or has given, rise to the claim, following which the Trustee shall notify the Issuer and the affected Obligor.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 6.3, notify the Trustee.

1.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party (in its absolute discretion) determines that:

- (a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment, or to a Tax Deduction in consequence of which that Tax Payment was required; and
- (b) that Finance Party has obtained, and utilised that Tax Credit,

the Finance Party must pay an amount to the Obligor which that Finance Party determines (in its absolute discretion) will leave it (after that payment) in the same after-Tax position as it would have been if the Tax Payment had not been required to be made by the Obligor.

1.5 Stamp taxes

The Issuer must pay and, within three Business Days of demand, indemnify each Secured Party against any stamp duty, stamp duty land tax, registration or other similar tax payable in connection with the entry into, performance or enforcement of any Bridge Finance Document, other than (for the avoidance of doubt), any voluntary transfer of a Secured Party's rights and obligations under the Bridge Finance Documents unless such transfer is entered into at the request of the Issuer or occurs following a Default which is continuing or pursuant to Clause 8 (*Mitigation*) or Clause 24.7 (*Replacement of Bridge Noteholders*).

1.6 Value added taxes

- (a) All amounts expressed to be payable under a Bridge Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply and, accordingly, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Bridge Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the "**Supplier**") to any other Finance Party (the "**Recipient**") under a Finance Document, and any Party other than the Recipient (the "**Relevant Party**") is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
 - (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
 - (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Bridge Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.
- (d) Any reference in this Clause 6.6 to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated as making the supply or (as appropriate) receiving the supply, under the grouping rules as provided for in Article 11 of Council Directive 2006/112/EC (or as implemented by a Member State) or the Value Added Tax Act 1994, as may be amended or substituted from time to time).
- (e) In relation to any supply made by a Finance Party to any Party under a Bridge Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

1.7 **FATCA Information**

- (a) Subject to paragraph (c) below, each Party must, within ten Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party;
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party must notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything and paragraph (a) above shall not oblige any other Party to do anything which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with paragraph (a) above (including, for the avoidance of doubt, where paragraph (c) above applies), then if that Party failed to confirm whether it is (or remains) a FATCA Exempt Party then such Party is to be treated for the purposes of the Bridge Finance Documents (and payments made under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

1.8 **FATCA Deduction**

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction) notify the Party to whom it is making the payment and, in addition, shall notify the Issuer, the Trustee and the other Finance Parties.

7 INCREASED COSTS

1.1 Increased Costs

Except as provided below in Clause 7.2 (*Exceptions*), the Issuer must pay to a Finance Party the amount of any Increased Cost incurred by that Finance Party or any of its Affiliates as a result of:

- (a) the introduction of, or any change in, or any change in the interpretation, administration or application of, any law or regulation;
- (b) compliance with any law or regulation made; or
- (c) the implementation or application of or compliance with Basel III or CRD IV or any other law or regulation which implements Basel III or CRD IV (whether such implementation, application or compliance is by a government or regulator or, in the case of compliance, is by a Finance Party or any of its affiliates),

in the case of each of paragraphs (a) and (b) above only, after the date of this Agreement.

In this Clause 7:

“Increased Costs” means:

- (a) a reduction in the rate of return from the Notes or on a Finance Party’s (or its Affiliate’s) overall capital;
- (b) an additional or increased cost; or
- (c) a reduction of any amount due and payable under any Bridge Finance Document,
- (d) which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party holding any Notes or funding or performing its obligations under any Bridge Finance Document.

“Basel III” means:

- (e) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
- (f) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (g) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”.

“**Basel III Cost**” means any Increased Cost attributable to the implementation or application of or compliance with Basel III.

“**CRD IV**” means:

- (h) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012; and
- (i) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

“**CRD IV Cost**” means any Increased Cost attributable to the implementation or application of or compliance with CRD IV.

1.2 Exceptions

The Issuer need not make any payment for an Increased Cost to the extent that the Increased Cost is:

- (a) attributable to a Tax Deduction (as defined in Clause 7.2) required by law to be made by an Obligor;
- (b) in respect of an amount of (i) stamp duty, registration or other similar Taxes or (ii) VAT (which shall be dealt with in accordance with Clause 6.5 (*Stamp taxes*) and Clause 6.6 (*Value added taxes*) respectively);
- (c) attributable to a FATCA Deduction required to be made by a Party;
- (d) attributable to a Finance Party or its Affiliate wilfully or negligently failing to comply with any law or regulation;
- (e) attributable to any day more than three months before the first date on which the relevant Finance Party became (or, if earlier, could reasonably be expected to have become) aware of the relevant Increased Cost; or
- (f) attributable to the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (but excluding any amendment arising out of Basel III) (“Basel II”) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

1.3 Basel III Costs and CRD IV Costs

The Issuer need not make any payment for a Basel III Cost or CRD IV Cost unless the claiming Finance Party provides in reasonable detail of the basis of calculation of such Basel III Cost or CRD IV Cost (as applicable) provided that this obligation to provide reasonable detail does not extend to information and detail that a Finance Party reasonably considers it is not legally allowed to disclose, is confidential to third parties or is price-sensitive in relation to listed shares or other instruments issued by that Finance Party or any of its Affiliates.

1.4 Claims

- (a) A Finance Party intending to make a claim for an Increased Cost must notify the Trustee of the circumstances giving rise to and the amount of the claim, following which the Trustee will promptly notify the Issuer.
- (b) Each Finance Party must, as soon as practicable after a demand by the Trustee, provide a certificate confirming the amount and basis (subject to Clause 8.2 (*Conduct of business by a Finance Party*)) of calculation (in such detail as the Finance Party may reasonably determine) of its Increased Cost.

8 MITIGATION

1.1 Mitigation

- (a) Each Finance Party must, in consultation with the Issuer, take all reasonable steps to mitigate any circumstances which arise and which result or would result in:
 - (i) any Tax Payment or Increased Cost being payable to that Finance Party;
 - (ii) that Finance Party being able to exercise any right of redemption under this Agreement by reason of any illegality; or
 - (iii) that Finance Party incurring any cost of complying with the minimum reserve requirements of the European Central Bank, including (but not limited to) transferring its rights and obligations under the Bridge Finance Documents to an Affiliate or changing its facility office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Bridge Finance Documents.
- (c) The Issuer must, within five (5) Business Days of demand, indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of any step taken by it or any Obligor under this Subclause.
- (d) A Finance Party is not obliged to take any step under this Subclause if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it in any material respect.

1.2 Conduct of business by a Finance Party

No term of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (Tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it in respect of Tax or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (Tax or otherwise) or any computation in respect of Tax.

9 PAYMENTS

1.1 Place

Unless a Bridge Finance Document specifies that payments under it are to be made in another manner, all payments by a Party (other than the Trustee) under the Bridge Finance Documents must be made to the Trustee to its account at such office or bank in the principal financial centre of the country of the relevant currency as it may notify to that Party for this purpose by not less than five Business Days' prior notice.

1.2 Funds

Payments under the Bridge Finance Documents to the Trustee must be made for value on the due date at such times and in such funds as the Trustee may specify to the Party concerned as being customary at the time for the settlement of transactions in the relevant currency in the place for payment.

1.3 Distribution

- (a) Each payment received by the Trustee under the Bridge Finance Documents for another Party must, except as provided below, be made available by the Trustee to that Party by payment (as soon as practicable after receipt) to its account with such office or bank in the principal financial centre of the country of the relevant currency as it may notify to the Trustee for this purpose by not less than five Business Days' prior notice.
- (b) The Trustee may apply any amount received by it from an Obligor in or towards payment (as soon as practicable after receipt) of any amount due from that Obligor under the Bridge Finance Documents or in or towards the purchase of any amount of any currency to be so applied.
- (c) Where a sum is paid to the Trustee under this Agreement for another Party, the Trustee is not obliged to pay that sum to that Party until it has established that it has actually received that sum. However, the Trustee may assume that the sum has been paid to it, and, in reliance on that assumption, make available to that Party a corresponding amount. If it transpires that the sum has not been received by the Trustee, that Party must immediately on demand by the Trustee refund any corresponding amount made available to it together with interest on that amount from the date of payment to the date of receipt by the Trustee at a rate calculated by the Trustee to reflect its cost of funds.

1.4 Currency

- (a) Unless a Bridge Finance Document specifies that payments under it are to be made in a different manner, the currency of each amount payable under the Bridge Finance Documents is determined under this Clause.
- (b) Interest is payable in the currency in which the relevant amount in respect of which it is payable is denominated.
- (c) A redemption, repayment or prepayment of any principal amount is payable in the currency in which that principal amount is denominated on its due date.
- (d) Amounts payable in respect of Taxes, fees, costs and expenses are payable in the currency in which they are incurred.
- (e) Each other amount payable under the Bridge Finance Documents is payable in US Dollars.

1.5 **No set-off or counterclaim**

All payments made by an Obligor under the Bridge Finance Documents must be calculated and made without (and free and clear of any deduction for) set-off or counterclaim.

1.6 **Business Days**

- (a) If a payment under the Bridge Finance Documents is due on a day which is not a Business Day, the due date for that payment will instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not) or whatever day the Trustee determines is market practice.
- (b) During any extension of the due date for payment of any principal under this Agreement interest is payable on that principal at the rate payable on the original due date.

1.7 **Partial payments**

- (a) If any Administrative Party receives a payment insufficient to discharge all the amounts then due and payable by the Obligors under the Bridge Finance Documents, the Administrative Party must apply that payment towards the obligations of the Obligors under the Bridge Finance Documents in the following order:
 - (i) *first*, in or towards payment pro rata of any unpaid fees, costs and expenses of the Administrative Parties under the Bridge Finance Documents;
 - (ii) *secondly*, in or towards payment pro rata of any accrued interest or fee due but unpaid under this Agreement;
 - (iii) *thirdly*, in or towards payment pro rata of any principal amount due but unpaid under this Agreement; and
 - (iv) *fourthly*, in or towards payment pro rata of any other sum due but unpaid under the Bridge Finance Documents.
- (b) The Trustee must, if so directed by all of the Bridge Noteholders, vary the order set out in subparagraphs (a)(ii) to (iv) above.
- (c) This Subclause will override any appropriation made by an Obligor.

1.8 **Disruption to payment systems**

- (a) If the Trustee determines (acting reasonably) that a Disruption Event has occurred or the Issuer (acting reasonably) notifies the Trustee that a Disruption Event has occurred, the Trustee:
 - (i) may, and must if requested by the Issuer, enter into discussions with the Issuer for a period of not more than ten days with a view to agreeing any changes to the operation or administration of the Notes as the Trustee may decide is necessary in the circumstances;
 - (ii) is not obliged to enter into discussions with the Issuer in relation to any changes if, in its opinion, it is not practicable so to do and has no obligation to agree to any changes;

- (iii) may consult with the Finance Parties in relation to any changes but is not obliged so to do if, in its opinion, it is not practicable in the circumstances; and
- (iv) must notify the Finance Parties of any changes agreed under this Subclause.
- (b) Any agreement between the Trustee and the Issuer will be, (whether or not it is finally determined that a Disruption Event has occurred), binding on the Parties notwithstanding the provisions of Clause 22 (*Amendments and Waivers*).
- (c) The Trustee shall not be liable for any damages, costs or losses to any Finance Party, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Trustee) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 9.8.
- (d) If the Trustee makes any payment to any person in respect of a liability incurred as a result of taking or not taking any action under this Subclause, each Bridge Noteholder must indemnify the Trustee for that Bridge Noteholder's Pro Rata Share of such payment made or of any loss or liability incurred by the Trustee under this Subclause (unless the Trustee has been reimbursed by an Obligor under a Bridge Finance Document).
- (e) Paragraph (d) above applies notwithstanding:
 - (i) any other term of any Bridge Finance Document (including any term in Clause 16 (*Role of the Trustee and Security Agent*)); and
 - (ii) irrespective of whether the payment was made as a result of actual or alleged negligence or gross negligence or wilful misconduct of the Trustee but so that the Trustee has no indemnity for claims against it which arise as a result of fraud by the Trustee.

1.9 **Timing of payments**

If a Bridge Finance Document does not provide for when a particular payment is due, that payment will be due within three Business Days of demand by the relevant Finance Party.

1.10 **Multiple Bridge Noteholders**

If two or more persons are entered in the Register as joint registered holders of any Notes then the receipt by any one of such persons of any interest or principal shall be as effective a discharge to the Issuer as if the recipient were the sole registered holder of such Notes.

1.11 **Suspense Accounts**

- (a) If, in respect of any of its Notes to be repaid, redeemed or repurchased in accordance with this Agreement, the applicable Bridge Noteholder fails to comply with its obligations under paragraph (h) of Clause 2.6 (*Certificates*):
 - (i) the Trustee shall deposit the moneys payable to such Bridge Noteholder in respect of that repayment, redemption or repurchase into a separate non-interest bearing bank account (a "**Suspense Account**");

- (ii) to the extent that any such Note is repaid, redeemed or repurchased in full, the deposit of such moneys in a Suspense Account shall discharge the Issuer from all further obligations in respect of that Note; and
 - (iii) the Trustee shall pay any moneys deposited in a Suspense Account pursuant to paragraph (a) above to the applicable Bridge Noteholder, promptly following such Bridge Noteholder complying with its obligations under paragraph (h) of Clause 2.6 (*Certificates*) in respect of the Notes to which such moneys relate.
- (b) The Trustee shall not be responsible for the safe custody of moneys deposited in a Suspense Account or for interest accruing thereon, provided that the Trustee may deduct from any Suspense Account any costs or expenses incurred by the Trustee in connection with establishing, maintaining and depositing moneys in such Suspense Account.
 - (c) Any amount deposited in a Suspense Account which remains unclaimed after a period of six years from the making of such deposit shall revert and belong to the Issuer, notwithstanding that in the intervening period the obligation to pay the same may have been provided for in the books, accounts and other records of the Issuer.

1.12 Erroneous payment

- (a) If the Trustee notifies any Bridge Noteholder or other recipient that the Trustee has determined in its sole discretion that any funds received by such recipient from the Trustee or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such recipient (whether or not known to such recipient) (any such funds whether as a payment, prepayment or repayment of principal, interest, fees or other amounts; a distribution or otherwise; individually and collectively a “**Payment**” and any such recipient an “**Unintended Recipient**” and demands the return of such Payment (or a portion thereof), such Unintended Recipient shall promptly, but in no event later than one Business Day thereafter, return to the Trustee the amount of any such Payment (or portion thereof) as to which such a demand was made, in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Unintended Recipient to the date such amount is repaid to the Trustee in same day funds.
- (b) To the extent permitted by applicable law, each Party shall not assert any right or claim to the Payment, and hereby waives, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Trustee for the return of any Payments received, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine.
- (c) A notice of the Trustee to any Unintended Recipient under this Clause 9.12 shall be conclusive, absent manifest error.
- (d) For the avoidance of doubt, no Finance Party or any of its Affiliates shall have any direct or indirect obligations or liabilities in respect of any Payment other than pursuant to this Clause 9.12.
- (e) The Issuer agrees that the receipt by Unintended Recipient of a Payment shall not pay, prepay, repay, discharge or otherwise satisfy any obligations owed to such Unintended Recipient by the Issuer.

- (f) Notwithstanding anything to the contrary herein, neither the Issuer nor any of its Affiliates shall have any obligations or liabilities directly or indirectly arising out of this Clause 9.12 in respect of any Erroneous Payment.

10 GUARANTEE AND INDEMNITY

1.1 Guarantee and indemnity

Each Obligor jointly and severally and irrevocably and unconditionally:

- (a) guarantees to each Finance Party punctual performance by each Obligor of all that Obligor's obligations under the Bridge Finance Documents;
- (b) undertakes with each Finance Party that, whenever another Obligor does not pay any amount when due under or in connection with any Bridge Finance Document, that Obligor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Bridge Finance Document on the date when it would have been due. The amount payable by an Obligor under this indemnity will not exceed the amount it would have had to pay under this Clause 10 if the amount claimed had been recoverable on the basis of a guarantee.

1.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Bridge Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

1.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration, examinership or otherwise without limitation, then the liability of each Obligor under this Clause 10 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

1.4 Waiver of defences

The obligations of each Obligor under this Clause 10 will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause 10 (without limitation and whether or not known to it or any Finance Party). This includes:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Bridge Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in the Notes or the addition of any new facility under any Bridge Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Bridge Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

1.5 **Guarantor intent**

Without prejudice to the generality of Clause 10.4 (*Waiver of defences*), each Obligor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Bridge Finance Documents and/or the Notes or amount made available under any of the Bridge Finance Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which the Notes or any amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

1.6 **Immediate recourse**

Each Obligor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Obligor under this Clause 10. This waiver applies irrespective of any law or any provision of a Bridge Finance Document to the contrary.

1.7 **Appropriations**

Until all amounts which may be or become payable by the Obligors under or in connection with the Bridge Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Obligor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Obligor or on account of any Obligor's liability under this Clause 10.

1.8 Deferral of Obligors' rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Bridge Finance Documents have been irrevocably paid in full and unless the Trustee otherwise directs, no Obligor will exercise any rights which it may have by reason of performance by it of its obligations under the Bridge Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 10:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Bridge Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Bridge Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Bridge Finance Documents by any Finance Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Obligor has given a guarantee, undertaking or indemnity under Clause 10.1 (*Guarantee and indemnity*);
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

If an Obligor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Bridge Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Trustee or as the Trustee may direct for application in accordance with Clause 9 (*Payments*).

1.9 Release of Guarantors' right of contribution

If any Guarantor (a "**Retiring Guarantor**") ceases to be a Guarantor in accordance with the terms of the Bridge Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor of then on the date such Retiring Guarantor ceases to be a Guarantor:

- (a) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Obligor of its obligations under the Bridge Finance Documents; and
- (b) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Bridge Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Bridge Finance Document or of any other security taken pursuant to, or in connection with, any Bridge Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.

1.10 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

1.11 Limitations on Guarantees

- (a) Financial Assistance: This guarantee does not apply to any liability to the extent that it would result in this guarantee constituting unlawful financial assistance within the meaning of sections 678 or 679 of the Companies Act 2006 or would constitute an unlawful distribution or reduction of capital or any equivalent and applicable provisions under the laws of the Relevant Jurisdiction of the relevant Guarantor.
- (b) Additional Guarantor Limitations: The guarantee of any Additional Guarantor is subject to any limitations relating to that Additional Guarantor set out in any relevant Accession Agreement.
- (c) U.S. Guarantors Guarantee Limitations: Notwithstanding any term or provision of this Clause 10 or any other term in this Agreement or any Bridge Finance Document, each Finance Party agrees that each U.S. Guarantor's liability under this Clause, without the requirement of amendment or any other formality, be limited to a maximum aggregate amount equal to the largest amount that would not render its liability hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Bankruptcy Code or any applicable provision of comparable state law, in each case after giving effect to all other liabilities of such Guarantor, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, reimbursement, indemnification or contribution of such Guarantor pursuant to applicable law or pursuant to the terms of any agreement.

1.12 Waiver of Jersey law customary rights

- (a) Any right which at any time any Jersey Obligor may have under the existing or future laws of Jersey whether by virtue of the *droit de discussion* or otherwise to require that recourse be had to the assets of any other person before any claim is enforced against such Jersey Obligor in respect of the obligations assumed by such Jersey Obligor under or in connection with any Finance Document is hereby waived.
- (b) Any right which at any time any Jersey Obligor may have under the existing or future laws of Jersey whether by virtue of the *droit de division* or otherwise to require that any liability under any guarantee or indemnity given in or in connection with any Finance Document be divided or apportioned with any other person or reduced in any manner whatsoever is hereby waived.

11 REPRESENTATIONS AND WARRANTIES

1.1 Representations and warranties

The representations and warranties set out in this Clause are made by each Obligor or (if it so states) the Issuer to each Finance Party.

1.2 **Status**

- (a) It is a limited liability company or corporation, duly incorporated and validly existing under the laws of its Original Jurisdiction.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

1.3 **Powers and authority**

It has the power to enter into and perform, and has taken all necessary action to authorise the entry into and performance of, the Bridge Finance Documents to which it is a party and the transactions contemplated by those Bridge Finance Documents.

1.4 **Legal validity**

Subject to any general principles of law limiting its obligations and referred to in any legal opinion required under this Agreement and the Reservations:

- (a) each Bridge Finance Document to which it is a party is its legally binding, valid and enforceable obligation; and
- (b) without limiting the generality of paragraph (a) above, each Transaction Security Document to which it is a party creates the Security Interests which that Transaction Security Document purports to create and those Security Interests are valid and effective.

1.5 **Non-conflict**

The entry into and performance by it of, and the transactions contemplated by, the Bridge Finance Documents do not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any document which is binding upon it or any of its assets to an extent which is reasonably likely to have a Material Adverse Effect.

1.6 **No default**

- (a) No Event of Default is outstanding or will result from the making of any Notes or the entry into of, or the performance of its obligations under, any Bridge Finance Document; and
- (b) no other event is outstanding which constitutes a default under any document which is binding on it or any of its Subsidiaries or any of its or its Subsidiaries' assets to an extent or in a manner which has or is reasonably likely to have a Material Adverse Effect.

1.7 **Sanctions**

Neither it nor any of its Subsidiaries, nor any directors or officers or, to its knowledge, any employees of it or any of its Subsidiaries is a Restricted Person.

1.8 Authorisations

All authorisations required by it in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, the Bridge Finance Documents have been obtained or effected (as appropriate) and are in full force and effect.

1.9 Financial statements

The financial statements referred to in the definition of Original Financial Statements:

- (a) have been prepared in accordance with accounting principles and practices generally accepted in its Original Jurisdiction consistently applied; and
- (b) fairly represent its financial condition (consolidated, if applicable) as at the date to which they were drawn up.

1.10 Litigation

No litigation, arbitration or administrative proceedings which are likely to be adversely determined are current or, to its knowledge, pending or threatened, which have or, if adversely determined, are reasonably likely to have a Material Adverse Effect.

1.11 No misleading information

- (a) The written information provided by it or on its behalf to the Bridge Noteholders (or an advisor on their behalf) was, so far as it is aware (having made all reasonable enquiries), true and accurate in all material respects as at its date or (if appropriate) as at the date (if any) at which it is stated to be given.
- (b) The financial projections and forecasts contained in the written information provided by it to the Bridge Noteholders (or any advisor on their behalf) under paragraph (a) above have been prepared, on the basis of recent historical information and assumptions believed by it to be fair and reasonable at the time they were made.
- (c) So far as it is aware (having made all reasonable enquiries), it has not omitted anything from the information provided under paragraph (a) above which, if disclosed, would make that written information provided untrue or misleading in any material respect.
- (d) So far as it is aware (having made all reasonable enquiries), as at the Original Issue Date, nothing has occurred since the date of the information referred to in paragraph (a) above (but excluding any financial projections and forecasts contained therein) which, if disclosed, would make that information untrue or misleading in any material respect and, in relation to any projections and forecasts contained therein, no new information has come to light which should have been known and taken into account in the preparation of such projections and forecasts.

1.12 Governing law and enforcement

- (a) Subject to the Reservations, the choice of English law (as applicable) as the governing law of the Bridge Finance Documents to which it is a party will be recognised and will be enforceable by the courts in its Relevant Jurisdictions.

- (b) Subject to the Reservations, any judgment obtained in relation to a Bridge Finance Document in the jurisdiction of the governing law of that Bridge Finance Document will be recognised and enforced in its Relevant Jurisdictions.

1.13 No filing or stamp taxes

Under the laws of its Relevant Jurisdiction, it is not necessary that the Bridge Finance Documents be registered, filed, recorded, notarised or enrolled with any court or other authority in any of those jurisdictions or that any stamp, registration, notarial or similar Tax or fee be paid on or in relation to them or the transactions contemplated by them except:

- (a) registration of particulars of each Transaction Security Document at Companies House in England and Wales under section 859A of the Companies Act 2006 and payment of associated fees; and
- (b) registration of the Security Interests created under the Jersey Security Agreement on the Jersey Security Register and payment of associated registration fees (the “**Jersey Registrations**”),

which registrations, filings, Taxes and fees (as applicable) have been or will be made and paid before, on or promptly after the date of the relevant Bridge Finance Document (or, in the case of the Jersey Registrations, at the date and time agreed in the relevant Consent Letter).

1.14 Intellectual Property Rights

It:

- (a) is the sole legal and beneficial owner of or has licensed to it all the Intellectual Property Rights which are required by it in order to carry on its business to the extent that failure to own or be licensed to use such Intellectual Property Rights would have a Material Adverse Effect; and
- (b) does not, in carrying on its business, infringe any Intellectual Property Rights of any third party in any respect which has a Material Adverse Effect.

1.15 Centre of Main Interests

- (a) In this Subclause:
“**Centre of Main Interests**” means the “centre of main interests” of an Obligor for the purposes of Council Regulation (EC) No 1346/2000 of 29 May 2000.
- (b) Each Obligor whose jurisdiction of incorporation is a member state of the European Union, has its Centre of Main Interests in its Original Jurisdiction other than the Issuer whose Centre of Main Interests is in the United Kingdom.

1.16 Legal and beneficial ownership

Subject to the transfer of title in respect of the shares in each of Babylon Healthcare Services Limited, Babylon Partners Limited and Babylon Inc. pursuant to the New HoldCo Transfer, each Obligor is the sole legal and beneficial owner of the respective assets over which it purports to grant Transaction Security.

1.17 **Shares**

The shares of any member of the Group which are subject to the Transaction Security are fully paid and not subject to any option to purchase or similar rights. The constitutional documents of companies whose shares are subject to the Transaction Security do not and could not restrict or inhibit any transfer of those shares on creation or enforcement of the Transaction Security.

1.18 **Security and Financial Indebtedness**

- (a) No Security Interest or Quasi-Security exists over all or any of the present or future assets of any member of the Group other than as permitted by this Agreement.
- (b) No member of the Group has any Financial Indebtedness outstanding other than as permitted by this Agreement.

1.19 **Ranking of Security**

Subject to the transfer of title in respect of the shares in each of Babylon Healthcare Services Limited, Babylon Partners Limited and Babylon Inc. pursuant to the New HoldCo Transfer, on and from the Original Issue Date (or, if later, the date of the Transaction Security Document), the security conferred by each Transaction Security Document constitutes a first priority security interest of the type described, over the assets referred to, in that Transaction Security Document, other than those specifically excluded therein, and those assets are not subject to any prior or *pari passu* security.

1.20 **Jersey Tax**

The Issuer is:

- (i) an “international services entity” within the meaning of the Goods and Services Tax (Jersey) Law 2007; and
- (ii) charged to income tax in Jersey at a rate of zero per cent. under the Income Tax (Jersey) Law 1961.

1.21 **Jersey Regulation**

The Issuer is not conducting or has conducted any unauthorised financial services business for the purposes of the Financial Services (Jersey) Law 1998.

1.22 **Times for making representations and warranties**

- (a) The representations and warranties set out in this Clause are made by each Obligor on the date of this Agreement and on the Original Issue Date and are deemed to be repeated by:
 - (i) each Obligor on the first day of each Interest Period and on each Subsequent Payment Date; and
 - (ii) each Additional Guarantor and the Issuer on the date on which the Additional Guarantor becomes an Additional Guarantor,

except that (x) those contained in Clause 11.9 (*Financial statements*) will cease to be so made once subsequent financial statements have been delivered under this Agreement, (y) those contained in Clause 11.11 (*No misleading information*) are only made on the date of this Agreement and on the Original

Issue Date, and (z) those contained in Clause 11.13 (*No filing or stamp taxes*) and Clause 11.20 (*Jersey Tax*) shall be made at the date of this Agreement and deemed to be repeated on the Original Issue Date, the Tranche 2 Issue Date and the Tranche 3 Issue Date.

- (b) When a representation and warranty is repeated, it is applied to the circumstances existing at the time of repetition.

12 INFORMATION COVENANTS

1.1 Financial statements

- (a) The Issuer must supply to the Trustee in sufficient copies for all the Bridge Noteholders:
 - (i) its audited consolidated financial statements for each of its financial years;
 - (ii) its unaudited interim consolidated financial statements for the first half year of each of its financial years;
 - (iii) its consolidated management accounts for each Financial Quarter (commencing with the first complete Financial Quarter starting after Original Issue Date and excluding the second and final Financial Quarter in each financial year);
 - (iv) its consolidated management accounts for each Monthly Accounting Period, which shall be comprised of:
 - (A) a consolidated profit and loss statement;
 - (B) a consolidated balance sheet;
 - (C) a consolidated cashflow statement;
 - (D) a consolidated breakdown of capital expenditure;
 - (E) a consolidated breakdown of costs and overheads;
 - (F) details of the amount of cash held in bank accounts of members of the Group, including the identity of each such account bank and the amount of Cash held with that account bank,in each case, together with appropriate supporting commentary (if applicable) and an explanation of any material variances in the information provided in the Cashflow Forecast; and
 - (v) a weekly information package including:
 - (A) Cashflow Forecast up-dated for that week and accompanied by a written statement or commentary prepared by the management of the Issuer comparing the latest Cashflow Forecast against the Cashflow Forecast delivered for the immediately preceding week and summarising any material differences;
 - (B) weekly breakdown of any material expenditure by any member of the Group;

(vi)

- (A) copies of any material written information and materials that are prepared by any advisors engaged by the Issuer (or any other member of the Group) in connection with the M&A Process (except for any information or materials that are subject to legal privilege) provided that the disclosure of such information and materials is not prohibited by any applicable law, regulation or contractual obligation or, to the extent it is so prohibited, the Issuer shall use its reasonable endeavours to obtain consent to disclose such information and materials notwithstanding such prohibition or contractual obligation;
- (B) any other information reasonably requested by the Trustee or any Bridge Noteholder in connection with the business or financial condition of any member of the Group, provided that the disclosure of such information and materials is not prohibited by any applicable law, regulation or contractual obligation and excluding any information or materials that are subject to legal privilege; and

(b) All financial statements required under paragraph (a) above must be supplied as soon as they are available and:

- (i) in the case of the Issuer's audited consolidated financial statements, as soon as reasonably practicable after the filing of such accounts with the United States Securities and Exchange Commission; and
- (ii) in the case of the Issuer's unaudited interim consolidated financial statements for the first half of its financial year, within sixty (60) days of the end of the relevant financial period;
- (iii) in the case of the Issuer's unaudited interim consolidated financial statements for each Financial Quarter, within forty-five (45) days of the end of the relevant Financial Quarter;
- (iv) in the case of the Issuer's unaudited monthly management accounts for each Monthly Accounting Period within thirty (30) days of the end of that Monthly Accounting Period; and
- (v) in the case of the Cashflow Forecast delivered in accordance with subparagraph (a)(v)(A) above, (x) prior to the date on which the Completion Milestone is satisfied, up-dated each week, by the Friday immediately after the end of that week (assuming the week ends on a Sunday) and (y) on and from the date on which the Completion Milestone is satisfied, up-dated each month, within five (5) Business Days after the end of that month.

(c) If requested by a Bridge Noteholder in order to comply with any law or regulation, the Issuer must supply to the Trustee the financial statements of each Obligor for each of its financial years (audited if that Obligor produces audited financial statements). The financial statements required under this paragraph must be supplied as soon as they are available and not later than ten days after the latest date by which they are required by law to be produced by the relevant Obligor.

1.2 Form of financial statements

- (a) The Issuer must ensure that each set of financial statements supplied under this Agreement gives (if audited) a true and fair view of, or (if unaudited) fairly represents, the financial condition (consolidated or otherwise) of the relevant person as at the date to which those financial statements were drawn up.
- (b) The Issuer must notify the Trustee of any change to the manner in which its audited consolidated financial statements are prepared which is relevant to the financial covenant under Clause 13 (*Financial Covenants*).
- (c) If requested by the Trustee, the Issuer must supply to the Trustee:
 - (i) a full description of any change notified under paragraph (b) above; and
 - (ii) sufficient information (in form and substance as may be reasonably required by the Trustee) to enable the Finance Parties to make a proper comparison between the financial position shown by the set of financial statements prepared on the changed basis and its most recent audited consolidated financial statements delivered to the Trustee under this Agreement.
- (d) If requested by the Trustee, the Issuer must enter into discussions for a period of not more than 30 days with a view to agreeing any amendments required to be made to this Agreement to place the Issuer and the Bridge Noteholders in the same position as they would have been in if the change had not happened. Any agreement between the Issuer and the Trustee will be, with the prior consent of the Majority Bridge Noteholders, binding on all the Parties.
- (e) If no agreement is reached under paragraph (d) above on the required amendments to this Agreement, the Issuer must supply with each set of its financial statements an audited reconciliation statement indicating the changes that would be made to those financial statements if they had been prepared on the same basis as the Original Financial Statements.

1.3 Compliance Certificate

- (a) Subject to paragraph (b) below, the Issuer must supply to the Trustee a Compliance Certificate with each set of its financial statements required to be sent to the Trustee under paragraph (a)(i) and (a)(ii) of Clause 12.1 (*Financial statements*).
- (b) A Compliance Certificate must be signed by a director and the Chief Financial Officer of the Issuer or, if the Chief Financial Officer is not available (and provided that an explanation as to why the Chief Financial Officer is not available is given to the Trustee), the Finance Director of the Group.

1.4 Presentation to Bridge Noteholders

- (a) Prior to the satisfaction of the Completion Milestone, the Trustee (acting on the instructions of the Majority Bridge Noteholders (acting reasonably)) may request that the Chief Executive Officer, Chief Financial Officer and such other senior management and representatives of the Group as reasonably requested by the Trustee (acting on the instructions of the Majority Bridge Noteholders (acting reasonably)) convene a meeting (which may take place via conference call or electronic means) or call with the Bridge Noteholders on a Business Day with at least three (3) clear Business Days' notice in order to

discuss agenda items or questions proposed by the Bridge Noteholders, which must be provided to the Issuer at least two (2) Business Days in advance of such meeting or call.

- (b) Prior to the satisfaction of the Completion Milestone, at least once each fortnight, such members of senior management or key personnel as reasonably requested by the Trustee (acting on the instructions of the Majority Bridge Noteholders (acting reasonably)) shall make themselves available for a conference call with the Bridge Noteholders, with the first such call to be offered during the week immediately following the week in which the Original Issue Date occurs.
- (c) Prior to the satisfaction of the Completion Milestone, at least once each week, the sell side advisors engaged by the Issuer in connection with the M&A Process and the IPA Business Disposal shall make themselves available for a conference call with the Bridge Noteholders with the first such call to be offered during the week immediately following the week in which the Original Issue Date occurs.

1.5 Information - miscellaneous

The Issuer must supply to the Trustee, in sufficient copies for all the Bridge Noteholders if the Trustee (acting reasonably) so requests:

- (a) copies of all documents dispatched by the Issuer to its shareholders (or any class of them) or its creditors generally or any class of them at the same time as they are dispatched;
- (b) promptly following the occurrence of any of (i) and (ii) below:
 - (i) copies of any written agreement entered into by the Issuer with any shareholder of the Issuer (or any Affiliate of or related party to that shareholder) other than in the ordinary course of business; and
 - (ii) copies of all written information provided to any creditors of any member of the Group (other than any Secured Party) by or on behalf of any member of the Group other than in the ordinary course of business,

in each case that are relevant to the M&A Process and/or Recapitalisation Process and subject to any confidentiality obligations or restrictions on information sharing, provided that no member of the Group may enter into any new non-disclosure agreement with any such party that restricts any member of the Group's ability to disclose information to the Bridge Noteholders (other than on terms where the Bridge Noteholders are required to receive any such information on a confidential basis) as may be requested pursuant to paragraphs (b)(i) and (b)(ii) above, without the prior written consent of the Majority Bridge Noteholders (not to be unreasonably withheld);

- (c) promptly upon becoming aware of them, details of any litigation, arbitration or administrative proceedings which are current, threatened or pending and which are likely to be adversely determined and have or would have a Material Adverse Effect if adversely determined;
- (d) promptly, such information as the Security Agent may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Transaction Security Documents;

- (e) promptly on request, such further information regarding the financial condition, business and operations of any member of the Group (including information in connection with or arising out of the M&A Process or the Recapitalisation Process) as any Bridge Noteholder through the Trustee may reasonably request, except to the extent that disclosure of such information would breach any law, regulation or stock exchange requirement or any confidentiality obligations or restrictions on information sharing.

1.6 Notification of Default

- (a) Unless the Trustee has already been so notified by another Obligor, each Obligor must notify the Trustee of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.
- (b) Promptly on request by the Trustee, the Issuer must supply to the Trustee a certificate, signed by at least one director or the company secretary on its behalf, certifying that no Default is outstanding or, if a Default is outstanding, specifying the Default and the steps, if any, being taken to remedy it.

1.7 Know your customer requirements

- (a) Subject to paragraph (b) below, each Obligor must promptly on the request of any Finance Party supply to that Finance Party any documentation or other evidence which is reasonably requested by that Finance Party (whether for itself, on behalf of any Finance Party or any prospective new Bridge Noteholder) to enable a Finance Party or prospective new Bridge Noteholder to carry out and be satisfied with the results of all applicable know your customer requirements in all applicable jurisdictions of each Obligor.
- (b) An Obligor is only required to supply any information under paragraph (a) above, if the necessary information is not already available to the relevant Finance Party and the requirement arises as a result of:
 - (i) the introduction of any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
 - (ii) any change in the status of an Obligor after the date of this Agreement; or
 - (iii) a proposed assignment or transfer by the Bridge Noteholder of any of its rights and/or obligations under this Agreement to a person that is not a Bridge Noteholder before that assignment or transfer.
- (c) Each Bridge Noteholder must promptly on the request of the Trustee supply to the Trustee any documentation or other evidence which is reasonably required by the Trustee to carry out and be satisfied with the results of all know your customer requirements.

1.8 Information for Bridge Noteholders

- (a) At any time, a Bridge Noteholder may direct the Notes Trustee to deliver to its nominated in-house legal and compliance professionals any written information provided by the Group to the Notes Trustee pursuant to this Clause 12 or any other term of this Agreement and, if so notified or directed, the Trustee shall not provide any such information to that Bridge Noteholder and will instead deliver such information to that Bridge Noteholder's

nominated in-house legal and compliance professionals unless and until notified otherwise by that Bridge Noteholder.

(b) On and from:

- (i) the date on which the Completion Milestone is satisfied; or
- (ii) the occurrence of any Event of Default that has not been remedied or waived within its applicable cure period,

each of the following shall apply:

- (A) each Bridge Noteholder shall have the right to make a public election in respect of the Notes (in which case, it may notify the Trustee that it does not wish to receive information provided by the Group to the Trustee pursuant to this Clause 12 or that is provided by the Group to the Trustee pursuant any other term of this Agreement) subject to a customary wall-crossing procedure to be agreed by the Issuer and the Bridge Noteholders; and
- (B) the Issuer shall deliver any written information required under this Clause 12 or any other provision of this Agreement or any other Senior Note Document (other than any information provided pursuant to Clause 12.4 (*Presentation to Bridge Noteholders*)) solely to the Trustee and not to any Bridge Noteholder directly.

13 FINANCIAL COVENANTS

1.1 Definitions

Subject to Clause 13.2 (*Interpretation*) below, in this Clause:

“**Liquidity**” means, on any relevant date, the aggregate amount of Cash and Cash Equivalents held by the members of the Group less the aggregate amount of Cash held by members of the Group which is restricted or trapped pursuant to applicable law or regulation and which the relevant member(s) of the Group is not able to use for its general working capital purposes that is (i) immediately and freely available to be applied in repayment or prepayment of the Notes and the Existing Notes; (ii) held by members of the Group; and (iii) not subject to any Security over that Cash except for Transaction Security or any Security permitted under paragraphs (i) or (q) of the definition of “Permitted Security” constituted by a netting or set-off arrangement entered into by members of the Group in the ordinary course of their banking arrangements.

1.2 Interpretation

- (a) Any amount in a currency other than US Dollars is to be taken into account at its US Dollars equivalent calculated on the basis of a spot rate of exchange as at the date of determination selected by the Issuer acting reasonably and in good faith and provided that the Issuer notifies the Trustee in writing of such rate and date of determination promptly following such selection.
- (b) No item must be credited or deducted more than once in any calculation of a term defined under this Clause 13 (*Financial Covenants*).

1.3 Liquidity

- (a) The Issuer shall ensure that on each date specified in Column I (each a “**Test Date**”), the Liquidity shall be no less than an amount equal to eighty (80) per cent. of the amount set out in Column II below on the relevant Test Date specified in Column I:

Column I Test Date	Column II Minimum Liquidity (\$)
10 March 2023	11,500,000
17 March 2023	14,000,000
24 March 2023	9,000,000
31 March 2023	8,000,000
7 April 2023	7,500,000
14 April 2023	5,000,000
21 April 2023	3,500,000
28 April 2023	1,000,000
5 May 2023	5,000,000
12 May 2023	5,000,000
19 May 2023	5,000,000

- (b) The Liquidity levels set out in paragraph 13.3(a) above shall be reported in a Minimum Liquidity Compliance Certificate (which must be signed by a director or the Chief Financial Officer of the Issuer) and which shall also append the Cashflow Forecast to be delivered to the Trustee pursuant to Clause 12.1(a)(v) (*Financial Covenants*) to be delivered to the Trustee (for distribution to the Bridge Noteholders) by the Friday immediately after the end of the relevant week (assuming the week ends on a Sunday).

1.4 Liquidity requirement following the completion of a Recapitalisation Process or the M&A Process

- (a) Following the completion of either a Recapitalisation Process or the M&A Process, the financial covenant in Clause 13.3 (*Liquidity*) shall no longer apply and, following the relevant completion date, the Issuer shall instead ensure that Liquidity (as shown in the relevant Cashflow Forecast) on the last day of each month (commencing with the first complete month following the completion of the relevant Recapitalisation Process or M&A Process (as applicable)) is not less than \$20,000,000 (the “**Monthly Minimum Liquidity Requirement**”).

- (b) The Monthly Minimum Liquidity Requirement shall be reported in a Minimum Liquidity Compliance Certificate (which must be signed by a director or the Chief Financial Officer of the Issuer) and which shall also append the Cashflow Forecast to be delivered to the Trustee pursuant to Clause 12.1(a)(v) (*Financial Covenants*) to be delivered to the Trustee (for distribution to the Bridge Noteholders) by the second Friday of the month immediately following the relevant month.

1.5 Guarantor coverage

- (a) Subject to paragraph (b) below, the Issuer must ensure that on the date each Compliance Certificate is required to be delivered to the Trustee pursuant to Clause 12.3 (*Compliance Certificate*):
 - (i) the aggregate gross assets or aggregate net assets of the members of the Group that are Guarantors (excluding all intra-Group items) represents 90% or more of the value of the gross assets or net assets (respectively) of the Group at that time;
 - (ii) the aggregate revenues of the members of the Group that are Guarantors represents 90% or more of the value of the consolidated revenue of the Group at that time (the requirements in paragraph (a)(i) above and this (a)(ii), together comprise the “**Guarantor Coverage Test**”); and
 - (iii) any member of the Group that is a Material Company (and any member of the Group which is a Holding Company of that Material Company) shall accede to this Agreement as a Guarantor and grant Transaction Security over its material assets on terms consistent with the Transaction Security Documents executed by other members of the Group.
- (b) For the purpose of sub-paragraph (a) above:
 - (i) subject to sub-paragraph (ii) below
 - (A) the contribution of each Guarantor will be determined from its financial statements which were consolidated into the latest audited or interim half yearly unaudited (as applicable) consolidated financial statements; and
 - (B) the financial condition of the Group will be determined from the latest audited or interim half yearly unaudited (as applicable) consolidated financial statements;
 - (ii) if a person becomes a member of the Group after the date on which the latest audited or interim half yearly unaudited (as applicable) consolidated financial statements of the Issuer were prepared;
 - (A) the contribution of that person will be determined from its latest financial statements; and
 - (B) the financial condition of the Group will still be determined from the latest audited or interim half yearly unaudited (as applicable) consolidated financial statements of the Issuer but will be adjusted to take into account that person becoming a member of the Group;

- (iii) the contribution of a Guarantor will, if it has Subsidiaries, be determined from its unconsolidated financial statements; and
- (iv)

- (A) any entity which is incorporated in an Excluded Security Jurisdiction; and

- (B) Babylon Healthcare Services Limited,

shall, solely for this purpose, be excluded (I) as a Guarantor from the numerator and (II) as a member of the Group from the denominator, in each case, of the Guarantor Coverage Test and for the purposes of determining whether any member of the Group is a Material Company.

14 GENERAL COVENANTS

1.1 General

Each Obligor agrees to be bound by the covenants set out in this Clause relating to it and, where the covenant is expressed to apply to each member of the Group, each Obligor must ensure that each of its Subsidiaries performs that covenant.

1.2 Authorisations

The Issuer will and shall ensure that each of its Subsidiaries will promptly apply for, obtain and promptly renew from time to time and maintain in full force and effect all Authorisations to the extent required under any applicable law or regulation of its jurisdiction of incorporation to enable it to enter into, and perform its obligations under the Notes and to:

- (a) carry out the transactions contemplated by the Notes where failure to do so would, or would reasonably be expected to have a Material Adverse Effect;
- (b) ensure that, subject to the Reservations, its material obligations under the Notes are valid, legally binding and enforceable; and
- (c) carry on its business where failure to do so would, or would reasonably be expected to have a Material Adverse Effect.

1.3 Compliance with laws

The Issuer will and shall ensure that each member of the Group will, comply with all laws and regulations binding upon it where non-compliance would reasonably be expected to have a Material Adverse Effect.

1.4 Pari passu ranking

Each Obligor must ensure that its payment obligations under the Bridge Finance Documents at all times rank at least pari passu with all its other present and future unsecured payment obligations, except for obligations mandatorily preferred by law applying to companies generally or otherwise permitted under the Bridge Finance Documents.

1.5 Negative pledge

- (a) Except as provided below, no member of the Group may create or allow to exist any Security Interest on any of its assets.

- (b) No member of the Group may:
 - (i) sell, transfer or otherwise dispose of any of its assets on terms where it is or may be leased to or re-acquired or acquired by a member of the Group or any of its Affiliates or related parties;
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (iv) enter into any other preferential arrangement having a similar effect,
 in circumstances where the transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset (each such arrangement being “**Quasi Security**”).
- (c) Paragraphs (a) and (b) above do not apply to:
 - (i) Permitted Security; or
 - (ii) a Permitted Transaction.

1.6 Disposals

- (a) Except as provided below, no member of the Group may, either in a single transaction or in a series of transactions and whether related or not, dispose of all or any part of its assets.
- (b) Paragraph (a) above does not apply to any disposal:
 - (i) made in the ordinary course of day to day business of the disposing entity;
 - (ii) of assets in exchange for other assets comparable or superior as to type, value and quality;
 - (iii) of surplus, obsolete or redundant assets;
 - (iv) constituting the creation of any Security Interest or Quasi-Security permitted under this Agreement;
 - (v) of Cash or Cash Equivalents or as a result of closing out Treasury Transactions in the ordinary course of day to day business;
 - (vi) subject to paragraph (c) of Clause 14.21 (*Subsidiaries*), between members of the Group, other than any disposal of any Intellectual Property Rights;
 - (vii) made by way of a lawful dividend;
 - (viii) the payment of cash for any purpose not prohibited by any Bridge Finance Document;
 - (ix) that is a Permitted Disposal; or

- (x) that is a Permitted Transaction.

1.7 **Financial Indebtedness**

- (a) Except as provided below, no member of the Group may incur any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to:
 - (i) any Financial Indebtedness incurred under the Bridge Finance Documents;
 - (ii) any Permitted Pari Debt;
 - (iii) any Permitted Financial Indebtedness;
 - (iv) any Permitted Subordinated Debt; or
 - (v) any Financial Indebtedness incurred pursuant to a Permitted Transaction.

1.8 **Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions**

The undertakings in this Clause 14.8 remain in force from the date of this Agreement for as long as any amount is outstanding under the Bridge Finance Documents or any Notes are outstanding:

- (a) the Issuer shall not and shall ensure that no other member of the Group will directly or (to its actual knowledge having made due enquiry) indirectly, use the proceeds of the Notes, or lend, contribute or otherwise make available such proceeds to, or to the benefit of, any person or entity that is a Sanctioned Person if that could reasonably be expected to result in any person (including any Bridge Noteholder) being in breach of Sanctions.
- (b) The Issuer covenants and agrees that it will not directly or (to its actual knowledge having made due enquiry) indirectly use the proceeds of the Notes (or lend, contribute or otherwise make available such proceeds to any Subsidiary or other person or entity):
- (c) for the purpose of financing activities of any Sanctioned Person or in any Sanctioned Country, in each case, if that could reasonably be expected to result in any such person or any Bridge Noteholder being in breach of any Sanctions; or
- (d) for the purpose of financing or facilitating any activities that would violate applicable Anti-Corruption Laws.
- (e) Each member of the Group shall conduct its businesses in material compliance with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.
- (f) The Issuer shall, and shall ensure that each other member of the Group will maintain policies and procedures designed to promote and achieve compliance with applicable Anti-Corruption Laws and Anti-Money Laundering Laws.
- (g) Nothing in this Clause 14.8 shall create or establish an obligation or right for any entity to the extent that, by agreeing to it, complying with it, exercising it,

having such obligation or right, or otherwise, a member of the Group would be placed in violation of any law applicable to it.

1.9 Change of business

The Issuer must ensure that no substantial change is made to the general nature of the business of the Group as a whole from that carried on at the date of this Agreement (except as a result of any disposal permitted under this Agreement) but this shall not, at any time, prevent any member of the Group engaging in any ancillary or supporting business.

1.10 Mergers

- (a) No Obligor may enter into any amalgamation, demerger, merger or reconstruction otherwise than under an intra-Group re-organisation on a solvent basis or other transaction agreed by the Majority Bridge Noteholders.
- (b) Paragraph (a) above does not apply to any transaction expressly permitted by any other provision of this Agreement.

1.11 Acquisitions

- (a) Except as provided below, no member of the Group may acquire any shares or securities, business, asset or undertaking (or, in each case, any interest in any of them) until the Notes have been redeemed or repurchased in full.
- (b) Paragraph (a) above does not apply to:
 - (i) a Permitted Transaction; or
 - (ii) any Permitted Acquisition.

1.12 Third party guarantees

- (a) Except as provided in paragraph (b) below, no member of the Group may incur or allow to be outstanding any guarantee by such member of the Group or any of its Subsidiaries in respect of the indebtedness of any person which is not a member of the Group.
- (b) Paragraph (a) above does not apply to:
 - (i) a Permitted Guarantee;
 - (ii) a Permitted Loan; or
 - (iii) a Permitted Transaction.

1.13 Treasury Transactions

- (a) Except as permitted by paragraph (b) below, no member of the Group may enter into any Treasury Transaction.
- (b) Paragraph (a) above does not apply to:
 - (i) any Permitted Hedging Transaction; or
 - (ii) any Permitted Transaction.

1.14 Arm's length basis

- (a) Except as permitted by paragraph (b) below, no Obligor shall (and the Issuer shall ensure that no other member of the Group will) enter into any transaction with any person except on arm's length terms and for full market value.
- (b) The following transactions shall not be a breach of this Clause:
 - (i) intra-Group loans permitted under subparagraph (b)(i) of Clause 14.16 (*Loans out*);
 - (ii) fees, costs and expenses payable under the Bridge Finance Documents; or
 - (iii) any transaction or arrangement under or contemplated in the Bridge Finance Documents.

1.15 Taxation

- (a) Each Obligor shall and the Issuer shall ensure that each member of the Group will pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:
 - (i) such payment is being or shall be contested in good faith;
 - (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Trustee under Clause 12.1 (*Financial statements*);
 - (iii) such payment can be lawfully withheld; and
 - (iv) failure to pay those Taxes does not have or is not reasonably likely to have a Material Adverse Effect.
- (b) No member of the Group may change its residence for Tax purposes.

1.16 Loans out

- (a) Except as provided in paragraph (b) below, no member of the Group may be the creditor in respect of any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to:
 - (i) a Permitted Loan;
 - (ii) a Permitted Guarantee.
 - (iii) a Permitted Transaction; or
 - (iv) deferred consideration on arm's length terms pursuant to:
 - (A) the IPA Business Disposal provided that the IPA Business Condition will be satisfied upon completion of that disposal; or
 - (B) any Permitted Disposal made in connection with the M&A Process provided that the M&A Process Condition will be satisfied upon completion of the applicable disposal,

provided that such amount of deferred consideration is no greater than fifty (50) per cent. of the total consideration.

1.17 **Environmental matters**

- (a) In this Subclause:

“**Environmental Approval**” means any authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from properties owned or used by any member of the Group;

“**Environmental Claim**” means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law; and

“**Environmental Law**” means any applicable law or regulation which relates to:

- (b) the pollution or protection of the environment; or
- (c) the harm to or the protection of human health or the health of any living organism.
- (d) Each member of the Group will comply with all Environmental Law and Environmental Approvals applicable to it, where failure to do so has or is reasonably likely to have a Material Adverse Effect.
- (e) Each Obligor must, promptly upon becoming aware, notify the Trustee of any Environmental Claim which has or is reasonably likely to have a Material Adverse Effect.

1.18 **Insurance**

Each member of the Group must insure its business and assets with insurance companies to such an extent and against such risks as companies engaged in a similar business normally insure.

1.19 **People with Significant Control regime**

Each Obligor shall (and the Issuer shall ensure that each other member of the Group will):

- (a) within the relevant time period prescribed by law, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from any Issuer incorporated in the United Kingdom whose shares are the subject of the Transaction Security; and
- (b) promptly provide the Security Agent with a copy of that notice.

1.20 **Accounts**

- (a) Subject to paragraph (b) below, each Obligor will (and the Issuer will ensure that each member of the Group will) ensure that the proceeds of any Original Bridge Notes (the “**Notes Proceeds**”) remain credited to the Secured Account held with Barclays Bank PLC as account bank until such proceeds are applied by the Issuer in accordance with Clause 2.4 (*Purpose*).

- (b) The Secured Account must be subject to security pursuant to a Transaction Security Document at all times.

1.21 **Subsidiaries**

- (a) No member of the Group may incorporate or acquire a Subsidiary or make any investment in or become party to any joint venture agreements without the prior written consent of the Bridge Noteholders.
- (b) Each Obligor (other than the Issuer and New HoldCo) and Babylon Healthcare Services Limited shall (on and from the date upon which legal title to the shares in such Obligor and Babylon Healthcare Services Limited transfer to New HoldCo pursuant to the New HoldCo Transfer) be owned and controlled (directly or indirectly) by New HoldCo.
- (c) Notwithstanding any other provision of this Agreement, New HoldCo undertakes not to sell, lease, license, transfer or otherwise dispose of any shares, businesses or undertakings to the Issuer at any time.

1.22 **Shares, dividends and share redemption**

- (a) No Obligor may (and the Issuer shall ensure that no other member of the Group will) issue any further shares or amend any rights attaching to its issued shares except to another Obligor and subject to those shares being Charged Property pursuant to a Transaction Security Document.
- (b) No Obligor shall:
 - (i) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);
 - (ii) repay or distribute any dividend or share premium reserve or special capital reserve account;
 - (iii) pay or allow any member of the Group to pay any management, advisory or other fee to or to the order of any of its shareholders or Affiliates of its shareholders;
 - (iv) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so; or
 - (v) make any payment in respect of any intragroup liabilities owing to another Obligor other than in respect of the ordinary course treasury management activities of the Group, provided that any such payments made to the Issuer shall only be permitted if such payment is in an amount equal to or less than, and for a purpose, expressly contemplated in the most recently delivered Cashflow Forecast or if such payment is made pursuant to Clause 14.30.
- (c) Paragraphs (a) and (b) above shall not apply to any payment made to fund the purchase of any employee equity (together with the purchase or repayment of any related loans) and/or to make other compensation payments to departing management up to US\$2,000,000 in any Financial Year and a payment to any individual under his service contract relating to services provided to the Group **provided that** no Event of Default is continuing or would result immediately from the relevant payment.

1.23 Dormant subsidiaries

If any member of the Group which is, as at the date of this Agreement, a Dormant Subsidiary (which is not incorporated or formed in an Excluded Security Jurisdiction) commences trading and has or acquires revenue or gross assets or net assets (in each case calculated on an unconsolidated basis and excluding goodwill, intra-Group items and investments in members of the Group) which exceed one (1)% of the total revenue or gross assets or net assets of the Group, the Issuer shall procure that within 45 days thereof:

- (a) the Holding Issuer of that Dormant Subsidiary grants Transaction Security over the shares in such Dormant Subsidiary on terms acceptable to the Security Agent (acting reasonably); and
- (b) such Dormant Subsidiary becomes an Additional Guarantor in accordance with Clause 24.5 (*Additional Guarantor*).

1.24 No repayment of Existing Notes or bilateral or other facilities

Except as otherwise contemplated by this Agreement or the Intercreditor Agreement, the Issuer may not, and shall procure that no other member of the Group will:

- (a) repay, prepay, purchase, defease, redeem or otherwise acquire or retire the principal amount (or capitalised interest) of any Existing Notes (in whole or in part) prior to its scheduled repayment date in any manner; or
- (b) pay or repay, at the voluntary election of any member of the Group, any bilateral trade facility or overdraft or any other facility that has been advanced to any member of the Group in accordance with the terms of this Agreement or repay, prepay, purchase, defease, redeem or otherwise acquire or retire the principal amount (or capitalised interest) of any Financial Indebtedness (in whole or in part),

in each case, at any time whilst any Notes remain outstanding.

1.25 Amendments to constitutional documents

No Obligor may amend its articles of association, constitution or other constitutional document in a manner that is adverse to the interest of the Secured Parties without the prior written consent of the Majority Bridge Noteholders.

1.26 Intellectual Property

- (a) Each Obligor shall and the Issuer shall procure that each Group member will:
 - (i) preserve and maintain the subsistence and validity of the Intellectual Property Rights necessary for the business of the relevant Group member;
 - (ii) use reasonable endeavours to prevent any infringement in any material respect of the Intellectual Property Rights necessary for the business of the relevant Group member;
 - (iii) make registrations and pay all registration fees and taxes necessary to maintain the Intellectual Property Rights necessary for the business of the relevant Group member in full force and effect and record its interest in those Intellectual Property Rights;

- (iv) not use or permit the Intellectual Property Rights necessary for the business of the relevant Group member to be used in a way or take any step or omit to take any step in respect of that Intellectual Property Right which may materially and adversely affect the existence or value of the Intellectual Property Rights necessary for the business of the relevant Group member or imperil the right of any member of the Group to use such property; and
 - (v) not discontinue the use of the Intellectual Property Rights necessary for the business of the relevant Group member,
- in each event, where failure to do so is reasonably likely to have a Material Adverse Effect.
- (b) The Issuer will not, and will not permit any Obligor, to enter into any agreement or other arrangement which transfers, sells, loans, disposes of, licenses or otherwise has the commercial effect of a transfer, sale, loan, disposal of, or license, or similar or equivalent arrangement, to persons other than the Issuer or any Obligor incorporated in England and Wales, any Intellectual Property Right whether owned on the date of this Agreement or acquired, created, developed or otherwise legally or beneficially owned after that date which is or is likely to be used in the business of the Group or any member thereof, except any licensing agreement or a legally and commercially equivalent arrangement, in each case, expressly for the use of such Intellectual Property Right (but not to transfer, loan, sell or dispose of (or any other such transaction having a similar commercial effect) the legal or beneficial ownership of such Intellectual Property) in the ordinary course of day-to-day trading (and where any consideration, fees, payment, revenues or other economic benefit in relation to such arrangements are on commercial arm's length terms).

1.27 Access

If an Event of Default is continuing or the Trustee reasonably suspects an Event of Default is continuing, each Obligor shall, and the Issuer shall ensure that each member of the Group will, (not more than once in every financial year unless the Trustee reasonably suspects an Event of Default is continuing) permit the Trustee and/or the Security Agent and/or accountants or other professional advisers and contractors of the Trustee or Security Agent free access at all reasonable times and on reasonable notice at the risk and cost of the Obligor or Issuer to (a) the premises, assets, books, accounts and records of each member of the Group and (b) meet and discuss matters with executive management team of the Issuer.

1.28 Further assurance

- (a) Each Obligor shall (and the Issuer shall procure that each other member of the Group will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
- (i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and

remedies of the Security Agent or the Finance Parties provided by or pursuant to the Bridge Finance Documents or by law;

- (ii) to confer on the Security Agent or confer on the Finance Parties Security over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Transaction Security Documents; and/or
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.
- (b) Each Obligor shall (and the Issuer shall procure that each other member of the Group will) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to the Bridge Finance Documents.

1.29 Operational Milestones

- (a) The Issuer shall explore:
- (i) (acting principally through the Strategic Committee) the M&A Process; and
 - (ii) the Recapitalisation Process,
- provided that** without prejudice to the Issuer's obligation to comply with this Clause 14.29, the Issuer may at any time discuss any alternative M&A and/or recapitalisation proposals with the Bridge Noteholders and the Bridge Noteholders shall consider any such alternative proposals in good faith.
- (b) The Issuer shall procure that:
- (i) on or before 1 May 2023 (such date, which may be extended pursuant to paragraphs (c) or (d) below (the "**Binding Terms Milestone Date**"), the Binding Terms Milestone is satisfied; and
 - (ii) on or before 31 May 2023 (such date, which may be extended pursuant to paragraphs (c) or (d) below (the "**Completion Milestone Date**"), the Completion Milestone is satisfied.
- (c) Provided the relevant Milestone has not previously been extended in accordance with paragraph (d) below, the Issuer may, not less than seven (7) Business Days prior to the date of a Milestone, request the Majority Bridge Noteholders to consent to an extension of the date of such Milestone and, upon receipt of such consent request, the Majority Bridge Noteholders shall consult with the Issuer for a period of not less than two (2) Business Days with respect to such extension request and shall, based on the relevant facts and circumstances (including whether the relevant Milestone is likely to be satisfied within the extension period and taking into account the Group's Liquidity) and the Majority Bridge Noteholders shall confirm to the Issuer whether they consent to the extension no later than one (1) Business Day prior to the Milestone Date and the Majority Bridge Noteholders shall act reasonably and in good faith when considering any such proposed extension.

- (d) Provided the relevant Milestone has not previously been extended in accordance with paragraph (c) above:
- (i) the Issuer may extend the Binding Terms Milestone Date from 1 May 2023 to 31 May 2023, provided that:
 - (A) no Default is continuing as at 1 May 2023;
 - (B) by no later than 28 April 2023, the Issuer has delivered to the Trustee a cashflow forecast for the period from 1 May 2023 to 31 May 2023 which illustrates that the Liquidity of the Group on each Friday during that period shall be not less than \$7,500,000; and
 - (C) on each Friday during the period from 1 May 2023 to 31 May 2023, the Liquidity of the Group is not less than \$7,500,000, as reported in a Minimum Liquidity Compliance Certificate (which must be signed by a director or the Chief Financial Officer of the Issuer) delivered by the Issuer to the Trustee (for distribution to the Bridge Noteholders) by the Friday immediately after the end of the relevant week (assuming the week ends on a Sunday); and
 - (ii) the Issuer may extend the Completion Milestone Date from 31 May 2023 to 30 June 2023, provided that:
 - (A) no Default is continuing as at 31 May 2023;
 - (B) by no later than 29 May 2023, the Issuer has delivered to the Trustee a cashflow forecast for the period from 31 May 2023 to 30 June 2023 which illustrates that the Liquidity of the Group on each Friday during that period shall be not less than \$7,500,000; and
 - (C) on each Friday during the period from 31 May 2023 to 30 June 2023, the Liquidity of the Group is not less than \$7,500,000, as reported in a Minimum Liquidity Compliance Certificate (which must be signed by a director or the Chief Financial Officer of the Issuer) delivered by the Issuer to the Trustee (for distribution to the Bridge Noteholders) by the Friday immediately after the end of the relevant week (assuming the week ends on a Sunday).
- (e) If in the reasonable opinion of the Majority Bridge Noteholders, the Issuer is unlikely to satisfy any Milestone, the Majority Bridge Noteholders may deliver a notice to the Issuer setting out in details their views and the Issuer shall consult with the Bridge Noteholders in relation to whether to appoint a new M&A advisor to advise the Issuer in relation to the M&A Process (a **“Replacement M&A Advisor”**). In the event that the Majority Bridge Noteholders request that a Replacement M&A Advisor is appointed and the Issuer does not agree with that request within a consultation period of not less than 10 Business Days, the Strategic Committee shall determine whether a Replacement M&A Advisor should be appointed and if the Strategic Committee determines that a Replacement M&A Advisor should be appointed, the Issuer shall appoint a Replacement M&A Advisor as soon as reasonably practicable.

- (f) The Issuer and the Bridge Noteholders (each acting reasonably and in good faith) shall agree the terms of an incentive programme for the relevant members of the management team of the Group as agreed between the Issuer and the Bridge Noteholders in relation to certain performance targets (including the completion of the IPA Business Disposal and the disposal of other strategic investments in the Group agreed between the Issuer and the Bridge Noteholders) on or before 24 April 2023 (or such other date as may be agreed by the Issuer and the Majority Bridge Noteholders) (the “**Agreed Management MIP**”). The Issuer shall subject to any applicable restrictions under applicable law and regulation (including, without limitation, in relation to the issuance or vesting of any shares or equity linked instruments) allocate to the relevant persons the relevant participations in the Agreed Management MIP no later than the date falling twenty (20) Business Days following the agreement of the Agreed Management MIP.

1.30 No upstream Cash or intercompany liabilities

- (a) Except as provided in paragraph (b) below, no Cash may be transferred to the Issuer and no additional intercompany liabilities may be owed by the Issuer to any member of the Group at any time, other than any amounts of Cash required to:
 - (i) cover operating expenses, administrative costs, taxes and/or listing expenses incurred by the Issuer and any fees and disbursements charged by professional advisers (including any VAT thereon)); and
 - (ii) pay any amounts due and payable under the terms of the Existing Notes, the Permitted Pari Debt or this Agreement or the Debt Documents (as defined in and subject to the terms of the Intercreditor Agreement).
- (b) Paragraph (a) above shall cease to apply **provided that**:
 - (i) the Liquidity of the Group was equal to or greater than \$25,000,000 as at the most recent Test Date, provided further that if on any subsequent Test Date the Liquidity of the Group is less than \$25,000,000, paragraph 14.30(a) above shall be deemed to apply notwithstanding this paragraph 14.30(b)(i); or
 - (ii) the Completion Milestone is satisfied.

1.31 Spending Covenant

- (a) Except as provided in paragraph (b) below, no Obligor shall (and the Issuer shall procure that no other member of the Group will) apply any Cash towards a Restricted Purpose without the consent of the Majority Bridge Noteholders.
- (b) Without prejudice to any other restrictions on the application of Cash or making of payments under the Bridge Finance Documents, the restriction in paragraph (a) above shall cease to apply if the Liquidity of the Group was equal to or greater than \$25,000,000 as at the most recent date on which the Liquidity of the Group has been tested in accordance with clauses 13.3 (*Liquidity*) or 13.4 (*Liquidity requirement following the completion of a Recapitalisation Process or the M&A Process*) (as applicable), provided further that if on any subsequent test the Liquidity of the Group is less than \$25,000,000, paragraph (a) above shall be deemed to apply notwithstanding this paragraph (b).

1.32 **Electronic Data Room**

The Issuer shall maintain an electronic data room to which the Bridge Noteholders and their advisers shall be provided access (subject to the Bridge Noteholders being bound by an obligation of confidentiality to the Issuer) and which the Issuer shall populate with any documents and information reasonably requested by the Bridge Noteholders in connection with the Existing Notes, the Original Bridge Notes and any relevant contingency planning.

1.33 **Advisors to the Bridge Noteholders**

The Issuer agrees that the Majority Bridge Noteholders may appoint Bridge Noteholder Advisors from time to time and the Issuer shall enter into fee letters with such Bridge Noteholder Advisors pursuant to which it shall pay any reasonable fees, costs and expenses of such advisors as required pursuant to such fee letters, provided that the Issuer shall not be required to enter into any such fee letters or be liable to pay any such fees, costs and expenses unless the Issuer has agreed with the Majority Bridge Noteholders the scope and fees in respect of such arrangements, including without limitation any applicable caps.

1.34 **Cleansing**

The Issuer shall, in accordance with the terms of the non-disclosure agreement between the Issuer and AlbaCore Capital LLP dated 3 March 2023 (the “**AlbaCore NDA**”), publish an announcement in relation to the financing made available to the Issuer under the terms of this Agreement in accordance with the provisions of paragraph 5 of the AlbaCore NDA.

1.35 **Chapter 11 Debtor-in-Possession Financing**

To the extent that the Issuer or any member of the Group initiates any process at any time for the purpose of incurring Chapter 11 debtor-in-possession super priority financing, the Issuer shall procure that the Bridge Noteholders have a reasonable opportunity to participate in such process as potential financiers.

1.36 **Corporate Governance**

- (a) As soon as reasonably practicable following the date of this Agreement, the Majority Bridge Noteholders shall nominate a person to be appointed as a director of the Issuer who may (but is not required to) be a current or former restructuring adviser or investor, or insolvency practitioner (such person when appointed as a director of the Issuer and any replacement of such director appointed in accordance with this Clause 14.36, the “**Bridge Noteholder-selected Independent Director**”).
- (b) The Issuer shall use all reasonable endeavours to complete the appointment of the Bridge Noteholder-selected Independent Director to the board of the Issuer within fifteen (15) Business Days of the date on which the proposed Bridge Noteholder-selected Independent Director is nominated by the Majority Bridge Noteholders and has accepted his or her prospective appointment as a director of the Issuer (the “**Nomination and Acceptance Date**”) **provided that** in any event the appointment of the Bridge Noteholder-selected Independent Director shall become effective not later than the date falling thirty (30) Business Days after such Nomination and Acceptance Date.
- (c) If the Bridge Noteholder-selected Independent Director resigns or is replaced for any reason whatsoever (including by way of a shareholder vote), the Majority Bridge Noteholders may nominate in consultation with the Issuer a

replacement Bridge Noteholder-selected Independent Director and the Issuer shall use all reasonable endeavours to effect the appointment of such replacement Bridge Noteholder-selected Independent Director within fifteen (15) Business Days of the date on which the proposed Bridge Noteholder-selected Independent Director is nominated by the Majority Bridge Noteholders and has accepted his or her prospective appointment as a director of the Issuer (the “**Replacement Nomination and Acceptance Date**”) **provided that** in any event the appointment of the replacement Bridge Noteholder-selected Independent Director shall become effective not later than the date falling thirty (30) Business Days after such Replacement Nomination and Acceptance Date.

- (d) The Issuer shall in accordance with paragraphs (e) and (f) below appoint one (1) additional independent non-executive director to the board of the Issuer (such person when appointed as a director of the Issuer and any replacement of such director appointed in accordance with this Clause 14.36, the “**First Additional Independent Director**”).
- (e) The Issuer and Majority Bridge Noteholders shall consult in good faith in relation to potential candidates to be the First Additional Independent Director as soon as reasonably practicable and if no candidate has been agreed on or before the date that is twenty (20) Business Days after the date of this Agreement, the Issuer shall appoint an independent search consultant as soon as reasonably practicable and, in any event, within ten (10) Business Days to identify a potential candidate with appropriate experience in the digital healthcare sector. The Issuer shall appoint one of the candidates identified by the independent search consultant as the First Additional Independent Director, subject to such person agreeing to accept the appointment and passing all background checks and other regulatory and compliance processes relating to the appointment of directors of the Issuer as a public company listed on the New York Stock Exchange.
- (f) The Issuer shall use all reasonable endeavours to complete the appointment of the First Additional Independent Director within twenty (20) Business Days of the date on which the identity of the proposed First Additional Independent Director has been agreed between the Issuer and the Majority Bridge Noteholders (or has been identified pursuant to the search process described above) and the proposed First Additional Independent Director has accepted his or her prospective appointment as a director of the Issuer provided that the appointment of the First Additional Independent Director Issuer shall become effective not later than 50 Business Days after the date of this Agreement.
- (g) If the Issuer does not (x) receive one or more non-binding termsheets in respect of the Recapitalisation Process or one or more non-binding bids in respect of the M&A Process on or before 27 March 2023 or (y) satisfy the Binding Terms Milestone on or before 1 May 2023 (the relevant date, the “**Appointment Trigger Date**”), the Issuer shall in accordance with paragraphs (h) and (i) below appoint two (2) additional independent non-executive directors to the board of the Issuer (such persons when appointed as directors of the Issuer and any replacement of such directors appointed in accordance with this Clause 14.36, the “**Second and Third Additional Independent Directors**” and together with the Bridge Noteholder-selected Independent Director and the First Additional Independent Director, the “**New Independent Directors**”).
- (h) The Issuer and Majority Bridge Noteholders shall consult in good faith in relation to potential candidates to be the Second and Third Additional Independent Directors and if one or both candidates have not been agreed on

or before the date that is twenty (20) Business Days after the Appointment Trigger Date, the Issuer shall appoint an independent search consultant as soon as reasonably practicable and, in any event, within ten (10) Business Days to identify one or more potential candidates with appropriate experience in the digital healthcare sector. The Issuer shall appoint the persons agreed between the Issuer and the Majority Bridge Noteholders or identified by the independent search consultant as the Second and Third Additional Independent Directors, subject to such persons agreeing to accept the appointment and passing all background checks and other regulatory and compliance processes relating to the appointment of directors of the Issuer as a public company listed on the New York Stock Exchange.

- (i) The Issuer shall use all reasonable endeavours to complete the appointment of each Second and Third Additional Independent Director within twenty (20) Business Days of the date on which the identity of the relevant proposed Second and Third Additional Independent Director has been agreed between the Issuer and the Majority Bridge Noteholders (or has been identified pursuant to the search process described above) and the relevant proposed Second and Third Additional Independent Director has accepted his or her prospective appointment as a director of the Issuer, provided that if the Binding Terms Milestone has not been satisfied on or before the Binding Terms Milestone Date, the appointment of the Second and Third Additional Independent Director shall become effective not later than 50 Business Days following the date of the Binding Terms Milestone Date.
- (j) The Issuer may designate one of the New Independent Directors or any other director of the Issuer who is fully independent from the shareholders of the Issuer and their affiliates as the lead non-executive director.
- (k) If a New Independent Director resigns or is replaced for whatever reason (including by way of a shareholder vote), the Issuer shall appoint a replacement New Independent Director in accordance with the provisions and timelines set-out above, provided that the provisions relating to the appointment of any new Independent Director within 50 Business Days of any date shall not apply to any such replacement appointment.
- (l) Any remuneration, costs, fees and expenses of the New Independent Directors shall be paid by the Issuer in accordance with the Issuer's Outside Director Compensation Policy. The Issuer shall not remove or replace any New Independent Director without the consent of the Majority Bridge Noteholder unless required to do so pursuant to applicable law or regulation including without limitation as a result of any shareholder vote or any requirement for directors to stand for re-election at each annual general meeting of the Issuer.
- (m) Promptly and in any event no later than five (5) Business Days after the appointment of each of the New Independent Directors to the board of the Issuer, each New Independent Director shall be appointed to the Group's Strategic Committee. Following the appointment of all the New Independent Directors required to be appointed pursuant to this Clause 14.36, the New Independent Directors (together with any other director of the Issuer who is fully independent from the shareholders of the Issuer and its affiliates) shall at all times form a majority of the Strategic Committee. The Issuer shall authorize the Strategic Committee to give the board of the Issuer recommendations in relation to the M&A Process (including in relation to the IPA Business Disposal).
- (n) Promptly and in any event no later than five (5) Business Days after the appointment of each of the New Independent Directors to the board of the

Issuer, each New Independent Director shall be appointed to the Issuer's remuneration committee. Following the appointment of all the New Independent Directors required to be appointed pursuant to this Clause 14.36, the New Independent Directors (together with any other director of the Issuer who is fully independent from the shareholders of the Issuer and its Affiliates) shall form a majority on the Issuer's remuneration committee.

- (o) The New Independent Directors shall:
 - (i) be selected taking into account the policies and procedures set forth in the Issuer's Nominating and Corporate Governance Committee Charter and the Company's Corporate Governance Guidelines;
 - (ii) be fully independent (as reasonably determined by the Issuer and the Majority Bridge Noteholders) from the management of the Group, the shareholders of the Issuer, the creditors of the Issuer (including, without limitation, the Bridge Noteholders and the holders of the Existing Notes) or in each case any of their related parties; and
 - (iii) have the requisite experience (as reasonably determined by the Issuer and the Majority Bridge Noteholders) in order to perform the role of an independent director of the Issuer and member of the Strategic Committee and comply with all applicable independence and other requirements of the NYSE and the SEC and any applicable law and regulation.
- (p) Notwithstanding the other provisions of this Clause 14.36, if any person selected or nominated for appointment as a New Independent Director fails to satisfy any necessary background check or other applicable regulatory and compliance processes relating to the appointment of directors of the Issuer as a public company listed on the New York Stock Exchange (an "**Unsuccessful Appointment Event**"), the Issuer shall be permitted to recommence the appointment process set out in this Clause 14.36 as soon as reasonably practicable following the Unsuccessful Appointment Event and any applicable timelines set out in this Clause 14.36 shall be deemed to recommence on and from the date of such Unsuccessful Appointment Event.

1.37 **Board Observer**

The Majority Bridge Noteholders shall be entitled (but have no obligation) to appoint an observer to the board of the Issuer, subject to the observer being bound by an obligation of confidentiality to the Issuer. Such board observer may attend board meetings and receive all information distributed or circulated to the board but cannot vote and shall not count towards quorum at any board meeting of the Issuer. The board observer shall be entitled to attend meetings of the Strategic Committee.

1.38 **Preservation of assets**

The Issuer will and shall ensure that each member of the Group will maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary or desirable in the conduct of the business of the Group where failure to do so would have a Material Adverse Effect.

1.39 **Pensions**

The Issuer shall ensure that all pension schemes operated by or maintained for the benefit of members of the Group and/or any of their employees are funded to the

extent required by applicable law and regulations where failure to do so has or would reasonably be likely to have a Material Adverse Effect.

1.40 Condition Subsequent

- (a) The Issuer shall:
 - (i) as soon as reasonably practicable and not later than the date falling two (2) Business Days immediately following the Original Issue Date, submit a supplemental listing application in respect of the Agreed Bridge Equity Issue Shares and the Warrant Shares to the New York Stock Exchange and provide evidence of such submission in a form and substance satisfactory to the Bridge Noteholders (acting reasonably);
 - (ii) as soon as reasonably practicable and not later than the date falling three (3) Business Days immediately following the date on which the New York Stock Exchange approves the supplemental listing application referred to in paragraph 14.40(a)(i) above, the Issuer shall issue:
 - (A) the Agreed Bridge Equity Issue Shares to the Original Bridge Noteholders *pro rata* to their participation in the Notes as at the Original Issue Date in accordance with the Agreed Bridge Equity Issue Shares Documentation and provide evidence of such issuance on the Issuer's transfer agent's books; and
 - (B) the Warrant Shares in accordance with the exercise provisions of the Warrant Instrument, as amended by the Warrant Amendment Documentation and provide evidence of such issuance on the Issuer's transfer agent's book,subject in each case the Original Bridge Noteholders and persons entitled to receive the Warrant Shares entering to into customary documentation and giving customary representations and warranties in connection with the issuance of the Agreed Bridge Equity Issue Shares and the Warrant Shares and taking all customary steps in connection therewith; and
 - (iii) not later than the date falling twenty (20) Business Days following the date on which the Issuer files its Annual Report on Form 10-K for the year ended 31 December 2022 with the U.S. Securities and Exchange Commission, the Issuer shall file a registration statement on Form S-3 with the U.S. Securities Exchange Commission to register the resale of the Agreed Bridge Equity Issue Shares and the Warrant Shares under the U.S. Securities Act of 1933, as amended, on a registration statement on Form S-3 (in form and substance acceptable to the Majority Bridge Noteholders (acting reasonably and in good faith)) and shall cause the same to become effective as soon as practicable after such filing.
- (b) The Issuer shall, within twenty (20) Business Days of the Original Issue Date, obtain, and provide the Trustee with a copy of, the applicable consent from the Jersey Financial Services Commission for the Issuer to issue:
 - (i) the Notes; and
 - (ii) the Existing Notes,

in each case, to more than ten (10) Bridge Noteholders pursuant to the Control of Borrowing (Jersey) Order 1958.

1.41 Warrant Shares

The Issuer shall elect to use the cash redemption mechanism in the Warrant Instrument in relation to sufficient Warrant Shares held by each holder of Warrant Shares so that the amount payable by the Issuer as a result of the cash redemption is equal to the subscription price payable by such holder of Warrant Shares for the Warrant Shares it will receive upon exercise.

15 DEFAULT

1.1 Events of Default

Each of the events or circumstances set out in this Clause (other than Subclause 15.16 (Acceleration)) is an Event of Default.

1.2 Non-payment

An Obligor does not pay on the due date any amount payable by it under the Bridge Finance Documents in the manner required under the Bridge Finance Documents, unless the non-payment:

- (a) is caused by technical or administrative error; or
- (b) a Disruption Event; and

is remedied within three (3) Business Days of the due date, **provided that** if the non-payment is in respect of an amount payable under the Bridge Finance Documents which does not consist of principal, interest or any OID Fees or Deferred Upfront Fee payable under the Notes, no Event of Default will occur if the relevant payment is made within five (5) Business Days of the due date.

1.3 Breach of other obligations

- (a) An Obligor does not comply with any term of Clause 13 (*Financial Covenants*).
- (b) An Obligor does not comply with any other term of the Bridge Finance Documents (other than any term referred to in Clause 15.2 (*Non-payment*) or in paragraph (a) above), unless the non compliance:
 - (i) is capable of remedy; and
 - (ii) is remedied within ten (10) Business Days of the earlier of the Trustee giving notice of the breach to the Issuer and any Obligor becoming aware of the non-compliance.

1.4 Misrepresentation

A representation or warranty made or repeated by an Obligor in any Bridge Finance Document or in any document delivered by or on behalf of any Obligor under any Bridge Finance Document is incorrect or misleading in any material respect when made or deemed to be repeated, unless the circumstances giving rise to the misrepresentation or breach of warranty:

- (a) are capable of remedy; and

- (b) are remedied within ten (10) Business Days of the earlier of the Trustee giving notice and the Obligor becoming aware of the misrepresentation or breach of warranty.

1.5 **Cross-default**

Any of the following occurs in respect of a member of the Group:

- (a) any of its Financial Indebtedness is not paid when due (after the expiry of any originally applicable grace period);
- (b) any of its Financial Indebtedness:
 - (i) becomes prematurely due and payable;
 - (ii) is placed on demand; or
 - (iii) is capable of being validly declared by or on behalf of a creditor to be prematurely due and payable or placed on demand,

in each case, as a result of an event of default or any provision having a similar effect (howsoever described) and, in the case of a derivative transaction referred to in paragraph (g) of the definition of Financial Indebtedness only, arising from or occurring because of or relating to matters, events or circumstances caused by or arising in respect of any member of the Group; or

- (c) any commitment for its Financial Indebtedness is cancelled or suspended as a result of an event of default or any provision having a similar effect (howsoever described),

unless the aggregate amount of Financial Indebtedness falling within all or any of paragraphs (a) to (c) is less than \$5,000,000 or its equivalent.

1.6 **Insolvency**

Any of the following occurs in respect of an Obligor:

- (a) it is, or is deemed for the purposes of any applicable law to be, unable to pay its debts as they fall due or insolvent;
- (b) it admits its inability to pay its debts as they fall due;
- (c) it suspends making payments on any of its debts or announces an intention to do so;
- (d) by reason of actual or anticipated financial difficulties, it begins negotiations after the Original Issue Date with a class or category of its creditors (other than the Bridge Noteholders and any other Secured Party) for the rescheduling or restructuring of its indebtedness generally; or
- (e) a moratorium is declared in respect of any of its indebtedness.

If a moratorium occurs in respect of any member of the Group, the ending of the moratorium will not remedy any Event of Default caused by the moratorium.

1.7 **Insolvency proceedings**

- (a) Except as provided below, any of the following occurs in respect of an Obligor:
 - (i) a meeting of its shareholders or directors is convened for the purpose of considering any resolution for, to petition for or to file documents with a court or any registrar for, its winding-up, administration, examinership or dissolution or any such resolution is passed;
 - (ii) any person presents a petition, or files documents with a court or any registrar, for its winding-up, administration, examinership, dissolution or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise);
 - (iii) its shareholders or directors request the appointment of, or give notice of their intention to appoint, a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator, examiner or similar officer;
 - (iv) any Security Interest is enforced over any of its assets with an aggregate value of \$5,000,000 or more;
 - (v) an order for its winding-up, administration, examinership or dissolution is made;
 - (vi) any liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator, examiner or similar officer is appointed in respect of it or any of its assets; or
 - (vii) any other analogous step or procedure is taken in any jurisdiction.
- (b) Paragraph (a) above does not apply to:
 - (i) any step or procedure which is part of a Permitted Transaction; or
 - (ii) a petition for winding-up, dissolution or reorganisation presented by a creditor which is being contested in good faith and with due diligence and is discharged or struck out within twenty-one (21) days.

1.8 **Creditors' process**

Any attachment, sequestration, distress, execution or analogous event affects any asset(s) of an Obligor, having an aggregate value of at least \$5,000,000, and is not discharged within twenty-one (21) days.

1.9 **Effectiveness of Bridge Finance Documents**

- (a) It is or becomes unlawful for any Obligor to perform any of its obligations under the Bridge Finance Documents
- (b) Any Bridge Finance Document is not effective in accordance with its terms or is alleged by an Obligor to be ineffective in accordance with its terms for any reason or any Security Interest created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective.

- (c) An Obligor rescinds or repudiates a Bridge Finance Document or any Transaction Security or evidences an intention to rescind or repudiate a Bridge Finance Document or any Transaction Security.

1.10 **Intercreditor Agreement**

- (a) Any member of the Group or any Subordinated Creditor (as defined in the Intercreditor Agreement) which is a party to the Intercreditor Agreement (fails to comply with the provisions of, or does not perform its obligations under, the Intercreditor Agreement; or
- (b) a representation or warranty given by that party in the Intercreditor Agreement is incorrect in any material respect,

and, if the non-compliance or circumstances giving rise to the misrepresentation are capable of remedy, it is not remedied within ten (10) days of the earlier of the Trustee giving notice to that party or that party becoming aware of the non-compliance or misrepresentation.

1.11 **Ownership of the Obligors**

An Obligor, other than the Issuer or any member of the Group which is the subject of the IPA Business Disposal or the Higi Business Disposal or any other disposal that is permitted under the terms of this Agreement, is not or ceases to be a Subsidiary of the Issuer.

1.12 **Litigation**

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened (other than a proceeding which is frivolous or vexatious) which are reasonably likely to be adversely determined and, if so adversely determined, would be reasonably likely to have a Material Adverse Effect, or any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body is made against any member of the Group or its assets which has or is reasonably likely to have a Material Adverse Effect.

1.13 **Cessation of business**

An Obligor ceases, or threatens to cease, to carry on business except:

- (a) as part of a Permitted Transaction; or
- (b) as a result of a disposal allowed under this Agreement.

1.14 **Material adverse change**

- (a) Any event or series of events occurs which has or is reasonably likely to have an effect on the business, assets or financial condition of the Group which is of such significance that:
 - (i) any Obligor is or would be unable to meet its payment obligations to the Bridge Noteholders; or
 - (ii) the Issuer is or would be unable to comply with any term of Clause 13 (*Financial Covenants*),

1.15 Breach of Operational Milestone Undertakings

An Obligor does not satisfy any Milestone by the relevant Milestone Date, provided that no Event of Default shall occur if the Issuer has certified to the Trustee, prior to the relevant Milestone Date, that in its reasonable opinion and based on the relevant facts and circumstances, the relevant Milestone is capable of being satisfied, and the Issuer satisfies that Milestone within five (5) Business Days of the relevant Milestone Date.

1.16 Acceleration

If an Event of Default is outstanding, the Trustee may, and must if so instructed by the Majority Bridge Noteholders, by notice to the Issuer declare that all or part of any amounts outstanding, together with accrued interest and all other amounts accrued under the Bridge Finance Documents are:

- (a) immediately due and payable; and/or
- (b) payable on demand by the Trustee acting on the instructions of the Majority Bridge Noteholders; and/or
- (c) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Bridge Finance Documents.

Any notice given under this Subclause will take effect in accordance with its terms.

16 ROLE OF THE TRUSTEE AND SECURITY AGENT

1.1 The Trustee

- (a) Each other Finance Party appoints the Trustee to act as its agent under and in connection with the Bridge Finance Documents.
- (b) Each other Finance Party authorises the Trustee and Security Agent to:
 - (i) enter into each Bridge Finance Document expressed to be entered into by the Trustee; and
 - (ii) perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Trustee under or in connection with the Bridge Finance Documents together with any other incidental rights, powers, authorities and discretions.

1.2 Instructions

- (a) The Trustee shall:
 - (i) exercise or refrain from exercising any right, power, authority or discretion vested in it as Trustee in accordance with any instructions given to it by:
 - (A) all Bridge Noteholders if the relevant Bridge Finance Document stipulates the matter is an all Bridge Noteholder decision;

- (B) the relevant Finance Party or group of Finance Parties if a Bridge Finance Document stipulates the matter is a decision for that Finance Party or group of Finance Parties; and
 - (C) in all other cases, the Majority Bridge Noteholders; and
- (ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above (or, if a Bridge Finance Document stipulates the matter is a decision for any other Finance Party or group of Finance Parties, from that Finance Party or group of Finance Parties).
- (b) The Trustee shall be entitled to request instructions, or clarification of any instruction, from the Majority Bridge Noteholders (or, if the relevant Bridge Finance Document stipulates the matter is a decision for any other Finance Party or group of Finance Parties, from that Finance Party or group of Finance Parties) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion. The Trustee may refrain from acting unless and until it receives any such instructions or clarification that it has requested.
- (c) Save in the case of decisions stipulated to be a matter for any other Finance Party or group of Finance Parties under the relevant Bridge Finance Document and unless a contrary indication appears in a Bridge Finance Document, any instructions given to the Trustee by the Majority Bridge Noteholders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.
- (d) Paragraph (a) above shall not apply:
 - (i) where a contrary indication appears in a Bridge Finance Document;
 - (ii) where a Bridge Finance Document requires the Trustee to act in a specified manner or to take a specified action;
 - (iii) in respect of any provision which protects the Trustee's own position in its personal capacity as opposed to its role of Trustee for the relevant Finance Parties including, without limitation, Clause 16.4 (*No fiduciary duties*) to Clause 16.9 (*Exclusion of liability*) and Clause 16.13 (*Confidentiality*);
- (e) If giving effect to instructions given by the Majority Bridge Noteholders would (in the Trustee's opinion) have an effect equivalent to an amendment or waiver referred to in Clause 22 (*Amendments and Waivers*), the Trustee shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party whose consent would have been required in respect of that amendment or waiver.
- (f) The Trustee may refrain from acting in accordance with any instructions of any Finance Party or group of Finance Parties until it has received any indemnification, prefunding and/or security that it may in its discretion require (which may be greater in extent than that contained in the Bridge Finance Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions. This paragraph (f) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation, or protection of rights under the Transaction Security Documents or enforcement of the Transaction Security or Transaction Security Documents.

- (g) Without prejudice to the remainder of this Clause 16.2, in the absence of instructions, the Trustee may act (or refrain from acting) as it considers to be in the best interest of the Finance Parties.
- (h) The Trustee is not authorised to act on behalf of a Finance Party (without first obtaining that Finance Party's consent) in any legal or arbitration proceedings relating to any Bridge Finance Document.

1.3 **Duties of the Trustee**

- (a) The duties, obligations and responsibilities of the Trustee under the Bridge Finance Documents are solely mechanical and administrative in nature.
- (b) Subject to paragraph (c) below, the Trustee shall promptly forward to a Party the original or a copy of any document which is delivered to the Trustee for that Party by any other Party.
- (c) Except where a Bridge Finance Document specifically provides otherwise, the Trustee is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (d) If the Trustee receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (e) If the Trustee is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Trustee or the Security Agent) under this Agreement, it shall promptly notify the other Finance Parties.
- (f) The Trustee shall have only those duties, obligations and responsibilities expressly specified in the Bridge Finance Documents to which it is expressed to be a party (and no others shall be implied).

1.4 **No fiduciary duties**

- (a) Nothing in any Bridge Finance Document constitutes the Security Agent or Trustee as a trustee or fiduciary of any other person; or
- (b) None of the Security Agent or Trustee shall be bound to account to any other Finance Party for any sum or the profit element of any sum received by it for its own account.

1.5 **Business with the Group**

The Security Agent and the Trustee may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

1.6 **Rights and discretions**

- (a) The Security Agent and the Trustee may:
 - (i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised and, other than in the case of manifest error, shall have no duty or obligation to verify or confirm that the person who, as applicable, gave

such representation or sent such communication, notice or document is in fact authorised to do so;

(ii) assume that:

(A) any instructions received by it from the Majority Bridge Noteholders, any Finance Parties or any group of Finance Parties are duly given in accordance with the terms of the Bridge Finance Documents; and

(B) unless it has received notice of revocation, that those instructions have not been revoked; and

(iii) rely on a certificate from any person:

(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

(C) as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

(b) The Trustee may assume (unless it has received written notice to the contrary in its capacity as agent for the Finance Parties) that:

(i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 15.2 (*Non-payment*));

(ii) any right, power, authority or discretion vested in any Party or any group of Finance Parties has not been exercised; and

(iii) any notice or request made by the Issuer is made on behalf of and with the consent and knowledge of all the Obligors.

(c) The Trustee may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.

(d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Trustee may at any time engage and pay for the services of any lawyers to act as independent counsel to the Trustee (and so separate from any lawyers instructed by the Bridge Noteholders) if the Trustee in its reasonable opinion deems this to be necessary.

(e) The Trustee may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Trustee or by any other Party and whether or not liability in relation thereto is limited by reference to a monetary cap, methodology or otherwise) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

- (f) The Trustee may act in relation to the Bridge Finance Documents through its officers, employees and agents and shall not:
 - (i) be liable for any error of judgment made by any such person; or
 - (ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part, of any such person,
 unless such error or such loss was directly caused by the Trustee's gross negligence, wilful misconduct or fraud.
- (g) Unless a Bridge Finance Document expressly provides otherwise each of the Trustee may disclose to any other Party any information it reasonably believes it has received as agent under any Bridge Finance Document.
- (h) Notwithstanding any other provision of any Bridge Finance Document to the contrary:
- (i) none of the Security Agent or the Trustee is obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality; and
 - (i) each of the Security Agent and the Trustee may do anything which, in its opinion, is necessary or desirable to comply with any applicable law or regulation.
 - (ii) Notwithstanding any other provision of any Bridge Finance Document to the contrary, the Trustee is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of those funds or adequate indemnity against, or security for, that risk or liability is not reasonably assured to it.

1.7 **Responsibility for documentation**

None of the Security Agent or the Trustee is responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Security Agent, the Trustee, an Obligor or any other person in or in connection with any Bridge Finance Document or the transactions contemplated in the Bridge Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Bridge Finance Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Bridge Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Bridge Finance Document;
- (c) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise; or

- (d) to check or enquire on its behalf into the adequacy, accuracy or completeness of any communication delivered to it under any of the Bridge Finance Documents, any legal or other opinions, reports, valuations, certificates, appraisals or other documents delivered or made or required to be delivered or made at any time in connection with any of the Bridge Finance Documents, any security to be constituted thereby or any other report or other document, statement or information circulated, delivered or made, whether orally or otherwise and whether before, on or after the date thereof.

1.8 **No duty to monitor**

The Trustee shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party of its obligations under any Bridge Finance Document; or
- (c) whether any other event specified in any Bridge Finance Document has occurred.

1.9 **Exclusion of liability**

- (a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Bridge Finance Document excluding or limiting the liability of the Trustee the Trustee will not be liable for:
 - (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Bridge Finance Document, unless directly caused by its gross negligence, wilful misconduct or fraud;
 - (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Bridge Finance Document, or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Bridge Finance Document, other than by reason of its gross negligence or wilful misconduct;
 - (iii) without prejudice to the generality of paragraphs (i) to (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation, for negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Trustee) arising as a result of:
 - (A) any act, event or circumstance not reasonably within its control; or
 - (B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party

transport, telecommunications or computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

- (b) No Party (other than the Trustee) may take any proceedings against any officer, employee or agent of the Trustee in respect of any claim it might have against the Trustee or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Bridge Finance Document and any officer, employee or agent of the Trustee may rely on this Clause subject to paragraph (d) of Clause 1.2 (*Construction*) and the provisions of the Third Parties Act.
- (c) The Trustee will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Bridge Finance Documents to be paid by the Trustee if the Trustee has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Trustee for that purpose.
- (d) Nothing in this Agreement shall oblige the Trustee to carry out:
 - (i) any “know your customer” or other checks in relation to any person; or
 - (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Finance Party or for any Affiliate of any Finance Party,

on behalf of any Finance Party and each Finance Party confirms to the Trustee that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Trustee.

- (e) Each Bridge Noteholder acknowledges that in the event that the Trustee is required by law or any contractual arrangement with a Tax authority to make a deduction or withholding for or on account of Tax from a payment made by the Trustee under a Bridge Finance Document, the Trustee shall be authorised and entitled to make such deduction or withholding (and no Bridge Noteholder will have any claim or recourse to the Trustee on account of any such deduction or withholding).
- (f) Without prejudice to any provision of any Bridge Finance Document excluding or limiting the liability of the Trustee, any liability of the Trustee arising under or in connection with any Bridge Finance Document shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Trustee or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Trustee at any time which increase the amount of that loss. In no event shall the Trustee be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Trustee has been advised of the possibility of such loss or damages and whether the claim for loss or damage is made in negligence, for breach of contract, duty or otherwise.
- (g) Notwithstanding anything in this Agreement to the contrary, the Trustee shall not be responsible or liable for any delay or failure to perform under this Agreement or for any liabilities resulting, in whole or in part, from or caused by any event beyond the reasonable control of the Trustee including without

limitation: strikes, work stoppages, acts of war, terrorism, acts of God, epidemics, governmental actions, exchange or currency controls or restrictions, devaluations or fluctuations, interruption, loss or malfunction of utilities, communications or any computer (software or hardware) services, the application of any law or regulation in effect now or in the future, or any event in the country in which the relevant duties under this Agreement are performed, (including, but not limited to, nationalisation, expropriation or other governmental actions, regulation of the banking or securities industry, sanctions imposed at national or international level or market conditions) which may affect, limit, prohibit or prevent the performance in full or in part of such duties until such time as such law, regulation or event shall no longer affect, limit, prohibit or prevent such performance (in full or in part) and in no event shall the Trustee be obliged to substitute another currency for a currency whose transferability, convertibility or availability has been affected, limited, prohibited or prevented by such law, regulation or event.

1.10 Bridge Noteholders' indemnity to the Trustee

- (a) Each Bridge Noteholder shall (in proportion that its Notes bears to the Notes in issue) indemnify the Trustee within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by any of them (otherwise than by reason of the Trustee's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 9.8 (*Disruption to payment systems*), notwithstanding the Trustee's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Trustee) in acting as Trustee under the Bridge Finance Documents (unless the Trustee has been reimbursed by an Obligor pursuant to a Bridge Finance Document). This Clause shall survive in full force and effect notwithstanding the termination of this Agreement or the retirement, resignation or termination of the Trustee.
- (b) The Issuer must immediately on demand reimburse any Bridge Noteholder for any payment that Bridge Noteholder makes to the Trustee under paragraph (a) above except to the extent that the indemnity payment in respect of which the Bridge Noteholder claims reimbursement relates to a liability of the Trustee to an Obligor.
- (c) This indemnity given by each Bridge Noteholder under or in connection with this Agreement is a continuing obligation, independent of the relevant Bridge Noteholder's other obligations under or in connection with this Agreement or any other Finance Document and survives after this Agreement or that Finance Document is terminated.

1.11 Resignation of the Trustee

- (a) The Trustee may resign and appoint one of its Affiliates acting through an office as successor by giving notice to the other Finance Parties and the Issuer.
- (b) Alternatively the Trustee may resign by giving 30 days' notice to the other Finance Parties and the Issuer, in which case the Majority Bridge Noteholders (after consultation with the Issuer) may appoint a successor Trustee. The Trustee shall not be obliged to provide any reason for such resignation and will not be responsible for any liabilities incurred by reason of such resignation.
- (c) If the Majority Bridge Noteholders have not appointed a successor Trustee in accordance with paragraph (b) above within 20 days after notice of resignation

was given, the retiring Trustee (after consultation with the Bridge Noteholders and the Issuer) may appoint a successor Trustee. The Trustee is not bound to supervise or be responsible in any way or any loss incurred by reason of misconduct or default on the part of the successor trustee.

- (d) If the Trustee wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Trustee is entitled to appoint a successor under paragraph (c) above, the Trustee may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor to become a party to this Agreement or any other Bridge Finance Document as Trustee) agree with the proposed successor amendments to this Clause 16.11 and any other term of this Agreement or any other Bridge Finance Document dealing with the rights or obligations of the Trustee consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Trustee's normal fee rates and those amendments will bind the Parties.
- (e) The retiring Trustee shall:
 - (i) make available to the successor Trustee such documents and records and provide such assistance as the successor Trustee may reasonably required for the transfer or assignment of all of its rights and benefits under the Bridge Finance Documents to the successor Trustee; and
 - (ii) enter into and deliver to the successor Trustee those documents and effect any registrations as may be reasonably required for the transfer or assignment of all of its rights and benefits under the Bridge Finance Documents to the successor Trustee.
- (f) The Issuer shall, within three Business Days of demand, reimburse the retiring Trustee for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.
- (g) The resignation notice of the Trustee shall only take effect upon the appointment of a successor.
- (h) Upon the appointment of a successor, the retiring Trustee shall be discharged from any further obligation in respect of the Bridge Finance Documents (other than its obligations under paragraph (e) above) but shall remain entitled to the benefit of Clause 20.3 (*Indemnity to the Trustee*) and this Clause 16.11 (and any fees for the account of the retiring Trustee shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party. The Issuer must immediately pay to the retiring Trustee any fees that have accrued for the account of the retiring Trustee under any applicable Fee Letter.
- (i) The Trustee shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Trustee pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Trustee under the Bridge Finance Documents, either:
 - (i) the Trustee fails to respond to a request under Clause 6.7 (*FATCA Information*) and a Bridge Noteholder reasonably believes that the

Trustee will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

- (ii) the information supplied by the Trustee pursuant to Clause 9.8 (*Disruption to payment systems*) and Clause 6.7 (*FATCA Information*) indicates that the Trustee will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
- (iii) the Trustee notifies the Issuer and the Bridge Noteholders that the Trustee will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) a Bridge Noteholder reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Trustee were a FATCA Exempt Party, and that Bridge Noteholder, by notice to the Trustee, requires it to resign.

1.12 Replacement of the Trustee

- (a) After consultation with the Issuer, the Majority Bridge Noteholders may, by giving 30 days' notice to the Trustee (or, at any time the Trustee is an Impaired Agent, by giving any shorter notice determined by the Majority Bridge Noteholders) replace the Trustee by appointing a successor Trustee.
- (b) The retiring Trustee shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Bridge Noteholders):
 - (i) make available to the successor Trustee such documents and records and provide such assistance as the successor Trustee may reasonably request for the purposes of performing its functions as Trustee under the Bridge Finance Documents; and
 - (ii) enter into and deliver to the successor Trustee those documents and effect any registrations as may be reasonably required for the transfer or assignment of all of its rights and benefits under the Bridge Finance Documents to the successor Trustee.
- (c) The appointment of the successor Trustee shall take effect on the date specified in the notice from the Majority Bridge Noteholders to the retiring Trustee. As from this date, the retiring Trustee shall be discharged from any further obligation in respect of the Bridge Finance Documents (other than its obligations under paragraph (b) above) but shall remain entitled to the benefit of Clause 20.3 (*Indemnity to the Trustee*) and this Clause 16.12 (and any fees for the account of the retiring Trustee shall cease to accrue from (and shall be payable on) that date).
- (d) Any successor Trustee and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

1.13 Confidentiality

- (a) In acting as agent for the Finance Parties, the Trustee shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

- (b) If information is received by another division or department of the Trustee it may be treated as confidential to that division or department and the Trustee shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Bridge Finance Document to the contrary, the Trustee is not obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would or is reasonably likely to in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.
- (d) The Trustee may forward any document that it is required to forward to a Bridge Noteholder to a professional advisor of that Bridge Noteholder where such professional advisor has been appointed by such Bridge Noteholder (and notified to the Trustee as such) in order to ensure that such Bridge Noteholder does not receive any information relating to the Group that in accordance with any law or regulation it should not be in receipt of and in doing so the Trustee will be deemed to have fulfilled its obligation to forward such document to such Bridge Noteholder.

1.14 Relationship with the Bridge Noteholders

- (a) The Trustee may treat the person shown in its records as Bridge Noteholder at the opening of business (in the place of the Trustee's principal office as notified to the Finance Parties from time to time) as the Bridge Noteholder acting through its facility office:
 - (i) entitled to or liable for any payment due under any Bridge Finance Document on that day; and
 - (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Bridge Finance Document made or delivered on that day,

unless it has received not less than five Business Days' prior notice from that Bridge Noteholder to the contrary in accordance with the terms of this Agreement.

- (b) Any Bridge Noteholder may by notice to the Trustee appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Bridge Noteholder under the Bridge Finance Documents. Such notice shall contain the address, fax number (and the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, (or such other information), department and officer by that Bridge Noteholder for the purposes of Clause 31.2 (*Contact details*) and the Trustee shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Bridge Noteholder.

1.15 Credit appraisal by the Finance Parties

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Bridge Finance Document, each Finance Party confirms to the Security Agent and Trustee that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Bridge Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Bridge Finance Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Bridge Finance Document or the Security Property;
- (c) whether that Bridge Noteholder has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Bridge Finance Document, the Security Property, the transactions contemplated by the Bridge Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Bridge Finance Document or the Security Property;
- (d) the adequacy, accuracy or completeness of any information provided by the Trustee, any Party or by any other person under or in connection with any Bridge Finance Document, the transactions contemplated by any Bridge Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Bridge Finance Document; and
- (e) the right or title of any person in or to, or the value or sufficiency of any part of, the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

1.16 Trustee's management time

Any amount payable to the Trustee under Clause 20.3 (*Indemnity to the Trustee*), Clause 21 (*Expenses*) and Clause 16.10 (*Bridge Noteholders' indemnity to the Trustee*) shall include the cost of utilising the management time or other resources of the Trustee and will be calculated on the basis of such reasonable daily or hourly rates as the Trustee may notify to the Issuer and the Bridge Noteholders, and is in addition to any fee paid or payable to the Trustee under Clause 19 (*Fees*).

1.17 Deduction from amounts payable by the Security Agent or Trustee

If any Party owes an amount to the Security Agent or Trustee under the Bridge Finance Documents the Trustee may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Security Agent or Trustee would otherwise be obliged to make under the Bridge Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Bridge Finance Documents that Party shall be regarded as having received any amount so deducted.

1.18 Reliance and engagement letters

The Trustee may obtain and rely on any certificate, report or other document from any professional adviser or expert (including any Obligor's auditor) and may enter into any reliance letter or engagement letter relating to that certificate, report or other document on such terms as it may consider appropriate (including, without limitation, restrictions on the adviser's or expert's liability and the extent to which that certificate, report or other document may be relied on or disclosed).

1.19 Application of Moneys

All sums received by the Trustee under this Agreement shall be held by the Trustee on trust to apply them in the following order:

- (a) to pay or satisfy the costs, fees (including remuneration and other amounts payable to it hereunder), charges, and expenses properly incurred by, and liabilities incurred by or payable to, the Trustee in carrying out its functions under this Agreement and any other Bridge Finance Document;
- (b) to pay pari passu and rateably any amounts due but unpaid in respect of any Notes; and
- (c) to pay any balance to the Issuer.

1.20 Supplements to the trustee acts

- (a) The following provisions supplement and amend the Trustee Act 1925 and the Trustee Act 2000.
- (b) The Trustee shall have absolute discretion as to the exercise of its powers and obligations under this Agreement and to resolve any questions or doubts arising in relation to any provisions of this Agreement, unless otherwise provided in this Agreement. The exercise of the Trustee's discretion shall be conclusive and binding on the Bridge Noteholders. The Trustee shall not be liable for any liability resulting from the exercise of such discretion.
- (c) The Trustee may request, and accept as evidence of any fact, a certificate signed by a signatory of the Issuer and shall not be liable for any liability resulting from the information contained in such certificate.
- (d) The Trustee shall not be required to disclose to any Bridge Noteholder any confidential information given to it by any Obligor.
- (e) The Trustee shall not be bound to take any steps to discover whether a Default or an Event of Default has occurred. Unless it has actual knowledge of such an event, it shall be entitled to assume that no Default or Event of Default has occurred.
- (f) The Trustee may act on the advice or opinion of any lawyer, accountant, banker, surveyor or other expert received by any means, including by letter or fax.
- (g) The Trustee may appoint and pay any Affiliate (including a Trustee Affiliate), agent or agents to perform any of the obligations of the Trustee specified in this Agreement if it considers, in its absolute discretion, that such appointment is in the best interests of the Bridge Noteholders.
- (h) The Trustee may delegate any or all of its duties specified in this Agreement to any person at any time if it considers, in its absolute discretion, that such appointment is in the best interests of the Bridge Noteholders.
- (i) The Trustee may appoint and pay any person to act as its nominee in relation to any asset held by it under this Agreement.
- (j) The Trustee shall not be liable if it accepts as valid any Note or Certificate, that is later found not to be authentic.

- (k) The Trustee shall not be bound to give notice to any person of the execution of any documents referred to in this Agreement.
- (l) Section 1 of the Trustee Act 2000 shall not apply to any acts of the Trustee.

1.21 Trustee Additional Remuneration

In the event of the occurrence of an Event of Default or a Default, the Issuer hereby agrees that the Trustee shall be entitled to be paid additional remuneration, calculated at its normal hourly rates in force from time to time. In any other case, if either the Trustee finds it expedient or necessary or is requested by the Issuer to undertake duties which are agreed by the Trustee, and the Issuer to be of an exceptional nature or otherwise outside the scope of the Trustee's normal duties as Trustee under this Agreement or the Notes and/or the other Bridge Finance Documents, the Issuer will pay such additional remuneration as they may agree or, failing agreement as to any of the matters in this Clause 16.21, as determined by an investment bank of international repute (acting as expert) selected by the Trustee and approved by the Issuer or, failing such approval, nominated by the President for the time being of The Law Society of England and Wales. The expenses involved in such nomination and such investment bank's fee will be paid by the Issuer. The determination of such investment bank will be conclusive and binding on the Issuer, the Trustee, and the Bridge Noteholders.

17 SECURITY AGENT

- (a) The Security Agent confirms that:
 - (i) it shall, at all times, act in accordance with the terms set forth in the Intercreditor Agreement;
 - (ii) it holds the Security Property on trust for the Secured Parties in accordance with clause 19 (*The Security Agent*) of the Intercreditor Agreement; and
 - (iii) the proceeds of enforcement of the Transaction Security will be applied in accordance with the terms of the Intercreditor Agreement.
- (b) In acting or otherwise exercising its rights or performing its duties under any of the Bridge Finance Documents, the Security Agent shall act in accordance with the provisions of this Agreement and the Intercreditor Agreement and shall seek any necessary instruction or direction from the Trustee. In so acting, the Security Agent shall have the rights, benefits, protections, indemnities and immunities set out in this Agreement and the Intercreditor Agreement and shall not incur any liability to any Party.
- (c) In the event there is an inconsistency or conflict between the rights, duties, benefits, obligations, protections, immunities or indemnities of the Security Agent (the Security Agent Provisions) as contained in this Agreement and/or the Intercreditor Agreement, on the one hand, and in any of the other Bridge Finance Documents, on the other hand, the Security Agent Provisions contained in this Agreement and/or the Intercreditor Agreement shall prevail and apply.
- (d) The Security Agent Provisions contained in the Intercreditor Agreement are for the benefit of the Security Agent and shall survive the discharge or termination of the Intercreditor Agreement and the resignation of the Security Agent.

18 EVIDENCE AND CALCULATIONS

1.1 Accounts

Accounts maintained by a Finance Party in connection with this Agreement are prima facie evidence of the matters to which they relate for the purpose of any litigation or arbitration proceedings.

1.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under the Bridge Finance Documents will set out the basis of calculation in reasonable detail and will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

1.3 Calculations

- (a) Any interest or fee accruing under this Agreement accrues from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 or 365 days or otherwise, depending on what the Trustee determines is market practice.
- (b) The total amount of any accrued interest, commission or fee (or of any amount equal to that interest, commission or fee) which is, or becomes, payable under a Bridge Finance Document shall be rounded to the nearest 2 decimal places.

19 FEES

1.1 Trustee's fee

The Issuer must pay to the Trustee for its own account an agency fee in the manner agreed in the Fee Letter between the Trustee and the Issuer.

1.2 Security Agent's fee

The Issuer must pay to the Security Agent for its own account an agency fee in the manner agreed in the Fee Letter between the Security Agent and the Issuer.

1.3 OID

The Issuer shall pay or procure to be paid the OID Fee in the amount and at the times agreed in a Fee Letter.

1.4 Deferred upfront fee

The Issuer shall pay or procure to be paid the deferred upfront fee (the “**Deferred Upfront Fee**”) in the amount and at the times agreed in a Fee Letter.

20 INDEMNITIES AND BREAK COSTS

1.1 Currency indemnity

- (a) The Issuer must, as an independent obligation and within three (3) Business Days of demand, indemnify each Secured Party against any cost, loss or liability which that Secured Party incurs as a consequence of:
 - (i) that Secured Party receiving an amount in respect of an Obligor's liability under the Bridge Finance Documents; or

(ii) that liability being converted into a claim, proof, judgment or order,

in a currency other than the currency in which the amount is expressed to be payable under the relevant Bridge Finance Document.

- (b) Unless otherwise required by law, each Obligor waives any right it may have in any jurisdiction to pay any amount under the Bridge Finance Documents in a currency other than that in which it is expressed to be payable.

1.2 Other indemnities

The Issuer must, within three (3) Business Days of demand, indemnify each Secured Party against any loss or liability (other than any loss or liability due to the gross negligence or wilful conduct of such Secured Party) which that Secured Party incurs as a consequence of:

- (a) the occurrence of any Event of Default;
- (b) any failure by an Obligor to pay any amount due under a Bridge Finance Document on its due date, including any resulting from any distribution or redistribution of any amount among the Bridge Noteholders under this Agreement;
- (c) (other than by reason of negligence or default by that Secured Party) any Note not being made after a Request has been delivered for that Note; or
- (d) a Note (or part of a Note) not being prepaid in accordance with this Agreement.

The Issuer's liability in each case includes any loss or expense on account of funds borrowed, contracted for or utilised to fund any amount payable under any Bridge Finance Document or any Note.

1.3 Indemnity to the Trustee

- (a) The Issuer shall promptly (and, in any event, within three (3) Business Days of demand) indemnify the Trustee against any cost, loss or liability incurred as a result of:
 - (i) investigating any event which the Trustee reasonably believes to be a Default;
 - (ii) acting or relying on any notice which the Trustee reasonably believes to be genuine, correct and appropriately authorised; or
 - (iii) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement.
- (b) This indemnity given by the Issuer under or in connection with this Agreement is a continuing obligation, independent of the relevant Issuer's other obligations under or in connection with this Agreement or any other Finance Document and survives after this Agreement or that Finance Document is terminated.

1.4 Break Costs

- (a) The Issuer must pay to each Bridge Noteholder its Break Costs if the Notes or an overdue amount is redeemed otherwise than on the last day of any Interest Period applicable to it.
- (b) Break Costs are the amount (if any) determined by the relevant Bridge Noteholder by which:
 - (i) the interest (excluding the Margin) which that Bridge Noteholder would have received for the period from the date of receipt of any part of its share in the Notes or an overdue amount to the last day of the applicable Interest Period for the Notes or overdue amount if the principal or overdue amount received had been paid on the last day of that Interest Period; exceeds
 - (ii) the amount which that Bridge Noteholder would be able to obtain by placing an amount equal to the amount received by it on deposit with a leading bank in the appropriate interbank market for a period starting on the day of receipt (if received on or prior to 1 p.m.) or the Business Day following receipt (if received after 1 p.m.) and ending on the last day of the applicable Term.
- (c) Each Bridge Noteholder must supply to the Trustee for the Issuer a certificate confirming details of the amount and basis of calculation of any Break Costs claimed by it under this Subclause.

21 EXPENSES

1.1 Initial costs

The Issuer must pay to each Administrative Party the amount of all reasonable costs and expenses (including legal fees in accordance with the terms of the relevant capped fee arrangement and registration costs) incurred by it in connection with the negotiation, preparation, printing, entry into, attachment, perfection and syndication of the Bridge Finance Documents.

1.2 Subsequent costs

- (a) The Issuer must, within three (3) Business Days of demand, pay to the Trustee, the Security Agent and the other Finance Parties (as applicable) the amount of all costs and expenses (including legal fees subject to agreement of the scope and fees in respect of such arrangements, including without limitation any applicable caps) reasonably incurred by any of them (and, in the case of the Security Agent, by any Receiver or Delegate) in connection with:
 - (i) the negotiation, preparation, printing and entry into of any Bridge Finance Document (other than a Transfer Certificate) executed after the date of this Agreement; and
 - (ii) any amendment, waiver or consent requested by or on behalf of an Obligor.
- (b) The Issuer shall pay any reasonable fees, costs and expenses of any Bridge Noteholder Advisors appointed by the Noteholders pursuant to and subject to the terms of Clause 14.33 (*Advisors to the Bridge Noteholders*).

1.3 Enforcement costs

The Issuer must pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of, or the preservation of any rights under, any Bridge Finance Document and the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

22 AMENDMENTS AND WAIVERS

1.1 Intercreditor Agreement

This Clause 22 is subject to the terms of the Intercreditor Agreement.

1.2 Procedure

- (a) Except as provided in this Clause, any term of the Bridge Finance Documents may be amended or waived with the agreement of the Issuer and the Majority Bridge Noteholders. The Trustee may effect, on behalf of any Finance Party, an amendment or waiver allowed under this Clause.
- (b) The Trustee must promptly notify the other Parties of any amendment or waiver effected by it under paragraph (a) above. Any such amendment or waiver is binding on all the Parties.
- (c) Each Obligor agrees to any amendment or waiver allowed by this Clause which is agreed to by the Issuer. This includes any amendment or waiver which would, but for this paragraph, require the consent of each Guarantor if the guarantee under the Bridge Finance Documents is to remain in full force and effect.

1.3 Exceptions

- (a) Subject to Subclause (b) below, an amendment or waiver which relates to:
 - (i) the definition of “**Majority Bridge Noteholders**”, “**Super Majority Bridge Noteholders**”, “**Restricted Person**”, “**Sanctions**” and “**Sanctions List**” in Clause 1.1 (*Definitions*);
 - (ii) Clause 4.10 (*Application of redemptions*);
 - (iii) an extension of the date of payment of any amount to a Bridge Noteholder under Bridge Finance Documents;
 - (iv) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fee or other amount payable to a Bridge Noteholder under the Bridge Finance Documents;
 - (v) a release of an Obligor other than in accordance with the terms of this Agreement;
 - (vi) a term of a Bridge Finance Document which expressly requires the consent of each Bridge Noteholder;
 - (vii) the right of a Bridge Noteholder to assign its rights or obligations under the Bridge Finance Documents;

- (viii) (other than as expressly permitted by the provisions of any Bridge Finance Document) the nature or scope of:
 - (A) the guarantee and indemnity granted under Clause 10 (*Guarantee and Indemnity*);
 - (B) any Transaction Security or the Charged Property; or
 - (C) the manner in which the proceeds of enforcement of the Transaction Security are distributed;
 - (ix) (other than as expressly permitted by the provisions of any Bridge Finance Document) the release of any guarantee and indemnity granted under Clause 10 (*Guarantee and Indemnity*) or of any Transaction Security unless permitted under this Agreement or any other Bridge Finance Document; or
 - (x) this Clause,
- may only be made with the consent of all the Bridge Noteholders.
- (b) An amendment or waiver which relates to Clause 14.24 (*No repayment of Existing Notes or bilateral or other facilities*) may only be made with the consent of the Super Majority Bridge Noteholders.
 - (c) An amendment or waiver which relates to the rights or obligations of an Administrative Party may only be made with the consent of that Administrative Party.
 - (d) A Fee Letter which sets out the fees payable to an Administrative Party may be amended or waived with the agreement of the Administrative Party that is a party to that Fee Letter and the Issuer.

1.4 **Change of currency**

If a change in any currency of a country occurs (including where there is more than one currency or currency unit recognised at the same time as the lawful currency of a country), the Bridge Finance Documents will be amended to the extent the Trustee (acting reasonably and after consultation with the Issuer) determines is necessary to reflect the change.

1.5 **Waivers and remedies cumulative**

The rights of each Finance Party under the Bridge Finance Documents:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under the general law; and
- (c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any right is not a waiver of that right.

1.6 **Maintenance of Register**

- (a) The Issuer shall maintain (at all times outside the United Kingdom) and make available upon reasonable prior notice at reasonable times for inspection by the Trustee and each Bridge Noteholder in respect of its own Notes (solely for

the purposes of this Clause 22.6) a register (the “**Register**”) on which it will record the names and addresses of each Bridge Noteholder and the outstanding amount of Notes held by each Bridge Noteholder.

- (b) The entries in the Register shall, in the absence of manifest error, be conclusive and the Obligors and the Finance Parties shall treat each person whose name is recorded in the Register as a Bridge Noteholder pursuant to and in accordance with the terms of this Agreement as a Bridge Noteholder for all purposes under the Bridge Finance Documents.
- (c) Any failure to make or update the Register, or any error in the Register, will not affect any Obligor’s obligations in respect of the Notes.
- (d) The Issuer will promptly update the Register upon being notified of the relevant Assignment Date.
- (e) The Issuer will provide a copy of the Register to the Trustee on request.
- (f) Except as required by law, the Issuer and the Trustee will be entitled to recognise only the registered holder of any Notes as the absolute owner thereof for all purposes and shall not (except as ordered by a court of competent jurisdiction) be bound to take notice or see to the execution of any trust, whether express, implied or constructive, to which any Notes may be subject and the receipt of the registered holder for the time being of any Notes, or in the case of joint registered holders the receipt of any of them, for the principal moneys payable in respect thereof or for the interest from time to time accruing due in respect thereof or for any other moneys payable in respect thereof shall be a good discharge to the Issuer, notwithstanding any notice it may have, whether express or otherwise, of the right, title, interest or claim of any other person to or in such Notes, interest or moneys. The Issuer shall not be bound to enter any notice of any trust, whether express, implied or constructive, on the Register in respect of any Notes.
- (g) Each Bridge Noteholder will be recognised by the Issuer as entitled to its Notes free from any equity, set-off or cross-claim on the part of the Issuer against the original or any intermediate holder of the Notes.
- (h) Every instrument of transfer must be signed by the transferor (or by a person authorised to sign on behalf of the transferor) and the transferor shall be deemed to remain the owner of the Notes to be transferred until the name of the transferee is entered in the Register in respect thereof.
- (i) Every instrument of transfer must be left for registration at the address where the Register is maintained for the time being together with such other evidence as the Issuer and the Trustee may reasonably require to prove the title of the transferor or his right to transfer the Notes and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so.

1.7 **Replacement of Screen Rate**

- (a) Subject to (a) of Clause 22.3 (*Exceptions*), if a Screen Rate Replacement Event has occurred in relation to any Screen Rate for a currency which can be selected for any issue of Notes, any amendment or waiver which relates to:
 - (i) providing for the use of a Replacement Benchmark in relation to that currency in place of that Screen Rate;

(ii)

- (A) aligning any provision of any Finance Document to the use of that Replacement Benchmark;
- (B) enabling that Replacement Benchmark to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Benchmark to be used for the purposes of this Agreement);
- (C) implementing market conventions applicable to that Replacement Benchmark;
- (D) providing for appropriate fallback (and market disruption) provisions for that Replacement Benchmark; or
- (E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation) ,

may be made with the consent of the Trustee (acting on the instructions of the Majority Bridge Noteholders) and the Issuer.

(b) In this Clause 22.7:

“Relevant Nominating Body” means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

“Replacement Benchmark” means a benchmark rate which is:

- (a) formally designated, nominated or recommended as the replacement for a Screen Rate by:
 - (i) the administrator of that Screen Rate (provided that the market or economic reality that such benchmark rate measures is the same as that measured by that Screen Rate); or
 - (ii) any Relevant Nominating Body,and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "Replacement Benchmark" will be the replacement under paragraph (ii) above;
- (b) in the opinion of the Majority Bridge Noteholders and the Issuer, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Screen Rate; or
- (c) in the opinion of the Majority Bridge Noteholders and the Issuer, an appropriate successor to a Screen Rate.

“**Screen Rate Replacement Event**” means, in relation to a Screen Rate:

- (d) the methodology, formula or other means of determining that Screen Rate has, in the opinion of the Majority Bridge Noteholders and the Issuer, materially changed;
- (e)
 - (i)
 - (A) the administrator of that Screen Rate or its supervisor publicly announces that such administrator is insolvent;
 - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Screen Rate is insolvent,
 - provided that, in each case, at that time, there is no successor administrator to continue to provide that Screen Rate;
 - (i) the administrator of that Screen Rate publicly announces that it has ceased or will cease to provide that Screen Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Screen Rate;
 - (ii) the supervisor of the administrator of that Screen Rate publicly announces that such Screen Rate has been or will be permanently or indefinitely discontinued; or
 - (iii) the administrator of that Screen Rate or its supervisor announces that that Screen Rate may no longer be used; or
- (f) the administrator of that Screen Rate determines that that Screen Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Majority Bridge Noteholders and the Issuer) temporary; or
- (g) in the opinion of the Majority Bridge Noteholders and the Issuer, that Screen Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

23 PROHIBITION ON DEBT PURCHASE TRANSACTIONS BY THE GROUP

The Issuer shall not, and shall procure that each other member of the Group shall not, enter into any Debt Purchase Transaction.

24 CHANGES TO THE PARTIES

1.1 Assignments and transfers by Obligors

No Obligor may assign or transfer any of its rights and obligations under the Bridge Finance Documents without the prior consent of all the Bridge Noteholders.

1.2 Assignments and transfers by Bridge Noteholders

- (a) Subject to the terms of this Clause, a Bridge Noteholder (the “**Existing Bridge Noteholder**”) may at any time assign any of its rights and obligations under this Agreement to any other bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets pursuant to the terms of such assignment instrument (the “**New Bridge Noteholder**”).
- (b) Any reference in this Agreement to a Bridge Noteholder includes a New Bridge Noteholder but excludes a Bridge Noteholder if no amount is or may be owed to or by it under this Agreement.
- (c) To permit registrations of transfers and exchanges, the Existing Bridge Noteholder shall procure that the definitive Certificates are surrendered for transfer or exchange or cancelation (as applicable) to the Issuer and the Issuer shall execute new Certificates (with the form of transfer in respect thereof duly executed) at its specified office in favour of the New Bridge Noteholder upon registration in the Register. The Issuer will within seven (7) Business Days of receipt at the specified office of the Issuer of a duly completed form of transfer endorsed on the relevant Certificate, deliver a new Certificate to the New Bridge Noteholder (and, in the case of a transfer of part only of a Note, deliver a Note for the untransferred balance to the Existing Bridge Noteholder) at the specified office of the Issuer or (at the risk and, if mailed at the request of the New Bridge Noteholder or, as the case may be, the Existing Bridge Noteholder otherwise than by ordinary mail, at the expense of the New Bridge Noteholder or, as the case may be, the Existing Bridge Noteholder) mail the Note by uninsured mail to such address as the New Bridge Noteholder or, as the case may be, the Existing Bridge Noteholder may request.
- (d) Any assignment or exchange shall include a processing and recordation fee of \$3,500 payable by the New Bridge Noteholder to the Trustee (unless the New Bridge Noteholder is an Affiliate or a Related Entity of the Existing Bridge Noteholder or otherwise waived by the Trustee).
- (e) It is neither the responsibility nor the obligation of the Trustee to monitor compliance with the contractual restrictions on transfers set out above.
- (f) The Trustee shall notify the Issuer of any assignment or transfer of notes made pursuant to (a) above promptly following the occurrence of such assignment or transfer.

1.3 Limitation of responsibility of Existing Bridge Noteholder

- (a) Unless expressly agreed to the contrary, an Existing Bridge Noteholder makes no representation or warranty and assumes no responsibility to a New Bridge Noteholder for:
 - (i) the financial condition of an Obligor; or
 - (ii) the legality, validity, effectiveness, enforceability, adequacy, accuracy, completeness or performance of:
 - (A) any Bridge Finance Document, the Transaction Security or any other document;

- (B) any statement or information (whether written or oral) made in or supplied in connection with any Bridge Finance Document; or
 - (C) any observance by an Obligor of its obligations under any Bridge Finance Document or any other documents,
 - (D) and any representations or warranties implied by law are excluded.
- (b) Each New Bridge Noteholder confirms to the Existing Bridge Noteholder and the other Finance Parties that it:
- (i) has made, and will continue to make, its own independent appraisal of all risks arising under or in connection with the Bridge Finance Documents (including the financial condition and affairs of each Obligor and its related parties and the nature and extent of any recourse against any Party or its assets) in connection with its participation in this Agreement; and
 - (ii) has not relied exclusively on any information supplied to it by the Existing Bridge Noteholder in connection with any Bridge Finance Document or the Transaction Security.
- (c) Nothing in any Bridge Finance Document requires an Existing Bridge Noteholder to:
- (i) accept a re-transfer from a New Bridge Noteholder of any of the rights and obligations assigned or transferred under this Clause; or
 - (ii) support any losses incurred by the New Bridge Noteholder by reason of the non-performance by any Obligor of its obligations under any Bridge Finance Document or otherwise.

1.4 **Costs resulting from change of Bridge Noteholder or Facility Office**

If:

- (a) a Bridge Noteholder assigns or transfers any of its rights or obligations under the Bridge Finance Documents or changes its facility office; and
- (b) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to pay a Tax Payment or an Increased Cost to the New Bridge Noteholder or Bridge Noteholder acting through its new facility office,

then the Obligor need only pay that Tax Payment or Increased Cost to the same extent that it would have been obliged to if that assignment, transfer or change had not occurred.

1.5 **Additional Guarantor**

- (a) Each Subsidiary of the Issuer in existence as at the Original Issue Date Listed in Part 1 of Schedule 1 (*Original Obligors*) will be party to this Agreement as a Guarantor on the Original Issue Date.
- (b) If at any time after the Original Issue Date, any Subsidiary is required to become an Additional Guarantor:

- (i) the Issuer must give not less than ten (10) Business Days prior notice to the Trustee (who must promptly notify the Bridge Noteholders);
 - (ii) the Issuer must (following consultation with the Trustee) deliver to the Trustee the relevant documents and evidence listed in Schedule 2 (*Conditions Precedent Documents required to be delivered by an Additional Guarantor*); and
 - (iii) on or prior to the accession of any Subsidiary in accordance with this Clause 24.5, the Holding Issuer of such Subsidiary (if not an Obligor) shall also accede as an Additional Guarantor.
- (c) If the accession of an Additional Guarantor requires any Finance Party to carry out know your customer requirements in circumstances where the necessary information is not already available to it, the Issuer must promptly on request by any Finance Party supply to that Finance Party any documentation or other evidence which is reasonably requested by that Finance Party (whether for itself, on behalf of any Finance Party or any prospective new Bridge Noteholder) to enable a Finance Party or prospective new Bridge Noteholder to carry out and be satisfied with the results of all applicable know your customer requirements.
 - (d) The relevant Subsidiary will become an Additional Guarantor when the Trustee notifies the other Finance Parties and the Issuer that it has received all of the documents and evidence referred to in paragraph (b)(ii) above in form and substance satisfactory to it. The Trustee must give this notification as soon as reasonably practicable.
 - (e) Delivery of an Accession Agreement, executed by the relevant Subsidiary and the Issuer, to the Trustee constitutes confirmation by that Subsidiary and the Issuer that the Repeating Representations are then correct.

1.6 Security over Bridge Noteholders' rights

Notwithstanding any other provision of this Clause, each Bridge Noteholder may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create a Security Interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Bridge Finance Document to secure obligations of that Bridge Noteholder pursuant to:

- (a) any charge, assignment or other Security Interest to secure obligations to a federal reserve or central bank or a government authority or agency including HM Treasury; and
- (b) in the case of any Bridge Noteholder which is a fund, any charge, assignment or other Security Interest granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Bridge Noteholder as security for those obligations or securities,

except that no such charge, assignment or Security Interest will:

- (i) release a Bridge Noteholder from any of its obligations under the Bridge Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security Interest for the Bridge Noteholder as a party to any of the Bridge Finance Documents; or

- (ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Bridge Noteholder under the Bridge Finance Documents.

1.7 Replacement of Bridge Noteholders

- (a) In this Subclause:

“**Affected Bridge Noteholder**” means, at any time, a Bridge Noteholder in respect of which the Issuer is at that time:

- (i) entitled to serve a notice under sub-paragraphs (a)(i)(A) or (a)(i)(B) of Clause 4.8 (*Right of repayment of a single Bridge Noteholder*), but has not done so; or
- (ii) obliged to repay any amount in accordance with Clause 4.1 (*Illegality of a Bridge Noteholder*).

“**Replacement Bridge Noteholder**” means a Bridge Noteholder or any other bank, financial institution, trust fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets selected by the Issuer which:

- (iii) in the case of a person which is not an existing Bridge Noteholder, is acceptable to the Trustee (acting reasonably); and
 - (iv) is willing to assume all of the obligations of the Affected Bridge Noteholder.
- (b) Subject to paragraph (f) below, the Issuer may, on giving ten (10) Business Days’ prior notice to the Trustee and an Affected Bridge Noteholder, require that Affected Bridge Noteholder to transfer all of its rights and obligations under this Agreement to a Replacement Bridge Noteholder.
 - (c) The Affected Bridge Noteholder shall procure that the definitive Certificates are surrendered for transfer or exchange or cancellation (as applicable) to the Issuer and the Issuer shall execute new Certificates (with the form of transfer in respect thereof duly executed) at its specified office in favour of the Replacement Bridge Noteholder upon registration in the Register. The Issuer will within seven (7) Business Days of receipt at the specified office of the Issuer of a duly completed form of transfer endorsed on the relevant Certificate, deliver a new Certificate to the Replacement Bridge Noteholder (and, in the case of a transfer of part only of a Note, deliver a Note for the untransferred balance to the Affected Bridge Noteholder) at the specified office of the Issuer or (at the risk and, if mailed at the request of the Replacement Bridge Noteholder or, as the case may be, the Affected Bridge Noteholder otherwise than by ordinary mail, at the expense of the Replacement Bridge Noteholder or, as the case may be, the Affected Bridge Noteholder) mail the Note by uninsured mail to such address as the Replacement Bridge Noteholder or, as the case may be, the Affected Bridge Noteholder may request.
 - (d) On receipt of a notice under paragraph (b) above the Affected Bridge Noteholder must transfer all of its rights and obligations under this Agreement:
 - (i) in accordance with Clause 24.2 (*Assignments and transfers by Bridge Noteholders*);

- (ii) on the date specified in the notice;
- (iii) to the Replacement Bridge Noteholder specified in the notice; and
- (iv) for a purchase price equal to the aggregate of:
 - (A) the face value of the Affected Bridge Noteholder's Notes;
 - (B) any Break Costs incurred by the Affected Bridge Noteholder as a result of the transfer; and
 - (C) all accrued interest, fees and other amounts payable to the Affected Bridge Noteholder under this Agreement as at the transfer date.
- (e) No member of the Group may make any payment or assume any obligation to or on behalf of the Replacement Bridge Noteholder as an inducement for a Replacement Bridge Noteholder to become a Bridge Noteholder, other than as provided in paragraph (d) above.
- (f) Notwithstanding the above, the Issuer's right to replace an Affected Bridge Noteholder may only be exercised whilst it is entitled to serve a notice under Clause 4.8 (*Right of repayment of a single Bridge Noteholder*) or when it has received a notice from that Affected Bridge Noteholder under Clause 4.1 (*Illegality of a Bridge Noteholder*).
- (g) Any transfer of rights and obligations of an Affected Bridge Noteholder under this Clause is subject to the following conditions:
 - (i) the Issuer has no right to replace the Trustee;
 - (ii) neither the Trustee nor the Affected Bridge Noteholder will have any obligation to the Issuer to find a Replacement Bridge Noteholder; and
 - (iii) in no event will an Affected Bridge Noteholder be required to pay or surrender to the Replacement Bridge Noteholder any of the fees received by the Affected Bridge Noteholder under the Bridge Finance Documents.

25 FINANCE PARTY DEFAULT

1.1 General

In this Clause:

"Impaired Trustee" means the Trustee at any time when:

- (a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Bridge Finance Documents by the due date for payment;
- (b) it rescinds or repudiates a Bridge Finance Document, or
- (c) an Insolvency Event has occurred and is continuing with respect to the Trustee;
 - (i) unless, in the case of paragraph (a) above:

- (ii) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event, and
 payment is made within three Business Days of its due date; or
- (iii) the Trustee is disputing in good faith whether it is contractually obliged to make the relevant payment.

“Insolvency Event” in relation to a Finance Party means that the Finance Party:

- (a) is dissolved (other than as a result of a consolidation, amalgamation or merger);
- (b) (other than a Finance Party which receives government or supra-government support howsoever described and/or provided) becomes insolvent or is unable to pay its debts, in each case under the laws of any relevant jurisdiction applicable to that Finance Party, or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under bankruptcy or insolvency law or other similar law affecting creditors’ rights, all other than by way of an Undisclosed Administration, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding up or liquidation and, in the case of any such proceeding or petition presented against it, that proceeding or petition is instituted or presented by a person or an entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of its institution or presentation;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than as a result of a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, examiner, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, all other than by way of an Undisclosed Administration;
- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied,

enforced or sued on or against all or substantially all its assets and that secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days of it;

- (i) causes or its subject to any event which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) (inclusive) above; or
- (j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence, in any of the acts referred to above.

1.2 Impaired Trustee

- (a) If, at any time, the Trustee becomes an Impaired Trustee, an Obligor or a Bridge Noteholder which is required to make a payment under the Bridge Finance Documents to the Trustee may instead either pay that amount direct to the required recipient or pay that amount to an interest-bearing account held with an Acceptable Bank and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Bridge Noteholder making the payment and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Bridge Finance Documents. In each case the payments must be made on the due date for payment under the Bridge Finance Documents.
- (b) All interest accrued on the amount standing to the credit of the trust account will be for the benefit of the beneficiaries of that trust account pro rata to their respective entitlements.
- (c) A Party which has made a payment in accordance with this Subclause will be discharged of the relevant payment obligation under the Bridge Finance Documents and will not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) Promptly on the appointment of a successor Trustee under this Agreement, each Party which has made a payment to a trust account in accordance with this Subclause must give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Trustee for distribution in accordance with Clause 9.3 (*Distribution*).

1.3 Replacement of Impaired Trustee

- (a) If the Trustee is an Impaired Trustee, after consultation with the Issuer, the Majority Bridge Noteholders may, by giving 30 days' notice (or any shorter notice the Majority Bridge Noteholders may agree) replace the Trustee by appointing a successor Trustee (acting through an office in the U.K.).
- (b) The replacement of the Trustee and appointment of a successor Trustee under this Subclause will take effect on the date specified in that notice.
- (c) Other than as set out in this Subclause, the provisions of Clause 16.12 (*Replacement of the Trustee*) apply to any replacement of the Trustee under this Subclause.

1.4 Other Trustee matters

The Trustee must provide to the Issuer within five Business Days of a request by the Issuer (but no more frequently than once per calendar month) a list (which may be in

electronic form) setting out the names of the Bridge Noteholders as at that Business Day, their respective holdings of Notes, the address and fax number (and the department or officer, if any, for whose attention any communication is to be made) of each Bridge Noteholder for any communication to be made or document to be delivered under or in connection with the Bridge Finance Documents, the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by each Bridge Noteholder to whom any communication under or in connection with the Bridge Finance Documents may be made by that means and the account details of each Bridge Noteholder for any payment to be distributed by the Trustee to that Bridge Noteholder under the Bridge Finance Documents.

1.5 Communication when Trustee is Impaired Trustee

If the Trustee is an Impaired Trustee the Parties may, instead of communicating with each other through the Trustee, communicate with each other directly and (while the Trustee is an Impaired Trustee) all the provisions of the Bridge Finance Document which require communications to be made or notices to be given to or by the Trustee will be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision will not operate after a replacement Trustee has been appointed.

26 DISCLOSURE OF INFORMATION

- (a) Each Finance Party must keep confidential and not disclose to anyone any information supplied to it by or on behalf of any member of the Group, any of their advisers or another Finance Party (if the information was obtained by that Finance Party directly or indirectly from any member of the Group or its advisers) in connection with the Bridge Finance Documents or of which it becomes aware of in its capacity as, or for the purpose of becoming, a Finance Party. Each Finance Party must ensure that all such information is protected with security measures and a degree of care that would apply to its own confidential information. However, a Finance Party is entitled to disclose information, subject to paragraph (c) below:
 - (i) which is or becomes publicly available, other than as a direct or indirect result of a breach by that Finance Party of this Clause;
 - (ii) if required or requested to do so by a governmental, banking, taxation, other regulatory authority, court of competent jurisdiction, the rules of relevant stock exchange or under any law or regulation, if the person to whom the information is to be given is informed of its confidential nature and that some or all of such information may be price-sensitive information except that there shall be no requirement to inform if, in the reasonable opinion of that Finance Party, it is not practicable to do so in the circumstances;
 - (iii) to its professional advisers which are subject to professional obligations to maintain the confidentiality of such information (or if not subject to professional obligations to maintain the confidentiality of such information, which is bound by an obligation of confidentiality to such Finance Party) and is informed in writing of its confidential nature and that some or all of such confidential information may be price-sensitive information;
 - (iv) to any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative investigations, proceedings or disputes relating to the

Bridge Finance Documents if the person to whom the confidential information is to be given is informed of its confidential nature and that some or all of such confidential information may be price-sensitive information;

- (v) which is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers;
- (vi) which is known by that Finance Party before the date the information is disclosed to it in accordance with the first paragraph of this paragraph (a) or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality;
- (vii) to another Party unless such Party has notified the Trustee under Clause 12.8 (*Information for Bridge Noteholders*) that it does not wish to receive information;
- (viii) with the agreement of the Issuer;
- (ix) to any person to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security Interests (or may do so) pursuant to Clause 24.6 (*Security over Bridge Noteholders' rights*), such confidential information as that Finance Party shall consider appropriate if the person to whom the confidential information is to be given is bound by an obligation of confidentiality to such Finance Party and is informed of its confidential nature and that some or all of such confidential information may be price-sensitive information;
- (x) to any of its Affiliates and Related Entities and any of its or their officers, directors, employees, professional advisers, auditors, investors, partners and Representatives, such confidential information as that Finance Party shall consider appropriate if any person to whom the confidential information is to be given pursuant to this paragraph (x) is bound by an obligation of confidentiality to such Finance Party (or is otherwise subject to professional obligations to maintain the confidentiality of the information) and is informed in writing of its confidential nature and that some or all of such confidential information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the confidential information;
- (xi) to any person with whom it may enter into, or has entered into, or who may invest in or otherwise finance, directly or indirectly, any kind of transfer, assignment, participation or other transaction or agreement in relation to this Agreement, the Bridge Finance Documents and/or one or more Obligors (a participant) and their Affiliates, Related Entities, Representatives and professional advisers such confidential information as that Finance Party shall consider appropriate if the person to whom the confidential information is to be given is informed that some or all of such confidential information may be price-sensitive information and is bound by an obligation of confidentiality to such Finance Party or is otherwise subject to professional obligations to maintain the confidentiality of the information; and

(xii) any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Notes or one or more Obligor the following information:

- (A) the names of Obligor;
- (B) the country of domicile of Obligor;
- (C) the place of incorporation of Obligor;
- (D) the date of this Agreement;
- (E) the name of the Trustee;
- (F) the date of each amendment or restatement of this Agreement;
- (G) the amount of the Notes in issuance;
- (H) the currency of the Notes;
- (I) the type of the Notes;
- (J) the ranking of the Notes;
- (K) the Final Maturity Date;

I. changes to any of the information previously supplied pursuant to sub-paragraphs (A) to (K) above once the Obligor has had reasonable opportunity to determine whether such information is price-sensitive information; and

II. such other information agreed between that Finance Party and the Issuer,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Obligor by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

Each Obligor represents that none of the information set out in sub-paragraphs I to II above is unpublished price-sensitive information.

- (b) This Clause supersedes any previous confidentiality undertaking given by a Finance Party in connection with this Agreement prior to it becoming a Party.
- (c) The Issuer shall not, and the Issuer shall procure that no member of the Group (or any person on its behalf or on behalf of any member of the Group) shall disclose any Fee Letter relating to the OID Fee or the Deferred Upfront Fee (or any information contained therein) to:
 - (i) any person other than a Secured Party;

- (ii) any of its Related Parties and any of its and their professional advisors and auditors; or
- (iii) any other person such confidential information as that the Issuer shall consider appropriate if any person to whom the confidential information is to be given pursuant to this paragraph (c) is bound by an obligation of confidentiality to the Issuer or is otherwise subject to professional obligations to maintain the confidentiality of the information) and is informed in writing of its confidential nature and that some or all of such confidential information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the confidential information,

without the prior written consent of the Majority Bridge Noteholders and the Issuer.

- (d) Paragraph (c) above does not apply to any announcement or disclosure required by law or regulation or any applicable stock exchange.

27 SET-OFF

If an Event of Default is continuing under Clause 15.2 (*Non-payment*), a Finance Party may set off any matured obligation owed to it by an Obligor under the Bridge Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to an Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

28 PRO RATA SHARING

1.1 Redistribution

If any amount owing by an Obligor under this Agreement to a Finance Party (the “**recovering Finance Party**”) is discharged by payment, set-off or any other manner other than in accordance with this Agreement (a recovery), then:

- (a) the recovering Finance Party must, within three Business Days, supply details of the recovery to the Trustee;
- (b) the Trustee must calculate whether the recovery is in excess of the amount which the recovering Finance Party would have received if the recovery had been received and distributed by the Trustee under this Agreement; and
- (c) the recovering Finance Party must pay to the Trustee an amount equal to the excess (the “**redistribution**”).

1.2 Effect of redistribution

- (a) The Trustee must treat a redistribution as if it were a payment by the relevant Obligor under this Agreement and distribute it among the Finance Parties, other than the recovering Finance Party, accordingly.

- (b) When the Trustee makes a distribution under paragraph (a) above, the recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in that redistribution.
- (c) If and to the extent that the recovering Finance Party is not able to rely on any rights of subrogation under paragraph (b) above, the relevant Obligor will owe the recovering Finance Party a debt which is equal to the redistribution, immediately payable and of the type originally discharged.
- (d) If:
 - (i) a recovering Finance Party must subsequently return a recovery, or an amount measured by reference to a recovery, to an Obligor; and
 - (ii) the recovering Finance Party has paid a redistribution in relation to that recovery,

each Finance Party must reimburse the recovering Finance Party all or the appropriate portion of the redistribution paid to that Finance Party, together with interest for the period while it held the redistribution. In this event, the subrogation in paragraph (b) above will operate in reverse to the extent of the reimbursement.

1.3 Exceptions

Notwithstanding any other term of this Clause, a recovering Finance Party need not pay a redistribution to the extent that:

- (a) it would not, after the payment, have a valid claim against the relevant Obligor in the amount of the redistribution; or
- (b) it would be sharing with another Finance Party any amount which the recovering Finance Party has received or recovered as a result of legal or arbitration proceedings, where:
 - (i) the recovering Finance Party notified the Trustee of those proceedings; and
 - (ii) the other Finance Party had an opportunity to participate in those proceedings but did not do so or did not take separate legal or arbitration proceedings as soon as reasonably practicable after receiving notice of them.

29 SEVERABILITY

If a term of a Bridge Finance Document is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, that will not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of the Bridge Finance Document; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of the Bridge Finance Document.

30 COUNTERPARTS

Each Bridge Finance Document may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of the Bridge Finance Document.

31 NOTICES

1.1 In writing

- (a) Any communication in connection with a Bridge Finance Document must be in writing and, unless otherwise stated, may be given:
 - (i) in person, by post or by email; or
 - (ii) to the extent agreed by the Parties making and receiving communication, by other electronic communication.
- (b) For the purpose of the Bridge Finance Documents, an electronic communication will be treated as being in writing.
- (c) In no event shall the Trustee be liable for any losses arising from it receiving or transmitting any data to the Issuer and/or any Bridge Noteholder or acting upon any notice, instruction or other communications via any Electronic Means. The Trustee has no duty or obligation to verify or confirm that the person who sent such instructions or directions is, in fact, a person authorised to give such instructions or directions. The Issuer and/or the Bridge Noteholders agree that the above security procedures, if any, to be followed in connection with a transmission of any such notice, instructions or other communications, provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.
- (d) Unless it is agreed to the contrary, any consent or agreement required under a Bridge Finance Document must be given in writing.

1.2 Contact details

- (a) Except as provided below, the contact details of each Party for all communications in connection with the Bridge Finance Documents are those notified by that Party for this purpose to the Trustee on or before the date it becomes a Party.
- (b) The contact details of the Issuer for this purpose are:

Address: Babylon Holdings Limited, 1 Knightsbridge Green, London, SW1X 7QA, United Kingdom

E-mail: david.humphreys@babylonhealth.com (with a copy to legal- corporate@babylonhealth.com)

Attention: David Humphreys
- (c) The contact details of the Trustee for this purpose are:

Address: Kroll Agency and Trustee Services Limited, The News Building, Level 6, 3 London Bridge Street, London SE1 9SG

Tel. Number: +44 (0) 20 7029 5258

Email: Deals@ats.kroll.com; sajdah.afzal@kroll.com

Attention: Sajdah Afzal

- (d) Any Party may change its contact details by giving five Business Days' notice to the Trustee or (in the case of the Trustee) to the other Parties.
- (e) Where a Party nominates a particular department or officer to receive a communication, a communication will not be effective if it fails to specify that department or officer.

1.3 Effectiveness

- (a) Except as provided below, any communication in connection with a Bridge Finance Document will be deemed to be given as follows:
 - (i) if delivered in person, at the time of delivery;
 - (ii) if posted, five days after being deposited in the post, postage prepaid, in a correctly addressed envelope; and
 - (iii) if by e-mail or any other electronic communication, when received in legible form.
- (b) A communication given under paragraph (a) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.
- (c) A communication to the Trustee will only be effective on actual receipt by it.

1.4 Obligors

All communications under the Bridge Finance Documents to or from an Obligor must be sent through the Trustee.

1.5 Use of websites

- (a) Except as provided below, the Issuer may deliver any information under this Agreement to a Bridge Noteholder by posting it on to an electronic website if:
 - (i) the Trustee and the Bridge Noteholders agree;
 - (ii) the Issuer and the Trustee designate an electronic website for this purpose;
 - (iii) the Issuer notifies the Trustee of the address of and password for the website; and
 - (iv) the information posted is in a format agreed between the Issuer and the Trustee.

The Trustee must supply each relevant Bridge Noteholder with the address of and password for the website.

- (b) Notwithstanding the above, the Issuer must supply to the Trustee in paper form a copy of any information posted on the website together with sufficient copies for:
- (c) any Bridge Noteholder not agreeing to receive information via the website; and

- (d) within ten Business Days of request any other Bridge Noteholder, if that Bridge Noteholder so requests.
- (e) The Issuer must, promptly upon becoming aware of its occurrence, notify the Trustee if:
 - (i) the website cannot be accessed;
 - (ii) the website or any information on the website is infected by any electronic virus or similar software;
 - (iii) the password for the website is changed; or
 - (iv) any information to be supplied under this Agreement is posted on the website or amended after being posted.

If the circumstances in subparagraphs (i) or (ii) above occur, the Issuer must supply any information required under this Agreement in paper form until the Trustee is satisfied that the circumstances giving rise to the notification are no longer continuing.

32 LANGUAGE

- (a) Any notice given in connection with a Bridge Finance Document must be in English.
- (b) Any other document provided in connection with a Bridge Finance Document must be:
 - (i) in English; or
 - (ii) (unless the Trustee otherwise agrees) accompanied by a certified English translation. In this case, the English translation prevails unless the document is a constitutional, statutory or other official document.

33 USA PATRIOT ACT

Each Bridge Noteholder that is subject to the requirements of the USA Patriot Act hereby notifies each Obligor that, pursuant to the requirements of the USA Patriot Act, such Bridge Noteholder is required to obtain, verify and record information that identifies such Obligor, which information includes the name and address of such Obligor and other information that will allow such Bridge Noteholder to identify such Obligor in accordance with the USA Patriot Act.

34 GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

35 ENFORCEMENT

1.1 Jurisdiction

- (a) The English courts have exclusive jurisdiction to settle any dispute including a dispute relating to any non-contractual obligation arising out of or in connection with any Bridge Finance Document.

- (b) The English courts are the most appropriate and convenient courts to settle any such dispute in connection with any Bridge Finance Document. Each Obligor agrees not to argue to the contrary and waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with any Bridge Finance Document.
- (c) This Clause is for the benefit of the Finance Parties only. To the extent allowed by law, a Finance Party may take:
 - (i) proceedings in any other court; and
 - (ii) concurrent proceedings in any number of jurisdictions.
- (d) References in this Clause to a dispute in connection with a Bridge Finance Document includes any dispute as to the existence, validity or termination of that Bridge Finance Document.

1.2 Service of process

- (a) Each Obligor not incorporated in England and Wales irrevocably appoints the Issuer as its agent under the Bridge Finance Documents for service of process in any proceedings before the English courts in connection with any Bridge Finance Document.
- (b) If any person appointed as process agent under this Clause is unable for any reason to so act, the Issuer (on behalf of all the Obligors) must immediately (and in any event within seven days of the event taking place) appoint another agent on terms acceptable to the Trustee. Failing this, the Trustee may appoint another process agent for this purpose.
- (c) Each Obligor agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings.
- (d) This Clause does not affect any other method of service allowed by law.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement and executed as a deed by the Original Obligors and is intended to be and is delivered by them as a deed on the date specified above and shall take effect as a deed notwithstanding the fact that the Security Agent and Trustee have executed this Agreement under hand.

Schedule 1

Original Parties

Part 1

Original Obligors

Issuer	Original Jurisdiction	Registration number (or equivalent, if any)
Babylon Holdings Limited	Jersey	115471

Name of Original Guarantor	Original Jurisdiction	Registration number (or equivalent, if any)
Babylon Group Holdings Limited	England and Wales	14707874
Babylon Healthcare Inc.	Delaware, United States	7309557
Babylon Partners Limited	England and Wales	08493276
Babylon Inc.	Delaware, United States	6861190

Part 2

The Original Bridge Noteholders

Name of Original Bridge Noteholder	Tranche 1 Notes (\$)	Tranche 2 Notes (\$)	Tranche 3 Notes (\$)
ALBACORE PARTNERS III INVESTMENT HOLDINGS DESIGNATED ACTIVITY COMPANY	5,271,955.06	4,393,295.88	3,514,636.71
ALBACORE PARTNERS II INVESTMENT HOLDINGS D DESIGNATED ACTIVITY COMPANY	2,682,204.81	2,235,170.68	1,788,136.54
ALBACORE STRATEGIC INVESTMENTS LP	231,225.32	192,687.77	154,150.21
VITALITY (IRELAND) FINANCING DESIGNATED ACTIVITY COMPANY	4,550,987.23	3,792,489.35	3,033,991.48
SC ACG EU PD SÀRL	1,063,627.58	886,356.32	709,085.06
Total	\$13,800,000	\$11,500,000	\$9,200,000

Schedule 2

Conditions Precedent Documents required to be delivered by an Additional Guarantor

1. THE ACCESSION AGREEMENT

An Accession Agreement, duly executed by the Additional Guarantor and the Issuer.

2. ADDITIONAL GUARANTOR

- (a) A copy of the constitutional documents of the Additional Guarantor (including a copy of any consents issued by the Jersey Financial Services Commission pursuant to the Control of Borrowing (Jersey) Order 1958 in respect of any Jersey Obligor).
- (b) A copy of a resolution of the board of directors (or, if applicable, a committee of its board of directors, managers, or other equivalent officers (or, if required by local law, management or supervisory board, as applicable)) of the Additional Guarantor:
 - (i) approving the terms of, and the transactions contemplated by, the Accession Agreement and the Bridge Finance Documents and resolving that it execute the Accession Agreement;
 - (ii) authorising a specified person or persons to execute the Accession Agreement on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices to be signed and/or despatched by it under or in connection with the Bridge Finance Documents.
- (c) A specimen of the signature of each person authorised on behalf of the Additional Guarantor to enter into or witness the entry into of any Bridge Finance Document or to sign or send any document or notice in connection with any Bridge Finance Document.
- (d) (As appropriate) a copy of a resolution signed by all the holders of the issued shares of the Additional Guarantor, approving the terms of, and the transactions contemplated by, the Bridge Finance Documents to which the Additional Guarantor is a party.
- (e) (As appropriate) a copy of a resolution of the board of directors of each corporate shareholder in the Additional Guarantor approving the terms of the resolution referred to in paragraph (d).
- (f) A certificate of the Issuer or the Additional Guarantor (signed by a director or other equivalent officer) confirming that utilisation, guaranteeing, or securing, as appropriate, the Notes would not cause any borrowing, guaranteeing, security or similar limit binding on the Additional Guarantor to be exceeded.
- (g) A certificate of an authorised signatory of the Issuer or the Additional Guarantor certifying that each copy document listed in this schedule is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Agreement.

3. LEGAL OPINIONS

- (a) The following legal opinions, each addressed to the Trustee and the Bridge Noteholders:
 - (i) A legal opinion of the legal advisers of the Trustee and the Bridge Noteholders as to English law in the form distributed to the Trustee prior to signing the Accession Agreement.
 - (ii) If the Additional Guarantor is incorporated in a jurisdiction other than England and Wales or is executing a Bridge Finance Document which is governed by a law other than English law, a legal opinion of the legal advisers in the jurisdiction of its incorporation and/or the jurisdiction of the governing law of that Bridge Finance Document (the “**Applicable Jurisdiction**”) as to the law of the Applicable Jurisdiction and substantially in the form distributed to the Trustee prior to signing the Accession Agreement.

4. OTHER DOCUMENTS AND EVIDENCE

- (a) If the proposed Additional Guarantor is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in Clause 35.2 (*Service of process*), if not an Obligor, has accepted its appointment in relation to the proposed Additional Guarantor.
- (b) Any Transaction Security Documents which are required by the Trustee to be executed by the proposed Additional Guarantor and any notices or documents required to be given or executed under the terms of those Transaction Security Documents (unless the relevant Transaction Security Document does not require such notice or document to be given or executed prior to the expiry of a specified grace period).
- (c) If the Additional Guarantor is not incorporated in England and Wales, Scotland or Northern Ireland, such documentary evidence, if available, as the Bridge Noteholders may require, that such Additional Obligor has complied with any law in its jurisdiction relating to financial assistance or analogous process.
- (d) If available, a copy of the latest audited financial statements of the Additional Guarantor.
- (e) In respect of:
 - (i) the Additional Guarantor if it is incorporated in the United Kingdom and its shares are the subject of the Transaction Security; and
 - (ii) each Issuer incorporated in the United Kingdom whose shares are the subject of the Transaction Security created by the Additional Guarantor.(each a **Charged Issuer**), either:
 - (A) a certificate of an authorised signatory of the Issuer certifying that:
 - (I) each member of the Group has complied within the relevant timeframe with any notice it has received

pursuant to Part 21A of the Companies Act 2006 from that Charged Issuer; and

- (II) no “warning notice” or “restrictions notice” (in each case as defined in Schedule 1B of the Companies Act 2006) has been issued in respect of those shares,

together with a copy of the “PSC register” (within the meaning of section 790C(10) of the Companies Act 2006) of that Charged Issuer, which, in the case of a Charged Issuer that is a member of the Group, is certified by an authorised signatory of the Issuer to be correct, complete and not amended or superseded as at a date no earlier than the date of the Accession Agreement; or

- (B) a certificate of an authorised signatory of the Issuer certifying that such Charged Issuer is not required to comply with Part 21A of the Companies Act 2006.

- (f) Evidence that the fees, costs and expenses then due from the Issuer in respect of the Accession Agreement have been paid.
- (g) A copy of any other Authorisation or other document, opinion or assurance which the Trustee considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Agreement or for the validity and enforceability of any Bridge Finance Document.
- (h) Evidence of compliance with “know your customer” requirements of any Finance Party (in accordance with their general business requirements and the laws applicable to the Additional Guarantor).

Schedule 3

Form of Minimum Liquidity Compliance Certificate

To: [●] as Trustee

From: Babylon Holdings Limited as the Issuer

Date: [●]

Dear Sir / Madam,

**BABYLON HOLDINGS LIMITED – Bridge Loan Notes Facility Agreement
dated [●] 2023 (the Agreement)**

1. We refer to the Agreement. This is a Minimum Liquidity Compliance Certificate. Terms defined in the Agreement have the same meaning in this Minimum Liquidity Compliance Certificate unless given a different meaning in this Minimum Liquidity Compliance Certificate. This Minimum Liquidity Compliance Certificate is a Bridge Finance Document.
2. [In accordance with Clause 13.3 (*Liquidity*) of the Agreement, we confirm that the Liquidity of the Group is \$[●] as at the Test Date is _____ [2023] [and that forecast Liquidity is in excess of the amount set out in column II of the table at paragraph (a) of Clause 13.3 (*Liquidity*) for each week commencing on the date set out in Column I of the table in that Clause for the 13 week forecast period in the Cashflow Forecast appended to this Certificate], and that therefore the covenant in paragraph (a) of Clause 13.3 (*Liquidity*) of the Agreement [has] / [has not] been complied with.]
3. [In accordance with Clause 13.4 (*Liquidity requirement following the completion of a Recapitalisation Process or the M&A Process*) of the Agreement, we confirm that the Liquidity of the Group is \$[●] on _____ [2023] and that therefore the Monthly Minimum Liquidity Requirement [has] / [has not] been complied with.]

Signed

[Director]

Signed

[Chief Financial Officer of the Issuer/ Finance Director]

Schedule 4

Form of Compliance Certificate

To: [●] as Trustee

From: [●] as the Issuer

Date: []

BABYLON HOLDINGS LIMITED – Bridge Loan Notes Facility Agreement dated [●] (the Agreement)

1. We refer to the Agreement. This is a Compliance Certificate.
2. We confirm that as at [relevant testing date]:
 - 1.1 the aggregate gross assets and aggregate net assets of the members of the Group that are Guarantors (excluding all intra-Group items) represents [●] of the value of the total assets or net assets (respectively) of the Group;
 - 1.2 the aggregate revenues of the members of the Group that are Guarantors represents [●] of the value of the consolidated revenue of the Group; and
 - 1.3 each of the following entities is a Material Company:
[].
3. We set out below calculations establishing the figures in paragraph 2 above:
[].
4. We confirm that the guarantor coverage test set out in Clause [13.5] is met at [relevant testing date].
5. [We confirm that no Default is outstanding as at [relevant testing date].

[THE ISSUER]

By: By:

Director Chief Financial Officer / Group Finance Director

Schedule 5

Form of Accession Agreement

To: [●] as Trustee and [●] as Security Agent for itself

From: [THE ISSUER] and [Proposed Additional Guarantor]¹

Date: [●]

**BABYLON HOLDINGS LIMITED – Bridge Loan Notes Facility Agreement
dated [●] 2023 (the Agreement)**

We refer to the Agreement. This is an Accession Agreement.

[Name of Issuer] of [address/registered office] agrees to become an Additional Guarantor² and to be bound by the terms of the Agreement as an Guarantor.³

[This Accession Agreement is intended to take effect as a deed.]⁴

This Accession Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

[THE ISSUER]

By:

[PROPOSED ADDITIONAL GUARANTOR]¹

By:

¹ Delete as applicable.

² Delete as applicable.

³ Delete as applicable.

⁴ If there is a concern whether there is any consideration for giving a guarantee, this Accession Agreement should be executed as a deed by the new Guarantor.

Schedule 6
Form of Certificate

[Face of Certificate]

THE NOTES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE NOTES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

US\$ [●] No. [000000]

Babylon Holdings Limited

(incorporated with limited liability under the laws of Jersey)

Unconditionally and irrevocably guaranteed by

Babylon Group Holdings Limited

(incorporated with limited liability under the laws of England & Wales)

Babylon Partners Limited

(incorporated with limited liability under the laws of England & Wales)

Babylon Healthcare Inc.

(incorporated with limited liability under the laws of Delaware)

Babylon Inc.

(incorporated with limited liability under the laws of Delaware)

US\$[●] Notes due 2026

This Certificate is issued in respect of the US\$[] (*TRANCHE NOMINAL AMOUNT*) Notes due 2026 [to be consolidated and form a single series with the US\$[] [*SERIES NOMINAL AMOUNT*] on [*insert last day of first interest period of new tranche*]] of Babylon Holdings Limited (the "Issuer") issued in integral multiples of US\$0.01 in excess thereof.

References herein to the "Bridge Notes Facility Agreement" (or to any particular clause reference) shall be to the bridge loan notes facility agreement between (among others) the Trustee and the Issuer dated [●] set out below. Words and expressions defined in the Bridge Notes Facility Agreement shall bear the same meaning when used in this Certificate. This Certificate is issued with the benefit of, and subject to the provisions contained in, the Bridge Notes Facility Agreement and the subscription agreement between the Original Bridge Noteholders and the Issuer dated [●] (the "Subscription Agreement").

This Certificate is issued in respect of Notes having an aggregate principal amount of:

[U.S.\$] [] ([] [UNITED STATES DOLLARS])

THIS IS TO CERTIFY that [] is/are the registered holder(s) of the Notes to which this Certificate relates and is/are entitled to such interest and other amounts as are payable under the Bridge Notes Facility Agreement, all subject to and in accordance with the Bridge Notes Facility Agreement. The statements in the legend set out above are an integral part of the terms of this Certificate and, by acceptance of this Certificate, the registered holder of the Notes to which this Certificate relates agrees to be subject to and bound by the terms and provisions set out in the legend.

This Certificate is not a document of title. Entitlements are determined by entry in the Register and only the duly registered holder from time-to-time is entitled to payment in respect of this Certificate.

Any notices in connection with this Note shall be sent to [Address] or [Email] to the attention of [●].

This Certificate and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with English law.

If any provision in or obligation under the Notes evidenced by this Certificate is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair (i) the validity, legality or enforceability under the law of that jurisdiction of any other provision in or obligation under the Notes evidenced by this Certificate, or (ii) the validity, legality or enforceability under the law of any other jurisdiction of that or any other provision in or obligation under the Notes evidenced by this Certificate.

IN WITNESS whereof this Certificate has been executed on behalf of the Issuer.

Dated:

Babylon Holdings Limited

By:

[Reverse of Note]

BRIDGE NOTES FACILITY AGREEMENT

[insert]

ISSUER

Babylon Holdings Limited

Form of Transfer of Note

FOR VALUE RECEIVED the undersigned sell(s), assign(s) and transfer(s) to:

(Please print or type name and address (including postal code) of transferee)

US\$[●] principal amount of the Notes evidenced by this Certificate and all rights hereunder, hereby irrevocably constituting and appointing Babylon Holdings Limited as attorney to transfer such principal amount of Notes in the register maintained by Babylon Holdings Limited with full power of substitution.

Signature(s)___

—

The undersigned is acquiring US\$[●] principal amount of the Notes evidenced by this Certificate and agrees to be bound by the obligations equivalent to those from which the transferor was bound under the Notes.

Signature(s)___

—

Date:___

NOTE:

1. This form of transfer must be accompanied by such documents, evidence and information as may be required pursuant to the Bridge Notes Facility Agreement, must be endorsed on the Certificate to which this form of transfer relates and must be executed under the hand of the transferor or, if the transferor is a corporation, this form of transfer must be executed either under its common seal or (a) in the case of a company incorporated in England and Wales, under the hand of two of its officers duly authorised in writing or (b) in the case of a foreign company, by way of the signature of any person(s) who, under the laws of the country of incorporation of that company, is/are acting under the authority of the company, and, in the case of (a) and (b) the document so authorising the officers must be delivered with this form of transfer.

- 2 . The signature(s) on this form of transfer must correspond with the name(s) as it/they appear(s) on the face of this Certificate in every particular, without alteration or enlargement or any change whatever.

SIGNATORIES

The Issuer

EXECUTED as a DEED by)
BABYLON HOLDINGS LIMITED)
according to the laws of its jurisdiction)

/s/ Ali Parsadoust

Authorized Signatory

Notice Details

Address: 1 Knightsbridge Green, London, SW1X 7QA, United Kingdom

Attention: David Humphreys

Email: david.humphreys@babylonhealth.com (with a copy to legal- corporate@babylonhealth.com)

[Project Garden - Bridge Loan Notes Facility Agreement - Signature Page]

Original Guarantors

EXECUTED as a DEED by)
BABYLON GROUP)
HOLDINGS LIMITED)
and signed on its behalf by:)
)

/s/ Ali Parsadoust

Authorized Signatory

in the presence of:

/s/ Mairi Johnson

Witness

Witness name: Mairi Johnson

Witness address: Apt 6, 34 West 13th St, New York, 10011

Witness Occupation: :Executive

Notice Details

Address: 1 Knightsbridge Green, London, SW1X 7QA, United Kingdom

Attention: David Humphreys

Email: david.humphreys@babylonhealth.com (with a copy to legal- corporate@babylonhealth.com)

[Project Garden - Bridge Loan Notes Facility Agreement - Signature Page]

Original Guarantors

EXECUTED as a DEED by)
BABYLON HEALTHCARE INC.)
according to the laws of its jurisdiction)
)

/s/ Paul-Henri Ferrand

Authorized Signatory

Notice Details

Address: 1 Knightsbridge Green, London, SW1X 7QA, United Kingdom

Attention: David Humphreys

Email: david.humphreys@babylonhealth.com (with a copy to legal- corporate@babylonhealth.com)

[Project Garden - Bridge Loan Notes Facility Agreement - Signature Page]

Original Guarantors

EXECUTED as a DEED by)
BABYLON PARTNERS LIMITED)
and signed on its behalf by:)
)

/s/ Ali Parsadoust

Authorized Signatory

in the presence of:

/s/ Mairi Johnson

Witness

Witness name: Mairi Johnson

Witness address: Apt 6, 34 West 13th St, New York, 10011

Witness Occupation: :Executive

Notice Details

Address: 1 Knightsbridge Green, London, SW1X 7QA, United Kingdom

Attention: David Humphreys

Email: david.humphreys@babylonhealth.com (with a copy to legal- corporate@babylonhealth.com)

Original Guarantors

EXECUTED as a DEED by
BABYLON INC.
according to the laws of its jurisdiction

)
)
)
)

/s/ Paul-Henri Ferrand

Authorised Signatory

Notice Details

Address: 1 Knightsbridge Green, London, SW1X 7QA, United Kingdom

Attention: David Humphreys

Email: david.humphreys@babylonhealth.com (with a copy to legal- corporate@babylonhealth.com)

The Trustee

SIGNED by

KROLL TRUSTEE SERVICES LIMITED

acting by:

)
)
)
)
)
)

/s/ Sajdah Afzal

Authorised Signatory

Notice Details

Address: Kroll Agency and Trustee Services Limited

The News Building, Level 6,

3 London Bridge Street

London SE1 9SG

Attention: Sajdah Afzal & Kroll Agency Services

Email: sajdah.afzal@kroll.com & Deals@ats.kroll.com

[Project Garden - Bridge Loan Notes Facility Agreement - Signature Page]

The Security Agent

SIGNED by
KROLL TRUSTEE SERVICES LIMITED
acting by:

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)
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)
)

/s/ Sajdah Afzal

Authorised Signatory

Notice Details

Address: Kroll Agency and Trustee Services Limited

The News Building, Level 6,

3 London Bridge Street

London SE1 9SG

Attention: Sajdah Afzal & Kroll Agency Services

Email: sajdah.afzal@kroll.com & Deals@ats.kroll.com

[Project Garden - Bridge Loan Notes Facility Agreement - Signature Page]

15 March 2023

BABYLON HOLDINGS LIMITED

SUPPLEMENTAL DEED POLL

relating to

US\$300,000,000

Notes due 2026

THIS SUPPLEMENTAL DEED POLL is made on 15 March 2023 by Babylon Holdings Limited (the “**Issuer**”) and Babylon Group Holdings Limited (“**Babylon Group Holdings**”) in favour of the registered holders of the US\$300,000,000 Notes due 2026 (the “**Notes**”, which expression shall, unless the context otherwise requires, include any further notes issued pursuant to Condition 19 and forming a single series with the Notes) and constituted by a deed poll dated 4 November 2021 (as previously supplemented and amended by a first supplemental deed poll on 31 March 2022) entered into by the Issuer (the “**Principal Deed Poll**”). The Principal Deed Poll as supplemented and amended by this supplemental deed poll (this “**Supplemental Deed Poll**”), shall be referred to as the “**Deed Poll**”.

WHEREAS:

- (A) The various amendments to the Conditions (as defined below) were approved by Holders.
- (B) The Notes shall have the terms and conditions (the “**Conditions**”) set out in Schedule 2 (*Terms and Conditions of the Notes*).
- (C) In connection with the various amendments to the Principal Deed Poll, the Obligors agree to grant the guarantees and indemnities set out in Condition 2 (*Guarantee and Indemnity*) of the Terms and Conditions of the Notes.

NOW THIS DEED WITNESSES as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Capitalised terms used but not defined in this Supplemental Deed Poll shall have the same meanings given to them in the Conditions, unless otherwise defined herein.
- 1.2 In this Supplemental Deed Poll:
 - (a) “**Effective Date**” means the date on which the Holders give notice to the Issuer that it has received each of the documents and other evidence listed in Schedule 1 (*Conditions Precedent*) in form and substance satisfactory to the Holders.
 - (b) “**Obligor**” means each of the Issuer and Babylon Group Holdings.

2. MODIFICATIONS TO THE PRINCIPAL DEED POLL

- (a) With effect from the Effective Date:
 - (i) the Principal Deed Poll is hereby modified by the deletion of the “Terms and Conditions of the Notes” set out in Schedule 1 thereto and the substitution therefor of the “Terms and Conditions of the Notes” set out in Schedule 2 hereto, as the same may from time to time be modified in accordance with the Deed Poll and all references to the “Conditions” in the Principal Deed Poll shall be construed accordingly; and
 - (ii) the Principal Deed Poll is hereby modified by deletion of the “Form of Certificate” set out in Schedule 2 of the Principal Deed Pool and the substitution therefor of the “Form of Certificate” set out in Schedule 3 hereto, as the same may from time to time be modified in accordance with the Deed Poll.
- (a) This Supplemental Deed Poll is supplemental to the Principal Deed Poll and, otherwise as set out herein, the provisions of the Principal Deed Poll and the Notes shall continue in full force and effect. This Supplemental Deed Poll and the Principal Deed poll shall henceforth be read and construed together as one deed so that all references in the Principal Deed Poll to “this Deed Poll” shall be deemed to refer to the Principal Deed Poll as amended and supplemented by this Supplemental Deed Poll.
- (b) Each Obligor represents and warrants to each Holder that it has all corporate power, and has taken all necessary corporate or other steps, to enable it to execute, deliver and perform this Supplemental Deed Poll, and that this Supplemental Deed Poll constitutes a legal, valid and binding obligation of such Obligor enforceable in accordance with its terms, subject to Legal Reservations.

- (c) This Supplemental Deed Poll shall take effect as a deed poll for the benefit of the Holders from time to time.
- (d) Each Obligor acknowledges the right of every Holder to the production of, and the right of every Holder to obtain a copy of, the Deed Poll, and further acknowledges and covenants that the obligations binding upon it contained in this Supplemental Deed Poll are owed to, and shall be for the account of, each and every Holder, and that each Holder shall be entitled severally to enforce those obligations against the relevant Obligor.

3. **FEES COSTS AND EXPENSES**

- (a) In connection with the Holders consenting to the amendments to the Principal Deed Poll as set out in this Supplemental Deed Poll, the Issuer agrees to pay to the Holders a consent fee of 0.50 per cent. of the aggregate principal amount of the Notes as at the Effective Date *pro rata* to the amount of the Notes held by the relevant Holder on the Effective Date (the “**Consent Fee**”).
- (b) The amount of the Consent Fee will on the Effective Date be capitalised and added to the outstanding principal amount of the Notes and satisfy the requirement pursuant to payment (a) above. Following an increase in the principal amount of the outstanding Notes as a result of the capitalisation of the Consent Fee, the Notes will bear interest on such increased amount from and after the Effective Date.

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IN WITNESS whereof this Supplemental Deed Poll has been entered into as a deed poll by each Obligor on the date which appears on the first page of this Supplemental Deed Poll.

EXECUTED as a **DEED** by

BABYLON HOLDINGS LIMITED
according to the laws of its jurisdiction

By:

/s/ Ali Parsadoust

Name: Ali Parsadoust

Title: Director

[Project Garden – Supplemental Deed Poll – Signature Page]

EXECUTED as a **DEED** by

BABYLON GROUP HOLDINGS LIMITED

and signed on its behalf by:

By:

/s/ Ali Parsadoust

Name: Ali Parsadoust

Title: Director

in the presence of:

/s/ Mairi Johnson

Witness

Witness name:

Mairi Johnson

Witness address:

34 West 13th St, New York, 10011

Witness occupation:

Healthcare executive

Schedule 1

CONDITIONS PRECEDENT

1. Obligors

- (a) A copy of the constitutional documents and/or registry extracts (as applicable) of each Obligor (including a copy of any consents issued by the Jersey Financial Services Commission pursuant to the Control of Borrowing (Jersey) Order 1958 in respect of the Issuer).
- (b) A copy of a resolution of the board of directors, board of managers, member or other equivalent governing body and/or the shareholders of each Obligor (in each case to the extent required by law):
 - (i) approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Transaction Documents to which it is a party on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Transaction Documents to which it is a party.
- (c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above (or otherwise being generally authorised to represent the relevant Obligor), in each case to the extent such person will execute a Transaction Document.
- (d) A certificate of an authorised signatory of the relevant Obligor:
 - (i) confirming that issuance and/or guarantee by that Obligor of the Notes (as applicable) would not breach any borrowing, guarantee or similar limit binding on that Obligor (in each case subject to any limitations set out in the Transaction Documents);
 - (ii) confirming the solvency of each Obligor and its ability to issue and/or guarantee the Notes (as applicable); and
 - (iii) certifying that each copy document relating to it and specified in paragraphs (a) to (c) as being delivered by it is correct, complete and (to the extent executed) in full force and effect as at a date no earlier than the date of this Supplemental Deed Poll.
- (e) **Transaction Documents**
 - (i) A copy of each of the following in agreed form, duly executed by the Obligors party to them:
 - (A) the Intercreditor Agreement;
 - (B) the Bridge Loan Note Facility Agreement;
 - (C) the bridge subscription agreement entered into on 9 March 2023 between, among others, the Issuer and the entities listed therein as Original Bridge Noteholders;
 - (D) the Warrant Amendment Documentation;

- (E) the agreement for the sale and purchase of the entire issued share capital of Babylon Healthcare Services Limited, Babylon Partners Limited and Babylon Inc. to be entered into by the Issuer as seller and Babylon Group Holdings Limited as purchaser on or about the date of the Bridge Loan Note Facility Agreement;
- (F) the Agreed Bridge Equity Issue Shares Documentation; and
- (G) the Transaction Security Documents listed in the table below:

Name of party to Security Document	Security Document	Governing law of Security Document
Babylon Holdings Limited	Security agreement over the Issuer's Jersey situated intangible moveable property	Jersey
Babylon Holdings Limited	Debenture creating fixed and floating security over all assets (including its shares in Babylon Group Holdings Limited, Babylon International Limited and any of its Subsidiaries)	England
Babylon Group Holdings Limited	Debenture creating fixed and floating security over all assets (including its shares in Babylon Partners Limited and Babylon Healthcare Services Limited)	England
Babylon Group Holdings Limited	Charge over its shares in Babylon Inc.	New York

- (H) A copy of all notices, certificates and other documents (including, without limitation, Uniform Commercial Code financing statements and intellectual property security agreements) required to be sent, executed, delivered, or filed, as applicable under the

Transaction Security Documents on the date of execution of the relevant Transaction Security Documents, executed by the applicable Obligor.

- (I) All share certificates, transfers, stock transfer forms and stock powers or any equivalent of the foregoing duly executed by the relevant Obligor in blank in relation to the assets subject to or expressed to be subject to the Transaction Security and other documents of title to be provided under the Transaction Security Documents, in each case only to the extent that such documents are required to be provided on the date of execution of the relevant Transaction Security Documents.
- (J) A consent letter (in the form acceptable to the Holders) executed by the Issuer consenting to the registration of the security interests to be created pursuant to any Transaction Security Document governed by Jersey law on the security interests register maintained under Part 8 of the Security Interests (Jersey) Law 2012.

(f) **Legal Opinions**

(i) The following legal opinions:

- (A) A legal opinion of Kirkland & Ellis International LLP, counsel to the Holders as to English law, in relation to the enforceability of this Deed Poll, and the capacity and authority of Babylon Group Holdings Limited to enter into the Transaction Documents to which it is a party, such legal opinion to be in substantially the form distributed to the Holders prior to the date of this Supplemental Deed Poll.
- (B) A legal opinion of Ogier (Jersey) LLP, counsel to the Holders as to Jersey law, in relation to the enforceability of the Transaction Security Documents governed by Jersey law, such legal opinion to be in substantially the form distributed to the Holders prior to the date of this Supplemental Deed Poll.
- (C) A legal opinion of Walkers (Jersey) LLP, counsel to the Holders as to Jersey law, in relation to the capacity and authority of the Issuer incorporated under the laws of Jersey to enter into the Transaction Documents to which it is a party, such legal opinion to be in substantially the form distributed to the Holders prior to the date of this Supplemental Deed Poll.

(g) **Other Documents**

- (A) A copy of the Cashflow Forecast agreed between the Issuer and the Holders for the week ending immediately prior to the Effective Date.
- (B) A copy of the group structure chart.
- (C) Evidence that all fees, costs and expenses have been or will be paid within five (5) Business Days of the Effective Date.
- (D) Evidence that the Original Issue Date has occurred or will occur on or prior to the Effective Date.
- (E) In respect of each company incorporated in the United Kingdom whose shares are the subject of the Transaction Security (a **'Charged Company'**), either:

- (i) a certificate of an authorised signatory of the Issuer certifying that:
 - (1) each member of the Group has complied within the relevant timeframe with any notice it has received pursuant to Part 21A of the Companies Act 2006 from that Charged Company; and
 - (2) no “warning notice” or “restrictions notice” (in each case as defined in Schedule 1B of the Companies Act 2006) has been issued in respect of those shares,together with a copy of the “PSC register” (within the meaning of section 790C(10) of the Companies Act 2006) of that Charged Company, which, in the case of a Charged Company that is a member of the Group, is certified by an authorised signatory of the Issuer to be correct, complete and not amended or superseded as at a date no earlier than the date of this Supplemental Deed Poll; or
- (ii) a certificate of an authorised signatory of the Issuer certifying that such Charged Company is not required to comply with Part 21A of the Companies Act 2006.

Schedule 1

TERMS AND CONDITIONS OF THE NOTES

The US\$300,000,000 Notes due 2026 (the “**Notes**”) of Babylon Holdings Limited (the “**Issuer**”) are constituted by a Deed Poll entered into by the Issuer on 4 November 2021 as previously supplemented and amended by a supplemental deed poll dated 31 March 2022 (the “**Principal Deed Poll**”) and as further supplemented and amended by a supplemental deed poll (the “**Supplemental Deed Poll**”) entered into by the Issuer and Babylon Group Holdings Limited (“**Babylon Group Holdings**” and, together with the Issuer, the “**Obligors**”) on 15 March 2023 (the Principal Deed Poll as so supplemented and amended by the Supplemental Deed Poll, the “**Deed Poll**”).

1. FORM, DENOMINATION, TITLE, STATUS AND GUARANTEE

(a) Form and Denomination

The Notes are issued in registered form, serially numbered, in nominal amounts of US\$200,000 and integral multiples of US\$1,000 in excess thereof (the “**Authorised Denominations**”). A certificate (each a “**Certificate**”) will be issued to each Holder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the Register (as defined in Condition 6(a)).

(b) Title

Title to the Notes will pass by transfer and registration in the Register as described in Condition 6. The Holder (as defined below) of any Note will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or its theft or loss (or that of the related certificate, as appropriate) or anything written on it or on the certificate representing it (other than a duly executed transfer thereof)) and no person will be liable for so treating the Holder.

(c) Status of the Notes

The Notes constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable laws, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

2. GUARANTEE AND INDEMNITY

The obligations of the Issuer in respect of the Notes have been unconditionally and irrevocably guaranteed by Babylon Group Holdings pursuant to this clause (the “**Guarantee**”).

The obligations of Babylon Group Holdings under the Guarantee constitute direct, unconditional and unsecured obligations of the Guarantor and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of Babylon Group Holdings under the Guarantee shall, save for such exceptions as may be provided by applicable laws, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

(a) Guarantee and indemnity

Each Obligor jointly and severally and irrevocably and unconditionally:

- (i) guarantees to each Holder punctual performance by each Obligor of all that Obligor’s obligations under the Notes;
- (ii) undertakes with each Holder that, whenever another Obligor does not pay any amount when due under or in connection with the Notes, that Obligor shall immediately on demand pay that amount as if it was the principal obligor; and

- (iii) agrees with each Holder that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Holder immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under the Notes on the date when it would have been due. The amount payable by an Obligor under this indemnity will not exceed the amount it would have had to pay under this Clause 2 if the amount claimed had been recoverable on the basis of a guarantee.

(b) **Continuing guarantee**

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Notes, regardless of any intermediate payment or discharge in whole or in part.

(c) **Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Holder in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration, examinership or otherwise without limitation, then the liability of each Obligor under this Clause 2 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

(d) **Waiver of defences**

The obligations of each Obligor under this Clause 2 will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause 2 (without limitation and whether or not known to it or any Holder). This includes:

- (i) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (ii) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (v) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of the Notes or any other document or security including without limitation any change in the purpose of, any extension of or any increase in the Notes or the addition of any new facility under the Notes or other document or security;
- (vi) any unenforceability, illegality or invalidity of any obligation of any person under the Notes or any other document or security; or
- (vii) any insolvency or similar proceedings.

(e) **Obligor intent**

Without prejudice to the generality of paragraph (d) above, each Obligor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Notes, additional Notes or amount made available under any of the Transaction Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other

variation or extension of the purposes for which the Notes, additional Notes or any amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

(f) **Immediate recourse**

Each Obligor waives any right it may have of first requiring any Holder (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Obligor under this Clause 2. This waiver applies irrespective of any law or any provision of a Transaction Document to the contrary.

(g) **Appropriations**

Until all amounts which may be or become payable by the Obligors under or in connection with the Transaction Documents have been irrevocably paid in full, each Holder (or any trustee or agent on its behalf) may:

- (i) refrain from applying or enforcing any other moneys, security or rights held or received by that Holder (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Obligor shall be entitled to the benefit of the same; and
- (ii) hold in an interest-bearing suspense account any moneys received from any Obligor or on account of any Obligor's liability under this Clause 2.

(h) **Deferral of Obligors' rights**

Until all amounts which may be or become payable by the Obligors under or in connection with the Transaction Documents have been irrevocably paid in full and unless the Holders otherwise directs, no Obligor will exercise any rights which it may have by reason of performance by it of its obligations under the Transaction or by reason of any amount being payable, or liability arising, under this Clause 2:

- (i) to be indemnified by an Obligor;
- (ii) to claim any contribution from any other Obligor of any Obligor's obligations under the Transaction Documents;
- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Holders under the Transaction Documents or of any other guarantee or security taken pursuant to, or in connection with, the Transaction Documents by any Holder;
- (iv) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Obligor has given a guarantee, undertaking or indemnity under paragraph (a);
- (v) to exercise any right of set-off against any Obligor; and/or
- (vi) to claim or prove as a creditor of any Obligor in competition with any Holder.
- (vii) If an Obligor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Holders by the Obligors under or in connection with the Transaction Documents to be repaid in full on trust for the Holders and shall promptly pay or transfer the same to the Holders or as the Holders may direct for application in accordance with Condition 9 (*Payments*).

(i) **Release of Obligors' right of contribution**

If any Obligor (a "**Retiring Obligor**") ceases to be an Obligor in accordance with the terms of the Transaction Documents for the purpose of any sale or other disposal of that Retiring Obligor of then on the date such Retiring Obligor ceases to be an Obligor:

- (i) that Retiring Obligor is released by each other Obligor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Obligor arising by reason of the performance by any other Obligor of its obligations under the Transaction Documents; and
- (ii) each other Obligor waives any rights it may have by reason of the performance of its obligations under the Transaction Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Holders under any Transaction Document or of any other security taken pursuant to, or in connection with, any Transaction Document where such rights or security are granted by or in relation to the assets of the Retiring Obligor.

(j) **Additional security**

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Holder.

(k) **Limitations on Guarantees**

This guarantee does not apply to any liability to the extent that it would result in this guarantee constituting unlawful financial assistance within the meaning of sections 678 or 679 of the Companies Act 2006 or would constitute an unlawful distribution or reduction of capital or any equivalent and applicable provisions under the laws of the jurisdiction of incorporation of the relevant Obligor.

(l) **Waiver of Jersey law customary rights**

- (i) Any right which at any time the Issuer may have under the existing or future laws of Jersey whether by virtue of the droit de discussion or otherwise to require that recourse be had to the assets of any other person before any claim is enforced against the Issuer in respect of the obligations assumed by the Issuer under or in connection with any Transaction Document is hereby waived.
- (ii) Any right which at any time the Issuer may have under the existing or future laws of Jersey whether by virtue of the droit de division or otherwise to require that any liability under any guarantee or indemnity given in or in connection with any Transaction Document be divided or apportioned with any other person or reduced in any manner whatsoever is hereby waived.

3. DEFINITIONS

In these Conditions, unless otherwise provided, the following definitions shall apply:

“**Acceptable Bank**” means:

- (i) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by S&P or Fitch or A3 or higher by Moody's or a comparable rating from an internationally recognised credit rating agency; or
- (ii) any other bank or financial institution approved by the Holder Majority.

“**Acceptable Funding Sources**” means the proceeds of:

- (i) an issue of equity in the Issuer; or
- (ii) any Permitted Subordinated Debt.

“**Accounting Principles**” means:

- (i) in relation to the consolidated financial statements of the Group or the Issuer, US GAAP; and
- (ii) in relation to any other member of the Group, the generally accepted accounting principles, practices, policies and procedures in its jurisdiction of incorporation.

“**Additional Notes**” means the US\$100,000,000 Notes due 2026 which were on 4 May 2022 consolidated and form a single series with the Issuer’s US\$200,000,000 Notes due 2026 issued on 4 November 2021.

“**Additional Notes Issue Date**” means 31 March 2022.

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“**Agreed Bridge Equity Issue Shares**” means the 534,911 shares in the Issuer to be issued to the Original Bridge Noteholders pursuant to the terms of the Agreed Bridge Equity Issue Shares Documentation.

“**Agreed Bridge Equity Issue Shares Documentation**” means the subscription agreement relating to the issue of the Agreed Bridge Equity Issue Shares (on customary terms) to be entered into between the Issuer and the Original Bridge Noteholders on or as soon as reasonably practicable following the date of the Supplemental Deed Poll and prior to the Effective Date.

“**Anti-Corruption Laws**” means all laws, rules, and regulations of any jurisdiction applicable to the Issuer or its Subsidiaries from time to time concerning or relating to bribery or corruption.

“**Anti-Money Laundering Laws**” means all applicable financial recordkeeping and reporting requirements and laws or regulations related to money laundering or terrorist financing, including the anti-money laundering statutes and the rules and regulations thereunder and any related or similar laws, rules, regulations or guidelines in any jurisdiction to which the Issuer or Subsidiary is subject or in which the proceeds of the Notes will be used.

“**Authorisation**” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“**Authorised Denominations**” has the meaning provided in Condition 1.

“**Bidder**” means any person or persons who is or are not Related Parties to any member of the Group participating as potential or actual bidders or purchasers in relation to the M&A Process.

“**Binding Terms Milestone**” means the Issuer or any other member of the Group receives either:

- (iii) a binding termsheet or commitment from one or more Financiers in respect of the Recapitalisation Process; or
- (iv) a binding bid from one or more Bidders in respect of the M&A Process,

which, in each case, upon execution of long-form documentation and completion of the relevant transactions anticipated under the terms of such binding term sheet, commitment or binding bid (as applicable), is reasonably likely to result in the satisfaction of the Completion Milestone.

“**Binding Terms Milestone Date**” has the meaning given to that term in paragraph 26 (*Operational Milestones*) of Annex 3 (*General Undertakings*).

“**Bridge Loan Note Facility Agreement**” means the US\$34,500,000 bridge loan note facility agreement entered into on 9 March 2023 between, among others, the Issuer and Kroll Trustee Services Limited as security agent and trustee.

“**Bridge Loan Note Finance Documents**” has the meaning given to that term “Bridge Finance Document” under the Bridge Loan Note Facility Agreement.

“**Bridge Notes Discharge Date**” has the meaning given to that term in the Intercreditor Agreement.

“**Creditor Noteholder-selected Independent Director**” means any independent non-executive director nominated by the Majority Bridge Noteholders (in consultation with the Issuer) and appointed by the board of the Issuer.

“**Bridge Obligor**” means any borrower and/or guarantor under the Bridge Loan Note Facility Agreement.

“**Business Day**” means a day (other than a Saturday or a Sunday) on which banks are open for general business in Dublin, London, New York and Jersey.

“**Capital Markets Issue**” means any public or private bond or other debt capital markets issue.

“**Capital Stock**” of any person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such person, including any preferred stock, but excluding any debt securities convertible or exchangeable into such equity.

“**Cash**” means, at any time, cash in hand or on deposit with any Acceptable Bank.

“**Cash Equivalents**” means, at any time:

- (i) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (ii) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them having an equivalent credit rating maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (iii) commercial paper not convertible or exchangeable to any other security:
 - (i) for which a recognised trading market exists;
 - (ii) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State;
 - (iii) which matures within one year after the relevant date of calculation; and
 - (iv) which has a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (iv) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (v) any investment in money market funds which:
 - (i) have a credit rating of either A-1 or higher by S&P or F-1 or higher by Fitch or P-1 or higher by Moody's;
 - (ii) which invest substantially all their assets in securities of the types described in paragraphs (i) to (iv) above; or
 - (iii) can be turned into cash on not more than 45 days' notice; or

(vi) any other debt security approved by the Holder Majority,

in each case, to which any member of the Group is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security.

“**Cashflow Forecast**” means a consolidated cashflow forecast for the Group up to 30 June 2023, which includes details of both available Cash and Cash treated by the Group as restricted or trapped as well as details of actual available Cash as at the Friday immediately before the date of the Cashflow Forecast, in the same form as the cash flow forecast provided to the Holders as a condition precedent to the Effective Date or in a form otherwise agreed between the Issuer and the Holders and provided by the Issuer as a condition precedent to the Effective Date.

“**Certificate**” has the meaning provided in Condition 1.

“**Change of Control**” means the occurrence of any of the following:

- (i) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act or any successor provision), is or becomes the beneficial owner (as such term is used in Rules 13d-3 and 13d-5 under the Exchange Act or any successor provision), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer;
- (ii) the adoption of a plan relating to the liquidation or dissolution of the Issuer; or
- (iii) the merger or consolidation of the Issuer with or into another person or the merger of another person with or into the Issuer.

“**Charged Property**” means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

“**Code**” means the US Internal Revenue Code of 1986.

“**Completion Milestone**” means either:

- (i) the Recapitalisation Process completes such that the Recapitalisation Condition is satisfied; or
- (ii) one or more Bidders enters into a legally binding sale and purchase agreement in respect of the M&A Process such that the M&A Process Condition will be satisfied upon completion of the transactions contemplated under that sale and purchase agreement and any related transaction documents.

“**Compliance Certificate**” means a certificate substantially in the form of Schedule 5 (*Form of Compliance Certificate*) setting out, among other things, calculations of the financial covenant.

“**Confidential Information**” has the meaning provided in Condition 20.

“**Debt Financing**” means (i) any loan facility or loan note facility (secured or unsecured) received by any member of the Group or (ii) any loan facility (secured or unsecured) that is convertible into common stock or other equity security received by any member of the Group and proceeds of any such issuance into common stock or other equity security on conversion.

“**Default**” means any event or circumstance which (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of the foregoing) would constitute (after the issue of the Notes) an Event of Default.

“**Delegate**” means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

“**Disposal**” means a sale, lease, licence, transfer, loan or other disposal by any member of the Group of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions) except for an Exempt Disposal.

“**ESG Milestone Event**” means the addition by the Group of 100,000 Medicaid lives to value based care contracts by 1 January 2024.

“**ESG Step Up Margin**” means 0.065 per cent. per annum.

“**Event of Default**” has the meaning provided in Condition 11.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**Excess Disposal Proceeds**” means Net Disposal Proceeds received in excess of Excluded Disposal Proceeds.

“**Excluded Disposal Proceeds**” means the Net Disposal Proceeds, in a cumulative aggregate amount when aggregated with any Net Financing Proceeds, of up to \$200,000,000.

“**Excess Net Financing Proceeds**” means Net Financing Proceeds received in excess of Excluded Financing Proceeds.

“**Excluded Financing Proceeds**” means Net Financing Proceeds in respect of any Capital Markets Issue, Relevant Issue or Debt Financing, in a cumulative aggregate amount when aggregated with any Net Disposal Proceeds, of up to \$200,000,000.

“**Excluded Jurisdiction**” means any of Brazil, India, Malaysia or Rwanda.

“**Exempt Disposal**” means any Disposal made pursuant to paragraphs (b)(i), (b)(ii), (b)(iii), (b)(iv), (b)(v), (b)(vi), (b)(vii), (b)(viii), (b)(ix) (to the extent that it relates to paragraph (a) of the definition of “Permitted Disposal”) and (b)(x) (other than paragraph (i) of the definition of “Permitted Transaction”) of paragraph 5 (*Disposals*) of Annex 3 (*General Undertakings*).

“**FATCA**” means:

- (i) sections 1471 to 1474 of the Code or any associated regulations;
- (ii) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (i) above; or
- (iii) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (i) or (ii) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“**FATCA Deduction**” means a deduction or withholding from a payment under the Transaction Documents required by FATCA.

“**Final Maturity Date**” means 4 November 2026.

“**Finance Lease**” means any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease (but excluding any real estate lease or operating lease).

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (i) moneys borrowed and debit balances at banks or other financial institutions;

- (ii) any acceptances under any acceptance credit or bill discount facility (or dematerialised equivalent);
- (iii) any note purchase facility or the issue of bonds (but not Trade Instruments), notes, debentures, loan stock or any similar instrument;
- (iv) the amount of any liability in respect of any Finance Lease;
- (v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis, where they meet any requirements for de-recognition under the Accounting Principles or where recourse is limited to customary warranties and indemnities);
- (vi) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument (but not, in any case, Trade Instruments) issued by a bank or financial institution in respect of an underlying liability of an entity which is not a member of the Group which liability would fall within one of the other paragraphs of this definition;
- (vii) any Treasury Transaction and, when calculating the value of any Treasury Transaction, the marked to market net obligations of such person under such Treasury Transaction (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such person at such time) shall be taken into account;
- (viii) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the date falling 6 months after the Final Maturity Date or are otherwise classified as borrowings under the Accounting Principles;
- (ix) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind the entry into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question and (ii) the agreement is in respect of the supply of assets or services and payment is due more than 180 days after the date of supply;
- (x) any amount raised under any other transaction having the commercial effect of a borrowing; and
- (xi) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (x) above.

The amount of Financial Indebtedness of any person at any time in the case of a revolving credit or similar facility shall be the total amounts of cash funds borrowed and then outstanding. In relation to any Financial Indebtedness in respect of bank accounts subject to netting, cash pooling, net balance, balance transfer or similar arrangements, only the net balance shall be used. The amount of Financial Indebtedness of any person at any date shall be determined as set forth above or as otherwise provided in these Conditions, and (other than with respect to letters of credit or guarantees or Financial Indebtedness specified in paragraph (vi) above) shall equal the amount thereof that would appear on a balance sheet of such person (excluding any notes thereto) prepared on the basis of the Accounting Principles.

“Financial Quarter” means each period of three months ending on a Quarter Date.

“Financier” means any person or persons who is or are not Related Parties to any member of the Group participating as potential or actual financiers to or investors in the Group in relation to the Recapitalisation Process.

“Financial Year” means the annual accounting period of the Issuer ending on or about 31 December in each year.

“first fund” has the meaning provided in the definition of Related Fund.

“Fitch” means Fitch Ratings Limited or any successor to its rating business.

“Founder” means Dr Ali Parsadoust.

“**Founder Permitted Transferee**” has the meaning provided in the New Articles.

“**Group**” means the Issuer and its Subsidiaries provided that, for the avoidance of doubt, no P.C. shall be treated as a member of, or form part of, the Group for any purpose.

“**Health Innovators Permitted Acquisition**” means the acquisition by one or more members of the Group of the remaining shares or other equity interests in Health Innovators (dba DayToDay) India for an aggregate purchase price (including any deferred consideration or earn out arrangement) not exceeding \$1,000,000.

“**Higi Business Disposal**” means the disposal of the shares in Higi SH Holdings Inc. or any of its subsidiaries or all or part of the business of Higi SH Holdings Inc. and its subsidiaries to one or more bona fide third parties who is or are not Related Parties to any member of the Group.

“**Holder**” means the person in whose name a Note is registered in the Register.

“**Holder Majority**” means the holder or holders of more than 50 per cent. of the total principal amount of the Notes outstanding at the relevant time.

“**Holders Advisors**” means any legal, financial or other advisor appointed by the Holders from time to time.

“**Holding Company**” has the meaning provided in the definition of Subsidiary.

“**Intellectual Property Rights**” means:

- (i) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may on or after the date of this Deed Poll subsist), whether registered or unregistered; or
- (ii) the benefit of all applications and rights to use such assets of the Issuer (which may on or after the date of this Deed Poll subsist),

in each case whether registered or not, and includes any related application.

“**Intercreditor Agreement**” means the intercreditor agreement entered into on 9 March 2023 between, among others, the Holders, the Security Agent and the Issuer.

“**Interest Payment Date**” has the meaning provided in Condition 7(a).

“**Interest Period**” means the period beginning on (and including), in respect of the Original Notes, the Issue Date and, in respect of the Additional Notes, the Additional Notes Issue Date and, in each case, ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“**Interest Rate**” means (i) in respect of the period commencing from (and including) the Issue Date to (but excluding) the date falling two years after the Issue Date, eight per cent. (8.0%) per annum other than in respect of the period commencing from (and including) 4 November 2022 to (but excluding) 4 May 2023, ten per cent. (10.0%) per annum; (ii) in respect of the period commencing from (and including) the date falling two years after the Issue Date, to (but excluding) the date falling three years after the Issue Date, then it shall be ten per cent. (10.0%) per annum; and (iii) in respect of the period

commencing from (and including) the date falling three years after the Issue Date, twelve per cent. (12.0%) per annum, and **provided further**, if the ESG Milestone Event is not achieved by 1 January 2024, plus the ESG Step Up Margin.

“IPA Business Disposal” means the disposal of the Group’s Independent Physician Association business in California.

“IPA Business Disposal Condition” means that the Group will upon completion of the IPA Business Disposal receive an aggregate amount of net cash proceeds (for the avoidance of doubt, without taking into account any deferred consideration) (including, without limitation, any cash of any member of the Group which is restricted or trapped pursuant to applicable law or regulation and is or will no longer be so restricted or trapped and will accordingly be released to the Group on completion of the applicable transaction) equal to or greater than \$150,000,000.

“Issuer Redemption Notice” has the meaning provided in Condition 8(f).

“ITA” means the Income Tax Act 2007.

“Joint Venture” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity not being a member of the Group.

“Legal Reservations” means:

- (i) the principle that equitable remedies are remedies which may be granted or refused at the discretion of the court, the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration, examinership and other laws generally affecting the rights of creditors;
- (ii) the time barring of claims under applicable limitation laws (including the Limitation Acts, the Statute of Limitations 1957 of Ireland and the Statute of Limitations (Amendment) Act 1991 of Ireland), the possibility that an undertaking to assume liability for or to indemnify a person against non-payment of stamp duty may be void, defences of set-off or counterclaim;
- (iii) similar principles, rights and defences under the laws of the jurisdiction of incorporation of an Obligor;
- (iv) the possibility that a court may strike out provisions of a contract as being invalid for reasons of oppression, undue influence or similar reasons;
- (v) the possibility that any obligation to pay default interest may be held to be unenforceable on the grounds that it is a penalty;
- (vi) the possibility that an obligation under an indemnity may be void insofar as it relates to stamp duty payable in the U.K.;
- (vii) the possibility that an English Court may not give effect to an indemnity for legal costs incurred by an unsuccessful litigant; and
- (viii) any other legal reservations or qualifications not mentioned above as they are set out in any legal opinion provided to the Holders pursuant to Schedule 1 (*Conditions Precedent*) of the Supplemental Deed Poll.

“Limitation Acts” means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

“Liquidity” means, on any relevant date, the aggregate amount of Cash and Cash Equivalents held by the members of the Group less the aggregate amount of Cash held by members of the Group which is restricted or trapped pursuant to applicable law or regulation and which the relevant member(s) of the Group is not able to use for its general working capital purposes that is (i) immediately and freely

available to be applied in repayment or prepayment of the Original Bridge Notes and the Notes; (ii) held by members of the Group; and (iii) not subject to any Security Interest over that Cash except for Transaction Security or any Security Interest permitted under paragraphs (i) or (q) of the definition of “Permitted Security” constituted by a netting or set-off arrangement entered into by members of the Group in the ordinary course of their banking arrangements.

“**M&A Process**” means a sales process by one or more members of the Group relating to the sale of (i) the Group, (ii) a strategic minority shareholding in any member of the Group and/or (iii) any material asset of the Group or shares in any member of the Group, in each case with the objective that the Group will satisfy the M&A Process Condition.

“**M&A Process Condition**” means that the Group will upon completion of the relevant transactions in respect of the M&A Process (for the avoidance of doubt, without taking into account any deferred consideration) receive an aggregate amount of net cash proceeds (which for these purposes shall include, without limitation, any cash of any member of the Group which is restricted or trapped pursuant to applicable law or regulation and is or will be no longer be so restricted or trapped and will accordingly be released to the Group on completion of the applicable transaction or transactions) equal to or greater than \$150,000,000.

“**Majority Bridge Noteholders**” has the meaning given to that term in the Bridge Loan Note Facility Agreement.

“**Make Whole Amount**” means the greater of:

- (i) 104 per cent. of the principal amount on the Redemption Date (including for the avoidance of doubt any capitalised interest); and
- (ii) the net present value on the Redemption Date of the aggregate of (1) 104 per cent. of the principal amount on the Redemption Date (including for the avoidance of doubt any capitalised interest) and (2) the amount of interest which would have accrued on the principal amount of the Notes so redeemed from the Redemption Date to the 12 Month Date, discounted at a rate equal to the Treasury Rate as determined in good faith by the Holder Majority acting reasonably and in good faith and as agreed to by the Issuer (acting reasonably) as at the date three Business Days prior to the Redemption Date, plus 50 basis points.

“**Material Adverse Effect**” means a material adverse effect on:

- (i) the business, operations, property, or financial condition of the Group taken as a whole;
- (ii) the ability of the Issuer to comply with its obligations under paragraph 2(a) of Annex 2 (*Financial Covenant*);
- (iii) the ability of the Obligor taken as a whole to perform their payment obligations under the Transaction Documents or the Notes; or
- (iv) subject to the Legal Reservations, the validity or enforceability of, or the effectiveness or ranking of any Transaction Security granted or purporting to be granted pursuant to any of, the Transaction Security Documents or the rights or remedies of any Secured Party under any of the Transaction Documents.

“**Material Company**” means each Obligor, each member of the Group which is the direct Holding Company of an Obligor and any Subsidiary of the Issuer which has:

- (v) gross assets or net assets; or
- (vi) revenue,

(in each case calculated on an unconsolidated basis and excluding all intra-Group items) which exceed five (5) per cent. of the value of the gross assets or net assets or revenue (respectively) of the Group and for these purposes, any calculation shall be effected on the date of the relevant Compliance Certificate which is required to be delivered to the Holders pursuant to paragraph 3 of Annex 1 (Information Undertakings) by reference to the relevant audited consolidated financial statements for the relevant financial year of the Issuer or unaudited interim consolidated financial statements for the first half year of the relevant financial year of the Issuer, other than (x) any entity which is incorporated in an Excluded Jurisdiction and (y) Babylon Healthcare Services Limited.

“**Milestone**” means any of the Binding Terms Milestones and the Completion Milestones.

“**Milestone Date**” means the Binding Terms Milestone Date or the Completion Milestone Date (as applicable).

“**Minimum Liquidity Compliance Certificate**” means a compliance certificate substantially in the form set out in Schedule 6 (*Form of Minimum Liquidity Compliance Certificate*).

“**Monthly Accounting Period**” means for each month, the relevant weekly period within the quarterly accounting period used by the Group, consisting of two consecutive four week periods followed by a five week period.

“**Moody’s**” means Moody’s Investors Service Limited or any successor to its rating business.

“**Net Disposal Proceeds**” means the cash consideration received by any member of the Group (including any amount received in repayment of intercompany debt) for any Disposal made by any member of the Group except for any Exempt Disposal and after deducting:

- (i) any reasonable expenses which are incurred by any member of the Group with respect to that disposal to persons who are not members of the Group; and
- (ii) any Tax incurred by any member of the Group in connection with that disposal (as reasonably determined by the seller, on the basis of existing rates and taking account of any available credit, deduction or allowance).

“**Net Financing Proceeds**” means any amount received by a member of the Group in cash as consideration for a Capital Markets Issue, Relevant Issue or Debt Financing less all Taxes and reasonable costs and expenses incurred by any member of the Group in connection with that Capital Markets Issue, Relevant Issue or Debt Financing (as applicable).

“**New Articles**” means the memorandum and articles of association of the Issuer in the form annexed to the proxy statement for special meeting of stockholders of Alkuri Global Acquisition Corp. dated 21 October 2021.

“**Note Subscribers**” has the meaning provided in the Note Subscription Agreement.

“**Note Subscription Agreement**” means the agreement between the Issuer and the Note Subscribers dated 8 October 2021 as amended and or supplemented from time to time.

“**Obligor**” means each of the Issuer or Babylon Group Holdings.

“**Original Bridge Notes**” means the Issuer’s floating rate notes due 2026, issued on the Original Issue Date, the Tranche 2 Issue Date or the Tranche 3 Issue Date (each term as defined under the Bridge Loan Note Facility Agreement) and governed by the Bridge Loan Note Facility Agreement or the principal amount issued and outstanding for the time being of such notes.

“**Original Issue Date**” has the meaning given to that term in the Bridge Loan Note Facility Agreement.

“**Pari Debt**” means any financial indebtedness that ranks pari passu with the Notes.

“**Participating Member State**” means a member state of the European Union that has the euro as its lawful currency under the legislation of the European Union for Economic and Monetary Union.

“**P.C.**” means any “professional corporation” or “P.C.” under the laws of any member state of the United States of America, to which any member of the Group provides management, operational and/or administrative services or in which the Group has an economic interest.

a “**person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, unincorporated association, limited liability company, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

“**Permitted Acquisition**” means:

- (i) any acquisition of any shares or securities owned by minority shareholders in members of the Group;
- (ii) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of by another member of the Group in circumstances constituting a Permitted Disposal or a Permitted Transaction;
- (iii) the incorporation of a company or the acquisition of the issued share capital of a limited liability company, including by way of formation, which has not traded prior to the date of the acquisition and has no material liabilities or obligations or assets prior to the date of the acquisition;
- (iv) on and from the date on which the Completion Milestone is satisfied, the acquisition of, or investment in, any share or interest in any Permitted Joint Venture provided that the aggregate of all amounts paid or to be paid in connection with such acquisition (including all related fees, costs, commissions and expenses) is funded solely from Acceptable Funding Sources and does not, when aggregated with the total consideration for each other acquisition made pursuant to this paragraph (iv), paragraph (x) below and paragraph (i) of the definition of Permitted Joint Venture, exceed \$50,000,000;
- (v) the acquisition by a member of the Group of securities which are Cash Equivalent Investments;
- (vi) an acquisition in respect of which the Holder Majority have given their consent;
- (vii) an acquisition of shares of a member of the Group by its immediate Holding Company;
- (viii) an acquisition of shares by any member of the Group as part of the Agreed Management MIP;
- (ix) on and from the date on which the Completion Milestone is satisfied, any other acquisition by any member of the Group provided that either (i) at least 51% of the issued share capital (or equivalent ownership interest) of a corporation or other entity is acquired; or (ii) the acquisition is of a business or undertaking or assets (in each case, the “**Acquisition Target**”) and in each case where the following conditions are satisfied:
 - (A) no Default is continuing or would occur as a result of the acquisition on the date the Group contractually commits to make the acquisition;
 - (B) the person, business or undertaking to be acquired is engaged in a business the general nature of which is similar or complementary to that carried on by the Group or a part of the Group;

- (C) the person, business or undertaking to be acquired is not incorporated in or carries out a material part of its business in any Sanctioned Country or with any Sanctioned Person;
- (D) the Acquisition Target:
 - (1) had positive earnings before interest, tax, depreciation and amortisation (“**EBITDA**”) as reasonably calculated on a last 12 months look-back (“**LTM**”) basis; or
 - (2) did not have negative EBITDA as reasonably calculated on an LTM basis:
 - (A) on a standalone basis of more than \$5,000,000 as reasonably calculated on a LTM basis; and
 - (B) the Issuer certifies that the Acquisition Target is forecast to contribute positively to the EBITDA of the Group by no later than the end of the period of 24 months following completion of the applicable acquisition, provided that such forecast is arrived at after careful consideration and prepared in good faith on the basis of assumptions which are believed to be fair and reasonable as at the date they are prepared and supplied; and
- (x) the aggregate of all amounts paid or to be paid in connection with such acquisition (including all related fees, costs, commissions and expenses) are or will be funded from Acceptable Funding Sources and does not, when aggregated with the total consideration for each other acquisition made pursuant to this paragraph (x), paragraph (iv) above and the aggregate amount of all investments made pursuant to paragraph (i) of the definition of Permitted Joint Venture, exceed \$50,000,000.

“**Permitted Disposal**” means any of the following:

- (i) any sale, lease, licence, transfer or other disposal of shares by a member of the Group pursuant to any management incentive scheme existing as at the Effective Date in an amount not exceeding \$50,000 or as part of the Agreed Management MIP to any director, officer, manager or employee of any member of the Group at or below par or at or below market value;
- (ii) the IPA Business Disposal provided that the IPA Business Disposal Condition will be satisfied upon completion of that disposal;
- (iii) the Higi Business Disposal;
- (iv) with the prior consent of the Holder Majority (such consent not to be unreasonably withheld or delayed), any disposal that is required to satisfy the M&A Process; or
- (v) any other disposal in respect of which the Holder Majority have given their consent.

“**Permitted Financial Indebtedness**” means Financial Indebtedness:

- (i) arising under the Notes;
- (ii) arising under the Original Bridge Notes;
- (iii) arising under any Permitted Pari Debt;
- (iv) any financial indebtedness owing by any member of the Group to any other member of the Group;

- (v) on and from the date on which the Completion Milestone is satisfied, the amount of any liability in respect of any Finance Lease and which in aggregate does not exceed \$10,000,000 (or its equivalent in other currencies) at any time;
- (vi) arising under a Permitted Loan or a Permitted Guarantee;
- (vii) arising under a Permitted Transaction (having regard to the limitations under paragraph (i) of the definition of Permitted Transaction);
- (viii) on and from the date on which the Completion Milestone is satisfied, arising under a Permitted Joint Venture to the extent permitted in the definition of Permitted Joint Venture;
- (ix) on and from the date on which the Completion Milestone is satisfied, in respect of any deferred consideration or earn-out arrangements made available by the relevant vendor in connection with any Permitted Acquisition and /or Permitted Joint Venture provided that the aggregate of all amounts paid or to be paid in respect of such deferred consideration or earn-out arrangements (including all related fees, costs, commissions and expenses) is funded solely from Acceptable Funding Sources;
- (x) arising under a Permitted Hedging Transaction;
- (xi) arising under any cash pooling, netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements;
- (xii) arising as a result of daylight exposures of any member of the Group in respect of banking arrangements entered into in the ordinary course of its treasury activities;
- (xiii) permitted by the Holder Majority; or
- (xiv) not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed US\$5,000,000 (or its equivalent in other currencies) at any time.

“Permitted Guarantee” means:

- (i) any guarantee arising under or in respect of, the Notes, the Original Bridge Notes and/or the Permitted Pari Debt;
- (ii) the endorsement of negotiable instruments in the ordinary course of trade;
- (iii) any guarantee or indemnity issued in respect of any performance or similar bond guaranteeing performance by a member of the Group under any contract entered into in the ordinary course of trade;
- (iv) on and from the date on which the Completion Milestone is satisfied, any guarantee issued by a member of the Group in respect of a Permitted Joint Venture to the extent permitted in the definition of Permitted Joint Venture;
- (v) any guarantee or indemnity of Permitted Financial Indebtedness;
- (vi) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to paragraph (ii) of the definition of “Permitted Security”;
- (vii) any guarantee by a member of the Group of the obligations of another member of the Group;
- (viii) any guarantees issued or to be issued in the ordinary course of business to a landlord (or to a bank on account of lease obligations);
- (ix) guarantees which are in favour of institutions (financial institutions or insurers, or equivalent) which have guaranteed (or otherwise issued a letter of credit, bond, indemnity, documentary or like credit in support of) obligations of a member of the Group pursuant to transactions which that member of the Group has entered into in the ordinary course of business;
- (x) any customary indemnity to a vendor in relation to a Permitted Acquisition or a purchaser in relation to a Permitted Disposal;

- (xi) any guarantee in relation to a Permitted Hedging Transaction;
- (xii) guarantees of Permitted Transactions;
- (xiii) any guarantee granted to the trustee of any employee share option or management incentive or unit trust scheme as part of the Agreed Management MIP;
- (xiv) guarantees made in substitution for an extension of credit permitted under the definition of Permitted Loan to the extent that the issuer of the relevant guarantee would have been entitled to make a loan in an equivalent amount under the definition of Permitted Loan to the person whose obligations are being guaranteed;
- (xv) any guarantee given or arising under legislation relating to Tax or corporate law under which any member of the Group assumes general liability for the obligations of another member of the Group incorporated or Tax resident in the same country (including any guarantee, liability or indemnity provided under or for the purpose of any fiscal unity for corporate income tax and VAT of members of the Group);
- (xvi) any guarantee or counter-indemnity granted in favour of a financial institution which has guaranteed Tax liabilities owed to any relevant tax authority or rent obligations of a member of the Group in the ordinary course of business, where such Tax liabilities or rent obligations were incurred as part of the ordinary course operational requirements of the Group;
- (xvii) customary indemnities given to professional advisors and consultants in the ordinary course of the business of the Group;
- (xviii) customary guarantees and indemnities in favour of directors and officers in their capacity as such;
- (xix) any customary indemnity given under any commitment letter, mandate letter or similar document entered into for the purposes of refinancing any Permitted Financial Indebtedness;
- (xx) guarantees and indemnities entered into by a member of the Group in the ordinary course of its banking arrangements to facilitate the operation of bank accounts of members of the Group; or
- (xxi) any guarantee not permitted in the preceding paragraphs and the amount of which does not exceed US\$5,000,000 (or its equivalent in other currencies) in aggregate at any time.

“Permitted Hedging Transaction” means:

- (i) any interest rate or currency swap entered into in respect of Permitted Financial Indebtedness or in connection with a Permitted Acquisition.
- (ii) arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates where that foreign exchange exposure arises in the ordinary course of trade, but not a foreign exchange transaction for investment or speculative purposes; or
- (iii) any Treasury Transaction entered into for the hedging of actual or projected real exposures arising in the ordinary course of trading activities of the Issuer or a member of the Group and not for speculative purposes.

“Permitted Joint Venture” means:

- (i) on and from the date on which the Completion Milestone is satisfied, any investment in or in respect of any Joint Venture where the following conditions are satisfied and provided that, for the purposes of this paragraph (i), the term ‘investment’ shall comprise any acquisition of an ownership interest in, transfer of assets or loan to or grant of a guarantee or security in respect of obligations of any Permitted Joint Venture (including in each case all related fees, costs, commissions and expenses):
 - (i) Default is continuing or would occur as a result of the investment on the date the Group contractually commits to make the investment;

- (ii) the Joint Venture being invested in is engaged in a business the general nature of which is similar or complementary to that carried on by the Group or a part of the Group;
 - (iii) the Joint Venture to be invested in is not incorporated in or carries out a material part of its business in any Sanctioned Country or with any Sanctioned Person; and
 - (iv) any such investment is or will be funded from Acceptable Funding Sources and does not, when aggregated with the total amount of each other investment made pursuant to this paragraph (i) and the total consideration in respect of each acquisition made pursuant to paragraphs (iv) and (ix) of the definition of Permitted Acquisition, exceed \$50,000,000; or
- (ii) any investment in any Joint Venture in respect of which the Holder Majority have given their consent.

“Permitted Loan” means:

- (i) any loan made or trade credit extended by any member of the Group to its customers, franchisees and/or partners or, in relation to capital expenditure, under Finance Leases, advance payment (or other forms of financing), in each case, in the ordinary course of business;
- (ii) a loan which constitutes Permitted Financial Indebtedness;
- (iii) on and from the date on which the Completion Milestone is satisfied, a loan made to a Permitted Joint Venture to the extent permitted in the definition of Permitted Joint Venture;
- (iv) a loan made by a member of the Group to another member of the Group;
- (v) a loan made by a member of the Group to an employee or director of any member of the Group if the amount of that loan when aggregated with the amount of all loans to employees and directors by members of the Group does not exceed US\$5,000,000 (or its equivalent in other currencies) at any time;
- (vi) any loans or extensions of credit to the extent that the amount thereof would be a Permitted Guarantee if made by way of a guarantee and not by way of a loan;
- (vii) on and from the date on which the Completion Milestone is satisfied, a loan or credit made available to the Issuer or another member of the Group for the direct purpose of enabling a Permitted Joint Venture or Permitted Acquisition to be made by that member of the Group;
- (viii) any loans or extensions of credit by a member of the Group made as part of the Agreed Management MIP;
- (ix) advances of payroll payment to employees in the ordinary course of business;
- (x) any loan that is a Permitted Transaction;
- (xi) any loan or extension of credit in respect of which the Holder Majority have given their consent;
- (xii) any loan or extension of credit by any member of the Group to any P.C.; or
- (xiii) any other loan so long as the aggregate amount of the Financial Indebtedness under all such loans does not exceed US\$5,000,000 (or its equivalent in other currencies) in aggregate at any time.

“Permitted Pari Debt” means any Pari Debt, the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other Pari Debt and assuming that such Pari Debt is fully drawn or otherwise incurred and is outstanding) does not exceed \$50,000,000 (or its equivalent in other currencies) at any time less the amount equal to the outstanding principal amount of any Original Bridge Notes issued and outstanding (ignoring for these purposes any interest which has been capitalised thereon) and the principal amount of any Original Bridge Notes available to be issued

under the Bridge Loan Note Finance Documents which the Issuer has not requested are cancelled at the time of incurrence of such Pari Debt, provided that (unless otherwise agreed by the Holder Majority):

- (i) no Default is continuing at the time the Issuer signs a binding commitment to incur such indebtedness;
- (ii) such indebtedness does not have a maturity date which falls on or before the Final Maturity Date;
- (iii) the borrower or issuer of such indebtedness shall be the Issuer only;
- (iv) to the extent such indebtedness is secured and/or guaranteed, the relevant secured parties may only have the benefit of the same guarantees and security as the Notes on a pro rata and pari passu basis;
- (v) the persons providing such indebtedness (or the relevant trustee or agent acting on their behalf) shall accede to the Intercreditor Agreement and any liabilities owed to such persons in respect of such indebtedness shall rank pari passu with the Notes in respect of the application of any proceeds in connection with the realisation or enforcement of all or any part of the Common Transaction Security (as defined in the Intercreditor Agreement); and
- (vi) no payment may be made by the Issuer or any other member of the Group in respect of such indebtedness other than:
 - (i) (prior to the redemption and/or cancellation of the Notes) any payment made in respect of cash interest and fees; or
 - (ii) any prepayment made prior to the Final Maturity Date shall be made pro rata with any early redemption of the Notes and on or after the Bridge Notes Discharge Date; and
 - (iii) any prepayment made using an amount of the net proceeds of certain M&A transactions on terms to be agreed with the Holder Majority.

“Permitted Security” means:

- (i) any lien arising by operation of law and in the ordinary course of business;
- (ii) any cash-pooling, netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking or hedging arrangements for the purpose of netting debit and credit balances of members of the Group;
- (iii) any retention of title, hire purchase or conditional sale arrangements or similar arrangements having the same effect and rights of set-off arising in the ordinary course of business;
- (iv) any Security Interest or Quasi-Security arising as a result of a Permitted Disposal;
- (v) any Security Interest or Quasi-Security arising under any Finance Lease provided that the Financial Indebtedness secured is Permitted Financial Indebtedness;
- (vi) any Security Interest or Quasi-Security over any rental deposits given by any member of the Group in the ordinary course of business in relation to any property leased or licensed by any member of the Group;
- (vii) any Security Interest or Quasi-Security created pursuant to any Permitted Transaction (other than any Treasury Transaction contemplated under paragraph (iii) of the definition of Permitted Hedging Transaction);
- (viii) any Security Interest or Quasi-Security over goods and documents of titles to goods arising under documentary credit transactions entered into in the ordinary course of trading;
- (ix) any Security Interest or Quasi-Security entered into by any member of the Group in the ordinary course of its banking arrangements over bank accounts in favour of the account holding bank and granted as part of that financial institution’s standard terms and conditions;

- (x) any Security Interest or Quasi-Security arising as a result of legal proceedings discharged within 30 days or otherwise contested in good faith (and not otherwise constituting an Event of Default);
- (xi) any Security Interest or Quasi-Security arising by operation of law in respect of Taxes which are not yet due or the liability in respect of which is being contested in good faith;
- (xii) on and from the date on which the Completion Milestone is satisfied, any Security Interest or Quasi-Security over ownership interests in joint ventures to secure obligations to other joint venture partners where the recourse is to those ownership interests only and which is required to be provided by the terms of that Permitted Joint Venture agreement and to the extent permitted in the definition of Permitted Joint Venture;
- (xiii) any Security Interest over cash paid into an escrow or similar account in connection with a Permitted Disposal or Permitted Acquisition or any Security Interest over cash granted in the ordinary course of business;
- (xiv) any Security Interest or Quasi-Security which does not secure any outstanding actual or contingent obligations;
- (xv) payments into court or any Security Interest or Quasi-Security arising under any court order or injunction or security for costs arising in connection with any litigation or court proceedings being contested by any member of the Group in good faith;
- (xvi) any Security Interest required by law or by a court to be granted in favour of creditors in relation to mergers of members of the Group in order to permit or facilitate the merger occurring, where such merger would constitute a Permitted Reorganisation or otherwise for the purposes of a capital reduction permitted under the Notes;
- (xvii) any payment or close out netting or set-off arrangement pursuant to any Treasury Transaction or foreign exchange transaction entered into by a member of the Group which constitutes Permitted Financial Indebtedness, including any Security Interest or Quasi-Security under a credit support arrangement;
- (xviii) any cash collateral provided in respect of letters of credit or bank guarantees to the extent such letter or credit or bank guarantees are not prohibited under these Conditions;
- (xix) any right of set-off arising under contracts entered into by members of the Group in the ordinary course of their day-to-day trading;
- (xx) any Security Interest or Quasi-Security in respect of which the Holder Majority have given their consent; or
- (xxi) any other Security Interest or Quasi-Security (other than over shares) securing indebtedness the principal amount of which does not exceed US\$5,000,000 in aggregate at any time.

“Permitted Subordinated Debt” means any new subordinated indebtedness, provided that (unless otherwise agreed by the Holder Majority):

- (i) no Default is continuing at the time the Issuer signs a binding commitment to incur such indebtedness;
- (ii) such indebtedness does not have a maturity date which falls on or before the date falling six (6) months after the final maturity date of the Notes;
- (iii) the entities providing such indebtedness (or the relevant trustee or agent acting on their behalf) shall accede to the Intercreditor Agreement and any liabilities owed to such entities in respect of such indebtedness shall constitute Subordinated Liabilities (as defined in the Intercreditor Agreement); and
- (iv) no payment is made by the Issuer or any other member of the Group in respect of such indebtedness:
 - (i) in respect of any cash interest or fees; or

- (ii) any repayment or prepayment prior to the redemption and/or cancellation of the Original Bridge Notes and the Notes in full.

“**Permitted Transaction**” means:

- (i) any transaction (including any disposal, solvent liquidation or re-organisation, loan, borrowing, guarantee, indemnity, Security Interest, Quasi-Security, share issue or repayment) expressly contemplated under the Notes;
- (ii) any transaction (other than the granting or the creation of Security Interest, the making of loans, the granting of guarantees, the making of acquisitions, any sale, lease, licence, transfer or other disposal, the making of dividends or the incurring or permitting to subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm’s length terms;
- (iii) any transaction involving the licensing or the re-charging of the Intellectual Property Rights to or between members of the Group in the ordinary course of business;
- (iv) any surrender of group relief by a member of the Group to another member of the Group, or to any Holding Company of the Issuer in order to mitigate the tax liabilities of that Holding Company which could otherwise have been funded pursuant to sub-paragraph (c) of paragraph 20 of Annex 3 (*General Undertakings*);
- (v) any payment by a member of the Group made pursuant to an employee share option scheme or unit trust or management incentive scheme as at the Effective Date and which the relevant member of the Group is (or may become, pursuant to the terms of such employee share option scheme or unit trust or management incentive scheme) legally committed to make (or has already made) under such employee share option scheme or unit trust or management incentive scheme as at the Effective Date;
- (vi) any transaction entered into by any member of the Group and any P.C. that is conducted in the ordinary course of business;
- (vii) the acquisition by Babylon Group Holdings of, and corresponding disposal by the Issuer of, the entire issued share capital of each of Babylon Healthcare Services Limited, Babylon Partners Limited and Babylon Inc. pursuant to the share purchase agreement entered into on 9 March 2023 between the Issuer as seller and Babylon Group Holdings as purchaser (the “**New HoldCo Transfer**”);
- (viii) any acquisition by Babylon Group Holdings of, and corresponding disposal by any member of the Group of, the share capital of any member of the Group that is not a Subsidiary of Babylon Group Holdings; or
- (ix) any transaction permitted by the Holder Majority.

“**Proceedings**” has the meaning provided in Condition 22(b) (*Jurisdiction*).

“**Quarter Date**” means each of 31 March, 30 June, 30 September and 31 December or such other dates which correspond to the quarter end dates within the financial year in accordance with the accounting practices of the Group.

“**Quasi-Security**” has the meaning given to that term in paragraph (b) of paragraph 4 (*Negative Pledge*) in Annex 3 (*General Undertakings*).

“**Recapitalisation Process**” means a financing process by one or more members of the Group relating to the issuance of equity, Permitted Subordinated Debt and/or Permitted Pari Debt by the Issuer, which upon completion will result in the Issuer or any member of the Group receiving net cash proceeds in respect of one or more such transactions (for the avoidance of doubt, net of any amounts applied in redemption of the Original Bridge Notes) constituting an aggregate amount of not less than \$50,000,000 (the receipt of this minimum amount of net cash proceeds being, the “**Recapitalisation Condition**”) to be applied towards meeting any working capital and/or liquidity requirements of the Issuer including, without limitation, until completion of the M&A Process (subject to the other terms and conditions of these Conditions).

“**Receiver**” means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

“**Record Date**” has the meaning provided in Condition 9(c).

“**Redemption Amount**” means (i) where the Redemption Date falls in the period commencing on (and including) the Issue Date to (but excluding) the date falling one year after the Issue Date (the “**12 Month Date**”), the Make Whole Amount; (ii) where the Redemption Date falls in the period commencing on (and including) the date falling one year after the Issue Date to (but excluding) the date falling two years after the Issue Date, 104 per cent. of the principal amount on the Redemption Date (including for the avoidance of doubt any capitalised interest); and (iii) where the Redemption Date falls on or after the date falling two years after the Issue Date and until (but not including or after) the Final Maturity Date, 107 per cent. of the principal amount on the Redemption Date (including for the avoidance of doubt any capitalised interest).

“**Redemption Date**” means any date on which the Notes are due to be redeemed in accordance with the Conditions.

“**Redemption Notice**” has the meaning provided in Condition 8(d).

“**Register**” has the meaning provided in Condition 6(a).

“**Related Party**” means, with respect to any entity, such entity’s Affiliates, and such entity’s and such entity’s Affiliates’ respective current and former officers, directors, managers, committee members, principals, employees, agents, trustees and advisory board members.

“**Relevant Issue**” means any issue, sale or public offering of any equity security (including any preference share).

“**Relevant Person**” has the meaning provided in Condition 20 and “**Relevant Persons**” shall be construed accordingly.

“**Representative**” means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

“**Related Fund**” in relation to a fund (the “**first fund**”), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

“**Restricted Purpose**” means:

- (i) any new acquisition of shares or securities, businesses, material assets or undertakings (or, in each case, any interest in any of them) except for the Health Innovators Permitted Acquisition or for any material assets acquired in the ordinary course of business;
- (ii) any payments to any shareholder of the Issuer, including (but not limited to) any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind);
- (iii) any extension of credit to any person that is not a member of the Group (other than any extension of credit to any participant in the Agreed Management MIP or for any extension of credit made in the ordinary course of business); or

- (iv) any repayment or prepayment of (or other concession in respect thereof) any Financial Indebtedness incurred by any member of the Group under paragraphs (v), (ix) or (xiv) of the definition of Permitted Financial Indebtedness.

“**S&P**” means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. or any successor to its rating business.

“**Sale**” means a disposal (whether in a single transaction or a series of related transactions) of all or substantially all of the assets of the Group to persons who are not members of the Group.

“**Sanctioned Country**” means, at any time, any country or other territory that is the subject of comprehensive country-wide Sanctions, which at the date of the Supplemental Deed Poll are Crimea (as defined and construed in the applicable Sanctions), Cuba, Iran, North Korea, South Sudan and Syria.

“**Sanctioned Person**” means, at any time, any individual or entity that is:

- (i) listed on, owned 50% or more, or otherwise controlled (directly or indirectly) by a person listed on a Sanctions List;
- (ii) a government of a Sanctioned Country;
- (iii) an agency or entity directly or indirectly owned 50% or more or controlled by, a government of a Sanctioned Country; or
- (iv) located, incorporated, organised or ordinarily resident in a Sanctioned Country.

“**Sanctions**” means any trade, financial or economic sanctions or trade embargoes imposed, enacted, administered or enforced by the United States of America (including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury), the United Nations Security Council, the United Kingdom, the European Union, Jersey, and/or the governments and official institutions or agencies of any of the aforementioned.

“**Sanctions List**” means any of the lists of specifically designated nationals or similarly sanctioned individuals or entities (or equivalent) issued by the authorities listed in the definition of “Sanctions”.

“**Secured Parties**” has the meaning given to that term in the Intercreditor Agreement.

“**Security Agent**” means the security agent appointed pursuant to the terms of the Intercreditor Agreement.

“**Security Interest**” means any mortgage, hypothec, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having substantially similar effect.

“**Strategic Committee**” means the strategic committee of the Issuer that is established as at the date of the Supplemental Deed Poll pursuant to a governance protocol that is in form and substance satisfactory to the Majority Bridge Noteholders.

A company is a “**Subsidiary**” of another company (its “**Holding Company**”) if that other company, directly or indirectly, through one or more subsidiaries:

- (i) holds a majority of the voting rights in it;
- (ii) is a member or shareholder of it and has the right to appoint or remove a majority of its board of directors or equivalent managing body;

- (iii) is a member or shareholder of it and controls alone, or pursuant to an agreement with other shareholders or members, a majority of the voting rights in it; or
- (i) has the right to exercise a dominant influence over it, for example by having the right to give directions with respect to its operating and financial policies, with which directions its directors are obliged to comply.

“**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Tax Deduction**” means a withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature from a payment under the Supplemental Deed Poll, the Notes or the Note Subscription Agreement, other than a FATCA Deduction.

“**Tax Redemption Date**” has the meaning provided in Condition 8(g).

“**Tax Redemption Notice**” has the meaning provided in Condition 8(g).

“**Transaction Documents**” means:

- (i) the Supplemental Deed Poll (including the Notes);
- (ii) the Note Subscription Agreement;
- (iii) any Transaction Security Document;
- (iv) the Intercreditor Agreement; and
- (v) any other document designated as such by the Holders and the Issuer.

“**Transaction Security**” means the Security Interest created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents.

“**Transaction Security Document**” means any document entered into by any Obligor creating or expressed to create Transaction Security over all or part of its assets in respect of the obligations of any of the Obligors under any of the Transaction Documents.

“**Treasury Rate**” means the weekly average yield to maturity at the time of computation of direct obligations of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days (but not more than five Business Days) prior to the Redemption Date (or, if such Federal Reserve Statistical Release is no longer published or available, any publicly available source of similar market data selected in good faith by the Holder Majority (acting reasonably) and as agreed by the Issuer (acting reasonably), most nearly equal to the period from the Redemption Date to the expiry of the 12 Month Date, provided, however, that if such period is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by a linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year and if the Treasury Rate is less than zero per cent., it shall be deemed to be zero per cent.

“**Treasury Transactions**” means any derivative transaction entered into in connection with protection against or to benefit from fluctuations in any rate, price, index or credit rating.

“**US**” means the United States of America.

“**Voting Stock**” of a person means all classes of Capital Stock or other interests (including partnership interests) of such person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or the controlling managing member or general partner, as applicable).

“**Warrant Amendment Documentation**” means the deed of amendment and restatement in the agreed form amending the terms of the Warrant Instrument to be entered into by the Issuer on or about the date of the Supplemental Deed Poll and prior to the Effective Date.

“**Warrant Instrument**” means the warrant instrument originally dated 4 November 2021, as amended and restated pursuant to the Warrant Amendment Documentation.

“**Warrant Shares**” means the shares in the Issuer to be issued to the Holders pursuant to the exercise provisions of the Warrant Instrument, as amended by the Warrant Amendment Documentation.

“**12 Month Date**” has the meaning provided in the definition of Redemption Amount.

4. CONSTRUCTION

(a) In these Conditions, unless the contrary intention appears, a reference to:

- (i) a document being in the “agreed form” is to a form of that document designated as such by or on behalf of the Holders and the Issuer;
- (ii) any “**Holder**”, the “**Security Agent**”, any “**Secured Party**”, any “**Obligor**” or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Transaction Documents and, in the case of the Security Agent, any person for the time being appointed as Security Agent or co-trustee or co-agent in accordance with the Transaction Documents;
- (iii) an “**amendment**” includes a supplement, novation, extension (whether of maturity or otherwise) restatement, re-enactment or replacement (in each case, however fundamental and whether or not more onerous or involving any change in or addition to the parties to any agreement or document) and “**amended**” will be construed accordingly;
- (iv) “**assets**” includes present and future properties, revenues and rights of every description;
- (v) an “**authorization**” includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
- (vi) “**disposal**” means a sale, transfer, assignment, grant, lease, license, declaration of trust or other disposal, whether voluntary or involuntary, and dispose will be construed accordingly;
- (vii) “**guarantee**” means (other than in Condition 2 (*Guarantee and Indemnity*) of these Conditions) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
- (viii) “**indebtedness**” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (ix) “**know your customer requirements**” means the identification checks that a Holder requests in order to meet its obligations under any applicable law or regulation to identify a person who is (or is to become) its customer;

- (x) a “**participation**” of a Holder in the Notes means the principal amount of Notes held by it;
 - (xi) “**person**” includes any individual, firm, Issuer, corporation, association or body (including a partnership, trust, joint venture or consortium), government, state, agency, organisation or other entity (whether or not having separate legal personality);
 - (xii) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any class of person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (xiii) a currency is a reference to the lawful currency for the time being of the relevant country;
 - (xiv) a Default being “**outstanding**” or “**continuing**” means that it has not been remedied or waived;
 - (xv) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
 - (xvi) a Clause, a Subclause or a Schedule is a reference to a clause or subclause of, or a schedule to, the Supplemental Deed Poll;
 - (xvii) a Condition or an Annex is a reference to a condition or annex of these Conditions;
 - (xviii) a Transaction Document or other document or security includes (without prejudice to any prohibition on amendments) any amendment to that Transaction Document or other document or security, including any change in the purpose of, any extension for or any other change to the Notes made available under any such agreement or instrument; and
 - (xix) a time of day is a reference to London time.
- (b) Unless the contrary intention appears, a reference to a “**month**” or “**months**” is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
- (i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
 - (ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
 - (iii) notwithstanding subparagraph (i) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
- (c) In the event that any transaction is entered into by a member of the Group based on the applicable threshold in these Conditions at any particular date, that transaction shall not constitute a breach of these Conditions if there is a subsequent change in the amount of that threshold.
- (d) The Supplemental Deed Poll and these Conditions are subject to the terms of the Intercreditor Agreement and, in the event of a conflict between the terms of the Supplemental Deed Poll and/or these Conditions (on one hand) and the terms of the Intercreditor Agreement (on the other), the terms of the Intercreditor Agreement will prevail.
- (e) Unless the contrary intention appears:
- (i) a word or expression used in any other Transaction Document or in any notice given in connection with any Transaction Document has the same meaning in that Transaction Document or notice as in the Supplemental Deed Poll or these Conditions (as applicable); and

- (ii) any obligation of an Obligor under the Transaction Documents which is not a payment obligation remains in force for so long as any payment obligation of an Obligor is, or may be outstanding under the Transaction Documents.
- (f) The headings in these Conditions do not affect their interpretation.
- (g) For the purposes of any decision to be taken by the Holder Majority or all of the Holders under or in connection with a Transaction Document, a reference to **Holder** will exclude all members of the Group.
- (h) Unless the Supplemental Deed Poll or these Conditions expressly provides to the contrary, in any provision of the Supplemental Deed Poll or these Conditions where any party (the **“Consulting Party”**) is required to consult with another party (the **“Other Party”**) before making any decision, the Consulting Party’s obligation to consult will be treated as being discharged and final and binding on the Other Party, and the Consulting Party will, unless otherwise stated in the relevant Transaction Documents, have no liability to the Other Party or its Affiliates for any relevant decision or for any matter arising from that decision (if any) or consultation, if it follows the following procedure:
 - (iii) the consultation period will start upon the Consulting Party’s notice (giving reasonable details of the relevant matter in writing to the Other Party) and will last for the period (the **“Consultation Period”**) required by the relevant provision or, if no period for consultation is specified, five Business Days or such other period as may be agreed between the Consulting Party and the Other Party;
 - (iv) during the Consultation Period the Other Party may submit comments and/or suggestions in writing to the Consulting Party relating to the relevant decision (if any) or issue for consideration by the Consulting Party; and
 - (v) the Consulting Party will not take any decision (if the relevant provision requires a decision) prior to the expiry of the Consultation Period and in taking the decision will take account of any comments or suggestions submitted to it by the Other Party during the Consultation Period but will not be bound by them,
 and the terms consultation and consulted will be construed accordingly
- (i) Any reference to an **“assignment”** or **“transfer”** shall include any sub-participation (funded or unfunded or a derivative transaction which has an economic effect substantially similar to a sub-participation which, in any case, transfers (or is capable of transferring) any discretion with regard to voting rights.

5. JERSEY TERMS

- (a) In each Transaction Document, where it relates to a person: (i) incorporated; (ii) established; (iii) constituted; (iv) formed; (v) which carries on, or has carried on, business; or (vi) that has immovable property, in each case, in Jersey, a reference to:
 - (i) a composition, compromise, assignment or arrangement with any creditor, winding up, liquidation, administration, dissolution, insolvency event or insolvency includes, without limitation, bankruptcy (as that term is interpreted pursuant to Article 8 of the Interpretation (Jersey) Law 1954), a compromise or arrangement of the type referred to in Article 125 of the Companies (Jersey) Law 1991 and any procedure or process referred to in Part 21 of the Companies (Jersey) Law 1991;

- (ii) a liquidator, receiver, administrative receiver, administrator or the like includes, without limitation, the Viscount of the Royal Court of Jersey, Autorisés or any other person performing the same function of each of the foregoing;
- (iii) security or a security interest includes, without limitation, any hypothèque whether conventional, judicial or arising by operation of law and any security interest created pursuant to the Security Interests (Jersey) Law 1983 or the Security Interests (Jersey) Law 2012 and any related legislation; and
- (iv) any equivalent or analogous procedure or step being taken in connection with insolvency includes any corporate action, legal proceedings or other formal procedure or step being taken in connection with an application for a declaration of en désastre being made in respect of any assets of such person (or the making of such declaration).

6. REGISTRATION AND TRANSFER OF NOTES

(a) Registration

The Issuer will cause a register (the “**Register**”) to be kept at the specified office of the Issuer (and the Register shall at all times be kept outside the United Kingdom) on which will be entered the names and addresses of the Holders and the particulars of the Notes held by them and of all transfers and redemptions of Notes.

The Register shall, in the absence of manifest error, be conclusive evidence of the information contained therein.

(b) Transfer

Notes may, subject to this Condition 6, be transferred in whole or in part in an Authorised Denomination by lodging the relevant Certificate (with the form of transfer in respect thereof duly executed) with the Issuer at its specified office.

No transfer of a Note will be valid (i) unless the terms of these Conditions have been complied with and (ii) unless and until the transferee is entered on the Register as the registered holder of the relevant Notes. A Note may be registered only in the name of, and transferred only to, a named person.

The Issuer will within seven Business Days of receipt at the specified office of the Issuer of a duly completed form of transfer endorsed on the relevant Certificate, deliver a new Certificate to the transferee (and, in the case of a transfer of part only of a Note, deliver a Note for the untransferred balance to the transferor) at the specified office of the Issuer or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the expense of the transferee or, as the case may be, the transferor) mail the Note by uninsured mail to such address as the transferee or, as the case may be, the transferor may request.

A Holder may at any time transfer its Notes to any other bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets pursuant to the terms of such assignment instrument.

(c) Formalities Free of Charge

Such transfer will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith; (ii) the Issuer being satisfied with the documents of title and/or identity of the person making the application; and (iii) such reasonable regulations as the Issuer may determine from time to time.

(d) **Closed Periods**

The Issuer shall not be required to register the transfer of any Note (or part thereof) (i) during the period of 15 days immediately prior to the Final Maturity Date; or (ii) during the period of 15 days ending on (and including) any Record Date in respect of any payment of interest.

7. INTEREST

- (a) Subject to paragraph (b) below, each Original Note bears interest from (and including) the Issue Date and each Additional Note bears interest from (and including) the Additional Notes Issue Date at the Interest Rate calculated by reference to the principal amount thereof and payable semi-annually in arrear in equal instalments (save, in respect of the Additional Notes, for the first interest payment falling on 4 May 2022 which shall be for the period from (and including) the Additional Notes Issue Date and ending on (but excluding) 4 May 2022) on 4 May and 4 November in each year (each an “**Interest Payment Date**”), commencing with the Interest Payment Date falling on 4 May 2022; provided that, at that Issuer’s election, up to 50 per cent. of the interest in respect of any Interest Period (subject to the Authorised Denominations and rounded to the nearest US\$1,000) may be satisfied on each Interest Payment Date by the issuance by the Issuer of further Notes pursuant to Condition 19 representing such interest to be immediately consolidated and form a single series with the outstanding Notes and the Issuer will register and deliver new Certificates in respect of such capitalised interest to each Holder.
- (b) Any accrued and unpaid interest payable on 4 May 2023, shall be satisfied by the issuance by the Issuer of further Notes pursuant to Condition 19 representing such interest to be immediately consolidated and form a single series with the outstanding Notes and the Issuer will register and deliver new Certificates in respect of such capitalised interest to each Holder.
- (c) If interest is required to be calculated the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.
- (d) On or as soon as practicable following each Interest Payment Date, the Issuer shall deliver to each Holder a certificate as to the gross amount of the relevant interest capitalisation.
- (e) Each Note will cease to bear interest where such Note is redeemed or repaid pursuant to Condition 8 or Condition 11, from (and including) the due date for redemption or repayment thereof unless, upon due surrender of the relevant Certificate, payment of the full amount due is improperly withheld or refused, in which event interest will continue to accrue at the Interest Rate (both before and after judgment) up to (but excluding) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Holder.

8. REDEMPTION, PURCHASE AND TRIGGERING EVENT PROTECTIONS

(a) **Final Redemption**

Unless previously purchased and cancelled or redeemed, as herein provided, the Notes will be redeemed at 100 per cent. of their principal amount on the Final Maturity Date. The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 8.

(b) **Purchase**

Subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise at any price.

(c) **Cancellation**

All Notes which are redeemed and all Notes which are purchased by the Issuer or any of its Subsidiaries will be cancelled and may not be reissued or resold.

(d) **Redemption upon a Change of Control or Sale**

- (i) The Issuer must promptly (and in any event within two (2) Business Days) following such event notify the Holders if it becomes aware of any Change of Control or a Sale.
- (ii) After a Change of Control or Sale, the Holder Majority may, by delivering a notice to the Issuer no later than sixty (60) Business Days following the later of (i) the Change of Control or Sale or (ii) the receipt of a notice by the Holders pursuant to paragraph (i) above, declare that all amounts payable under the Notes by the Obligors will become due and payable on a date that is not less than ten (10) Business Days' after the delivery of such notice and the Issuer will redeem all the Notes on such date.
- (iii) Any such notice will take effect in accordance with its terms.

(e) **Redemption upon a Disposal**

- (i) Unless otherwise required by the Holder Majority, the Issuer shall apply fifty (50) per cent. of the Excess Disposal Proceeds received by any member of the Group:
 - (A) first, to the extent such Net Disposal Proceeds relate to certain agreed acquisitions or other transactions and such payment is required under the original terms of the relevant Permitted Pari Debt, up to US\$50,000,000 of such Net Disposal Proceeds, in redemption or prepayment of the Permitted Pari Debt;
 - (B) second, in redemption or prepayment of the Notes and any Permitted Pari Debt on *apro rata* basis until the Notes and any Permitted Pari Debt is repaid in full,

provided that any Excluded Disposal Proceeds and the remaining fifty (50) per cent. of the Excess Disposal Proceeds not so required to be applied in early redemption of the Notes or Permitted Pari Debt are applied directly to finance the working capital requirements of the Group.
- (ii) Any Excluded Financing Proceeds and the remaining fifty (50) per cent. of any Excess Net Financing Proceeds after the relevant amounts have been applied towards the mandatory redemption of the Notes pursuant to paragraph (i) above shall be retained by the Group for the purposes of financing the working capital requirements of the Group.
- (iii) Any mandatory redemption under this Condition 8(e) shall be made on or before the date that is 5 Business Days after receipt of the Net Disposal Proceeds.

(f) **Redemption at the option of the Issuer**

The Issuer may at any time, at the Redemption Amount, having given not less than 30 nor more than 60 calendar days' notice (a **Issuer Redemption Notice**) to the Holders in accordance with this Condition 8(f), redeem all but not some only of the Notes for the time being outstanding, together with accrued interest to, but excluding, the Redemption Date specified in the Issuer Redemption Notice.

(g) **Redemption for Taxation Reasons**

The Issuer may, at any time, having given not less than 30 nor more than 60 calendar days' notice (a **"Tax Redemption Notice"**) to the Holders redeem all but not some only of the Notes for the time being outstanding on the date (the **"Tax Redemption Date"**) specified in the Tax Redemption Notice at the Redemption Amount, together with accrued but unpaid interest up to (but excluding) the Tax Redemption Date, (i) if the Issuer has or will become obliged to pay additional amounts pursuant to Condition 10 as a result of any change in (or in the interpretation administration or application of) any law or any published practice or published concession of any relevant taxing authority, which change or amendment becomes effective on or after 4 November 2021, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Holders (a) a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above has arisen and cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of independent legal or tax advisers of recognised international standing to the effect that such change or amendment has occurred and that the Issuer has or will be obliged to pay such additional amounts as a result thereof (irrespective of whether such amendment or change is then effective).

On the Tax Redemption Date the Issuer shall redeem the Notes at the Redemption Amount, together with accrued but unpaid interest up to (but excluding) the Tax Redemption Date.

9. PAYMENTS

(a) Principal

Payment of principal in respect of the Notes and accrued interest payable on a redemption of the Notes (other than on an Interest Payment Date) will be made to the persons shown in the Register at the close of business on the Record Date and subject to the surrender (or, in the case of partial payment only, endorsement) of the relevant Certificate at the specified office of the Issuer.

(b) Interest and other amounts

- (i) Payments of interest due on an Interest Payment Date will be made to the persons shown in the Register at close of business on the Record Date.
- (ii) Payments of all amounts other than as provided in Condition 9(a) and Condition 9(b)(i) will be made as provided in these Conditions.

(c) Record Date

"Record Date" means the fifteenth Business Day before the due date for the relevant payment.

(d) Payments

Each payment in respect of the Notes pursuant to Condition 9(a) and Condition 9(b)(i) will be made by transfer to a US\$ account maintained by the payee with a bank specified by the Holder and notified to the Issuer no later than the date falling three Business Days prior to the date on which the payment is required to be made.

(e) Payments subject to fiscal laws

Without prejudice to the application of the provisions of Condition 10, all payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Holders in respect of such payments.

(f) Business Days

Any payment under the Notes which is due to be made on a day that is not a business day shall be made on the next business day.

In this Condition, “**business day**” means a day (other than a Saturday or Sunday) which is a Business Day and in the case of presentation or surrender of a Certificate a day on which commercial banks and foreign exchange markets are open for business in the place of the specified office of the Issuer.

(g) **Delay in payment**

Holders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due: (i) as a result of the due date not being a business day or (ii) if the Holder is late in surrendering the relevant Certificate (where such surrender is required pursuant to these Conditions as a precondition to any payment); or (iii) if the Holder fails to specify the relevant bank account into which payment is to be made in accordance with Condition 9(d).

(h) **Fractions**

When making payments to Holders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

10. TAXATION

(a) All payments of principal and interest by or on behalf of an Obligor in respect of the Notes shall be made free and clear of any Tax Deduction, unless such Tax Deduction is required by law.

(b) In the event of a Tax Deduction being made by an Obligor in respect of a payment made by it, the relevant Obligor shall pay such additional amounts as will result in the receipt by the Holders, after any withholding or deduction for or on account of such taxes, duties, assessments or charges, of such amounts as would have been received by them if no such Tax Deduction had been required, except that no additional amounts shall be payable in respect of a Tax Deduction on account of Tax imposed by the United Kingdom in respect of any Notes:

(i) to the Holders where it is liable to such taxes, duties, assessments or governmental charges in respect of such Notes by reason of it having some connection with the UK otherwise than merely by the holding of the Notes;

(ii) (in the case of a payment of principal) if the Certificate in respect of such Notes is surrendered more than 30 days after the relevant date except to the extent that the Holder would have been entitled to such additional amount on surrendering the relevant Certificate for payment on the last day of such period of 30 days;

For the purposes hereof, “relevant date” means whichever is the later of (a) the date on which such payment first becomes due and (b) if the full amount payable has not been received by the Holder on or prior to such due date, the date on which the full amount has been so received by the Holder.

References in these Conditions to principal and premium (if any) shall be deemed also to refer to any additional amounts which may be payable under this Condition 10 or any undertaking or covenant given in addition thereto or in substitution therefore pursuant to the Deed Poll.

11. EVENTS OF DEFAULT

If any of the following events (each an “**Event of Default**”) occurs and is continuing then a Holder Majority may, by written notice to the Issuer, declare the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at the Redemption Amount, together with accrued interest without further action or formality.

- (a) *Non-Payment*: an Obligor does not pay on the due date any amount payable by it under the Transaction Documents in the manner required under the Transaction Documents, unless the non-payment: (i) is caused by technical or administrative error; or (ii) a Disruption Event; and is remedied within three (3) Business Days of the due date, **provided that** if the non-payment is in respect of an amount payable under the Transaction Documents which does not consist of principal, interest or any Consent Fees payable under the Notes, no Event of Default will occur if the relevant payment is made within five (5) Business Days of the due date; or
- (b) *Failure to deliver*: the Issuer fails to comply with its obligations under the Warrant Shares or any Agreed Bridge Equity Issue Shares Documentation and such failure continues for a period of five (5) Business Days; or
- (c) *Breach of financial covenant*: an Obligor does not comply with any term of the Conditions set out in 2(a) of Annex 2 (*Financial Covenant*); or
- (d) *Breach of other obligations*: an Obligor does not comply with any other term of the Transaction Documents (other than any term referred to in paragraph (a), (b) or (c) above), unless the non-compliance (i) is capable of remedy; and (ii) is remedied within ten (10) Business Days of the earlier of the Holder Majority giving notice of the breach to the Issuer and any Obligor becoming aware of the non-compliance; or
- (e) *Breach of an Issuer Representation, Warranty or Undertaking under the Note Subscription Agreement*: any representation made or deemed to be made by the Issuer under or pursuant to the Note Subscription Agreement is untrue or inaccurate in any material respect or, if the representation is subject to materiality, in any respect when made or deemed to be made in accordance with the Note Subscription Agreement, and, if such representation is capable of remedy, remains unremedied for 30 calendar days after the earlier of (x) the Issuer becoming aware of such representation being untrue or inaccurate and (y) the Issuer otherwise being informed by a Holder in writing of such representation being untrue or inaccurate; or
- (f) *Cross-default of Issuer or the Group*: any of the following occurs in respect of a member of the Group:
 - (i) any of its Financial Indebtedness is not paid when due (after the expiry of any originally applicable grace period);
 - (ii) any of its Financial Indebtedness:
 - (A) becomes prematurely due and payable;
 - (B) is placed on demand; or
 - (C) is capable of being validly declared by or on behalf of a creditor to be prematurely due and payable or placed on demand,
 in each case, as a result of an event of default or any provision having a similar effect (howsoever described) and, in the case of a derivative transaction referred to in paragraph (vii) of the definition of Financial Indebtedness only, arising from or occurring because of or relating to matters, events or circumstances caused by or arising in respect of any member of the Group; or
 - (iii) any commitment for its Financial Indebtedness is cancelled or suspended as a result of an event of default or any provision having a similar effect (howsoever described),

unless the aggregate amount of Financial Indebtedness falling within all or any of paragraphs (i) to (iii) above is less than \$5,000,000 or its equivalent; or

- (g) *Insolvency etc*: any of the following occurs in respect of an Obligor, a Bridge Obligor or following the Bridge Notes Discharge Date, any Material Company:
- (i) it is, or is deemed for the purposes of any applicable law to be, unable to pay its debts as they fall due or insolvent;
 - (ii) it admits its inability to pay its debts as they fall due;
 - (iii) it suspends making payments on any of its debts or announces an intention to do so;
 - (iv) by reason of actual or anticipated financial difficulties, it begins negotiations after the Effective Date with a class or category of its creditors (other than the Holders or any Secured Party) for the rescheduling or restructuring of its indebtedness generally; or
 - (v) a moratorium is declared in respect of any of its indebtedness.

If a moratorium occurs in respect of any member of the Group, the ending of the moratorium will not remedy any Event of Default caused by the moratorium; or

- (h) *Insolvency proceedings*: except as provided below, any of the following occurs in respect of an Obligor, a Bridge Obligor or following the Bridge Notes Discharge Date, any Material Company:
- (i) a meeting of its shareholders or directors is convened for the purpose of considering any resolution for, to petition for or to file documents with a court or any registrar for, its winding-up, administration, examinership or dissolution or any such resolution is passed;
 - (ii) any person presents a petition, or files documents with a court or any registrar, for its winding-up, administration, examinership, dissolution or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise);
 - (iii) its shareholders or directors request the appointment of, or give notice of their intention to appoint, a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator, examiner or similar officer;
 - (iv) any Security Interest is enforced over any of its assets with an aggregate value of \$5,000,000 or more;
 - (v) an order for its winding-up, administration, examinership or dissolution is made;
 - (vi) any liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator, examiner or similar officer is appointed in respect of it or any of its assets; or
 - (vii) any other analogous step or procedure is taken in any jurisdiction.

Paragraph (h) above does not apply to:

- (i) any step or procedure which is part of a Permitted Transaction; or

- (ii) a petition for winding-up, dissolution or reorganisation presented by a creditor which is being contested in good faith and with due diligence and is discharged or struck out within twenty-one (21) days; or
- (i) *Creditor' process*: any attachment, sequestration, distress, execution or analogous event affects any asset(s) of an Obligor, a Bridge Obligor or following the Bridge Notes Discharge Date, any Material Company, having an aggregate value of at least \$5,000,000, and is not discharged within twenty-one (21) days; or
- (j) *Effectiveness of the Transaction Documents*: (i) it is or becomes unlawful for any Obligor to perform any of its obligations under the Transaction Documents; (ii) any Transaction Document is not effective in accordance with its terms or is alleged by an Obligor to be ineffective in accordance with its terms for any reason or any Security Interest created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective; or (iii) an Obligor rescinds or repudiates a Transaction Documents or any Transaction Security or evidences an intention to rescind or repudiate a Transaction Documents or any Transaction Security; or
- (k) *Intercreditor Agreement*: (i) any member of the Group or any Subordinated Creditor (as defined in the Intercreditor Agreement) which is a party to the Intercreditor Agreement fails to comply with the provisions of, or does not perform its obligations under, the Intercreditor Agreement; or (ii) a representation or warranty given by that party in the Intercreditor Agreement is incorrect in any material respect, and if the non-compliance or circumstances giving rise to the misrepresentation are capable of remedy, it is not remedied within ten (10) days of the earlier of the Trustee giving notice to that party or that party becoming aware of the non-compliance or misrepresentation; or
- (l) *Ownership of the Obligors*: an Obligor or, prior to the Bridge Notes Discharge Date, a Bridge Obligor, other than the Issuer or any member of the Group which is the subject of the IPA Business Disposal or the Higi Business Disposal or any other disposal that is permitted under the terms of these Conditions, is not or ceases to be a Subsidiary of the Issuer; or
- (m) *Litigation*: any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened (other than a proceeding which is frivolous or vexatious) which are reasonably likely to be adversely determined and, if so adversely determined, would be reasonably likely to have a Material Adverse Effect, or any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body is made against any member of the Group or its assets which has or is reasonably likely to have a Material Adverse Effect; or
- (n) *Cessation of business*: an Obligor, a Bridge Obligor or following the Bridge Notes Discharge Date, any Material Company ceases, or threatens to cease, to carry on business except: (i) as part of a Permitted Transaction; or (ii) as a result of a disposal allowed under these Conditions.
- (o) *Material Adverse Change*: any event or series of events occurs which has or is reasonably likely to have an effect on the business, assets or financial condition of the Group which is of such significance that: (i) any Obligor is or would be unable to meet its payment obligations to the Holders; or (ii) the Issuer is or would be unable to comply with any requirements set out in Annex 2 (*Financial Covenant*); or
- (p) *Breach of Operational Milestone Undertakings*: An Obligor does not satisfy any Milestone by the relevant Milestone Date, provided that no Event of Default shall occur if the Issuer has certified to the

Trustee, prior to the relevant Milestone Date, that in its reasonable opinion and based on the relevant facts and circumstances, the relevant Milestone is capable of being satisfied, and the Issuer satisfies that Milestone within five (5) Business Days of the relevant Milestone Date.

12. INFORMATION UNDERTAKINGS

Each Obligor undertakes to Holders in the terms set out in the Annex 1 (*Information Undertakings*) to these Conditions, to the extent such terms are applicable to that Obligor.

13. FINANCIAL COVENANT

The Issuer undertakes to Holders in the terms set out in Annex 2 (*Financial Covenant*) to these Conditions.

14. GENERAL UNDERTAKINGS

Each Obligor undertakes to Holders in the terms set out in Annex 3 (*General Undertakings*) to these Conditions, to the extent such terms are applicable to that Obligor.

15. REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuer subject to all applicable laws and regulations, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

16. EXPENSES

Initial costs

- (a) Subject to paragraph (d) below, the Issuer must pay to each Holder the amount of all reasonable costs and expenses (including legal fees in accordance with the terms of the relevant capped fee arrangement and registration costs) incurred by it in connection with the negotiation, preparation, printing, entry into, attachment, perfection and syndication of the Transaction Documents.

Subsequent costs

- (b) Subject to paragraph (d) below, the Issuer must, within three (3) Business Days of demand, pay to the Holders the amount of all costs and expenses (including legal fees subject to agreement of the scope and fees in respect of such arrangements, including without limitation any applicable caps) reasonably incurred by any of them in connection with:
- (i) the negotiation, preparation, printing and entry into of any Transaction Document executed after the date of the Supplemental Deed Poll; and
 - (ii) any amendment, waiver or consent requested by or on behalf of an Obligor.

Enforcement costs

- (c) Subject to paragraph (d) below, the Issuer must pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of, or the preservation of any rights under, any Bridge Finance Document and the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

Double recovery

- (d) The Issuer shall not be required to make any payment to a Holder pursuant to this Condition 16 to the extent that such Holder has sought to recover the applicable costs and/or expenses (including legal fees, subject to any requirements set out above) pursuant to an equivalent provision in the Bridge Loan Note Facility Agreement and/or the Intercreditor Agreement, provided that this paragraph (d) shall not apply to the payment of any costs and/or expenses of advisers individually appointed by a Holder.

17. NOTICES

- (a) Any communication to be made under or in connection with the Notes shall be made in writing and, unless otherwise stated, shall be made by email.
- (b) A notice any Obligor shall be sent to the following email address, or such other email address as the Issuer may indicate by not less than five Business Days' notice in writing to the Holders from time to time:

Email: legal-corporate@babylonhealth.com

Attention: General Counsel, Legal Department
- (c) The email address (and the department or officer, if any, for whose attention the communication is to be made) of a Holder for any communication or document to be made or delivered under or in connection with the Notes is that identified in the Certificate relating to its Notes or any substitute email (and department or officer) as the Holder may notify to the Issuer by not less than five Business Days' notice.
- (d) Any communication or document made or delivered under or in connection with the Notes will only be effective upon receipt and shall be deemed to have been received: upon generation of a receipt notice by the recipient's server, or if such notice is not so generated, upon the delivery to the recipient's server.
- (e) Any communication or document which becomes effective after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19. FURTHER ISSUES

The Issuer may from time to time without the consent of the Holders create and issue further notes, pursuant to Condition 4(a), having terms and conditions the same as those of the Notes, or the same except for the amount and date of the first payment of interest and the date from which interest starts to accrue, which may be consolidated and form a single series with the outstanding Notes.

20. CONFIDENTIALITY

- (a) Each Holder must keep confidential and not disclose to anyone any information supplied to it by or on behalf of any member of the Group, any of their advisers or another Holder (if the information was obtained by that Holder directly or indirectly from any member of the Group or its advisers) in connection with the Transaction Documents or of which it becomes aware of in its capacity as, or for the purpose of becoming, a Holder. Each Holder must ensure that all such information is protected with security measures and a degree of care that would apply to its own confidential information. However, a Holder is entitled to disclose information, subject to paragraph (c) below:

- (i) which is or becomes publicly available, other than as a direct or indirect result of a breach by that Holder of this Condition;
- (ii) if required or requested to do so by a governmental, banking, taxation, other regulatory authority, court of competent jurisdiction, the rules of relevant stock exchange or under any law or regulation, if the person to whom the information is to be given is informed of its confidential nature and that some or all of such information may be price-sensitive information except that there shall be no requirement to inform if, in the reasonable opinion of that Holder, it is not practicable to do so in the circumstances;
- (iii) to its professional advisers which are subject to professional obligations to maintain the confidentiality of such information (or if not subject to professional obligations to maintain the confidentiality of such information, which is bound by an obligation of confidentiality to such Holder) and is informed in writing of its confidential nature and that some or all of such confidential information may be price-sensitive information;
- (iv) to any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative investigations, proceedings or disputes relating to the Transaction Documents if the person to whom the confidential information is to be given is informed of its confidential nature and that some or all of such confidential information may be price-sensitive information;
- (v) which is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers;
- (vi) which is known by that Holder before the date the information is disclosed to it in accordance with the first paragraph of this paragraph (a) or is lawfully obtained by that Holder after that date, from a source which is, as far as that Holder is aware, unconnected with the Group and which, in either case, as far as that Holder is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality;
- (vii) to another Holder unless such Holder has notified the Holders that it does not wish to receive information;
- (viii) with the agreement of the Issuer;
- (ix) to any of its Affiliates and Related Entities and any of its or their officers, directors, employees, professional advisers, auditors, investors, partners and Representatives, such confidential information as that Holder shall consider appropriate if any person to whom the confidential information is to be given pursuant to this paragraph (ix) is bound by an obligation of confidentiality to such Holder (or is otherwise subject to professional obligations to maintain the confidentiality of the information) and is informed in writing of its confidential nature and that some or all of such confidential information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the confidential information;
- (x) to any person with whom it may enter into, or has entered into, or who may invest in or otherwise finance, directly or indirectly, any kind of transfer, assignment, participation or other transaction or agreement in relation to the Supplemental Deed Poll, these Conditions, the Transaction Documents and/or one or more Obligors (a participant) and their Affiliates, Related Entities, Representatives and professional advisers such confidential information as that Holder shall consider appropriate if the person to whom the confidential information is to be given is informed that some or all of such confidential information may be price-sensitive information and is bound by an obligation of confidentiality to such Holder or is otherwise subject to professional obligations to maintain the confidentiality of the information; and
- (xi) any national or international numbering service provider appointed by that Holder to provide identification numbering services in respect of the Supplemental Deed Poll, these Conditions, the Notes or one or more Obligors the following information:
 - (A) the names of Obligors;
 - (B) the country of domicile of Obligors;
 - (C) the place of incorporation of Obligors;

- (D) the date of the Supplemental Deed Poll;
- (E) the date of each amendment or restatement of the Supplemental Deed Poll and/or these Conditions;
- (F) the amount of the Notes in issuance;
- (G) the currency of the Notes;
- (H) the type of the Notes;
- (I) the ranking of the Notes;
- (J) the Final Maturity Date;
- (1) changes to any of the information previously supplied pursuant to sub-paragraphs (A) to (J) above once the Obligors has had reasonable opportunity to determine whether such information is price-sensitive information; and
- (2) such other information agreed between that Holder and the Issuer,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

The Holders acknowledge and agree that each identification number assigned to the Supplemental Deed Poll, the Notes and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

Each Obligor represents that none of the information set out in sub-paragraphs (1) to (2) above is unpublished price-sensitive information.

- (b) This Condition supersedes any previous confidentiality undertaking given by a Holder in connection with the Supplemental Deed Poll.
- (c) The Issuer shall not, and the Issuer shall procure that no member of the Group (or any person on its behalf or on behalf of any member of the Group) shall disclose any details of the Consent Fee to:
 - (i) any person other than a Secured Party;
 - (ii) any of its Related Parties and any of its and their professional advisors and auditors; or
 - (iii) any other person such confidential information as that the Issuer shall consider appropriate if any person to whom the confidential information is to be given pursuant to this paragraph (c) is bound by an obligation of confidentiality to the Issuer or is otherwise subject to professional obligations to maintain the confidentiality of the information) and is informed in writing of its confidential nature and that some or all of such confidential information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the confidential information,

without the prior written consent of the Holder Majority and the Issuer.

- (d) Paragraph (c) above does not apply to any announcement or disclosure required by law or regulation or any applicable stock exchange.

21. SET-OFF

If an Event of Default is continuing under Condition 11(a) (*Non-payment*), a Holder may set off any matured obligation owed to it by an Obligor under the Transaction Documents (to the extent beneficially owned by that Holder) against any matured obligation owed by that Holder to an Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Holders may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

22. GOVERNING LAW AND JURISDICTION

(a) Governing Law

The Notes, including any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law.

(b) Jurisdiction

Subject as provided below, the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and any non-contractual obligations arising out of or in connection with them and accordingly any legal action or proceedings arising out of or in connection with the Notes or any such obligations (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the exclusive jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

Notwithstanding the above, no Holder shall be prevented from taking proceedings relating to a dispute in any other courts with jurisdiction. To the extent allowed by law, a Holder may take concurrent proceedings in any number of jurisdictions.

(c) Service of process

Without prejudice to any other mode of service allowed under any relevant law, the Issuer:

- (i) irrevocably appoints Babylon Group Holdings Limited with registered number 14707874, the registered office of which is at 1 Knightsbridge Green, London, England SW1X 7QA as its agent for service of process in relation to any proceedings before the English courts in connection with the Notes; and
- (ii) agrees that failure by an agent for service of process to notify the Holders of the process will not invalidate the proceedings concerned.

If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Issuer shall immediately (and in any event within five days of such event taking place) appoint another agent on terms acceptable to the Holder Majority. Failing this, the Holder Majority may appoint another agent for this purpose.

23. VARIATION

Any variation to the terms of the Deed Poll and these Conditions will only be valid if it is in writing and executed by the Issuer and a Holder Majority.

Annex 1

Information Undertakings

1. Financial Statements

(a) The Issuer must supply to the Holders:

- (i) its audited consolidated financial statements for each of its financial years;
- (ii) its unaudited interim consolidated financial statements for the first half year of each of its financial years;
- (iii) its consolidated management accounts for each Financial Quarter (commencing with the first complete Financial Quarter starting after Effective Date and excluding the second and final Financial Quarter in each financial year);
- (iv) its consolidated management accounts for each Monthly Accounting Period, which shall be comprised of:
 - (A) a consolidated profit and loss statement;
 - (B) a consolidated balance sheet;
 - (C) a consolidated cashflow statement;
 - (D) a consolidated breakdown of capital expenditure;
 - (E) a consolidated breakdown of costs and overheads;
 - (F) details of the amount of cash held in bank accounts of members of the Group, including the identity of each such account bank and the amount of Cash held with that account bank,

in each case, together with appropriate supporting commentary (if applicable) and an explanation of any material variances in the information provided in the Cashflow Forecast; and

(v) a weekly information package including:

- (A) Cashflow Forecast up-dated for that week and accompanied by a written statement or commentary prepared by the management of the Issuer comparing the latest Cashflow Forecast against the Cashflow Forecast delivered for the immediately preceding week and summarising any material differences;
- (B) weekly breakdown of any material expenditure by any member of the Group;

(vi)

- (A) copies of any material written information and materials that are prepared by any advisors engaged by the Issuer (or any other member of the Group) in connection with the M&A Process (except for any information or materials that are subject to legal privilege) provided that the disclosure of such information and materials is not

prohibited by any applicable law, regulation or contractual obligation or, to the extent it is so prohibited, the Issuer shall use its reasonable endeavours to obtain consent to disclose such information and materials notwithstanding such prohibition or contractual obligation;

- (B) any other information reasonably requested by any Holder in connection with the business or financial condition of any member of the Group, provided that the disclosure of such information and materials is not prohibited by any applicable law, regulation or contractual obligation and excluding any information or materials that are subject to legal privilege.

(b) All financial statements required under paragraph (a) above must be supplied as soon as they are available and:

- (i) in the case of the Issuer's audited consolidated financial statements, as soon as reasonably practicable after the filing of such accounts with the United States Securities and Exchange Commission; and
- (ii) in the case of the Issuer's unaudited interim consolidated financial statements for the first half of its financial year, within sixty (60) days of the end of the relevant financial period;
- (iii) in the case of the Issuer's unaudited interim consolidated financial statements for each Financial Quarter, within forty-five (45) days of the end of the relevant Financial Quarter;
- (iv) in the case of the Issuer's unaudited monthly management accounts for each Monthly Accounting Period within thirty (30) days of the end of that Monthly Accounting Period; and
- (v) in the case of the Cashflow Forecast delivered in accordance with subparagraph (a)(v)(A) above, (x) prior to the date on which the Completion Milestone is satisfied, up-dated each week, by the Friday immediately after the end of that week (assuming the week ends on a Sunday) and (y) on and from the date on which the Completion Milestone is satisfied, up-dated each month, within five (5) Business Days after the end of that month.

(c) If requested by a Holder in order to comply with any law or regulation, the Issuer must supply to the Holders the financial statements of each Obligor for each of its financial years (audited if that Obligor produces audited financial statements). The financial statements required under this paragraph must be supplied as soon as they are available and not later than ten days after the latest date by which they are required by law to be produced by the relevant Obligor.

2. Form of financial statements

- (a) The Issuer must ensure that each set of financial statements supplied under this Annex gives (if audited) a true and fair view of, or (if unaudited) fairly represents, the financial condition (consolidated or otherwise) of the relevant person as at the date to which those financial statements were drawn up.
- (b) The Issuer must notify the Holders of any change to the manner in which its audited consolidated financial statements are prepared which is relevant to the financial covenant under Annex 2 (*Financial Covenant*).
- (c) If requested by a Holder, the Issuer must supply to the Holders:

- (i) a full description of any change notified under paragraph (b) above; and
 - (ii) sufficient information (in form and substance as may be reasonably required by a Holder) to enable it to make a proper comparison between the financial position shown by the set of financial statements prepared on the changed basis and its most recent audited consolidated financial statements delivered to the Holders under this Annex.
- (d) If requested by a Holder, the Issuer must enter into discussions for a period of not more than 30 days with a view to agreeing any amendments required to be made to this Annex to place the Issuer and the Holders in the same position as they would have been in if the change had not happened. Any agreement between the Issuer and the Holder Majority will be binding on all the Parties.
- (e) If no agreement is reached under paragraph (d) above on the required amendments to this Annex, the Issuer must supply with each set of its financial statements an audited reconciliation statement indicating the changes that would be made to those financial statements if they had been prepared on the same basis as the:
- (i) audited consolidated annual financial statements of the Issuer for its financial year ending 31 December 2021; and
 - (a) interim half yearly unaudited financial statements of the Group for the month ending 30 June 2022,
- as applicable

3. Compliance Certificate

- (a) Subject to paragraph (b) below, the Issuer must supply to the Holders a Compliance Certificate with each set of its financial statements required to be sent to the Holders under paragraph (a)(i) and (a)(ii) of paragraph 1 (*Financial Statements*) above.
- (b) A Compliance Certificate must be signed by a director and the Chief Financial Officer of the Issuer or, if the Chief Financial Officer is not available (and provided that an explanation as to why the Chief Financial Officer is not available is given to the Holders), the Finance Director of the Group.

4. Presentation to Holders

- (a) Prior to the satisfaction of the Completion Milestone, the Holder Majority (acting reasonably)) may request that the Chief Executive Officer, Chief Financial Officer and such other senior management and representatives of the Group as reasonably requested by the Holder Majority (acting reasonably)) convene a meeting (which may take place via conference call or electronic means) or call with the Holders on a Business Day with at least three (3) clear Business Days' notice in order to discuss agenda items or questions posed by the Holders, which must be provided to the Issuer at least two (2) Business Days in advance of such meeting or call.
- (b) Prior to the satisfaction of the Completion Milestone, at least once each fortnight, such members of senior management or key personnel as reasonably requested by the Holder Majority (acting reasonably)) shall make themselves available for a conference call with the Holders, with the first such call to be offered during the week immediately following the week in which the Effective Date occurs.

- (c) Prior to the satisfaction of the Completion Milestone, at least once each week, the sell side advisors engaged by the Issuer in connection with the M&A Process and the IPA Business Disposal shall make themselves available for a conference call with the Holders with the first such call to be offered during the week immediately following the week in which the Effective Date occurs.

5. Information - miscellaneous

The Issuer must supply to the Holders, in sufficient copies for all the Holders, if a Holder (acting reasonably) so requests:

- (a) copies of all documents dispatched by the Issuer to its shareholders (or any class of them) or its creditors generally or any class of them at the same time as they are dispatched;
- (b) promptly following the occurrence of any of (i) and (ii) below:
 - (i) copies of any written agreement entered into by the Issuer with any shareholder of the Issuer (or any Affiliate of or Related Party to that shareholder) other than in the ordinary course of business; and
 - (ii) copies of all written information provided to any creditors of any member of the Group (other than any Holder) other than in the ordinary course of business,

in each case that are relevant to the M&A Process and/or Recapitalisation Process and subject to any confidentiality obligations or restrictions on information sharing, provided that no member of the Group may enter into any new non-disclosure agreement with any such party that restricts any member of the Group's ability to disclose information to the Holders (other than on terms where the Holders are required to receive any such information on a confidential basis) as may be requested pursuant to paragraphs (b)(i) and (b)(ii) above, without the prior written consent of the Holder Majority (not to be unreasonably withheld);

- (c) promptly upon becoming aware of them, details of any litigation, arbitration or administrative proceedings which are current, threatened or pending and which are likely to be adversely determined and have or would have a Material Adverse Effect if adversely determined;
- (d) promptly, such information as the Holders may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Transaction Security Documents;
- (e) promptly on request, such further information regarding the financial condition, business and operations of any member of the Group (including information in connection with or arising out of the M&A Process or the Recapitalisation Process) as any Holder through the Holders may reasonably request, except to the extent that disclosure of such information would breach any law, regulation or stock exchange requirement or any confidentiality obligations or restrictions on information sharing.

6. Notification of Default

- (a) Unless the Holders have already been so notified by another Obligor, each Obligor must notify the Holders of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.
- (b) Promptly on request by a Holder, the Issuer must supply to the Holders a certificate, signed by at least one director or the company secretary on its behalf, certifying that no Default is outstanding or, if a Default is outstanding, specifying the Default and the steps, if any, being taken to remedy it.

7. Know your customer requirements

- (a) Subject to paragraph (b) below, each Obligor must promptly on the request of any Holder supply to that Holder any documentation or other evidence which is reasonably requested by that Holder (whether for itself, on behalf of any Holder or any prospective new Holder) to enable a Holder or prospective new Holder to carry out and be satisfied with the results of all applicable know your customer requirements in all applicable jurisdictions of each Obligor.
- (b) An Obligor is only required to supply any information under paragraph (a) above, if the necessary information is not already available to the relevant Holder and the requirement arises as a result of:
 - (i) the introduction of any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Annex;
 - (ii) any change in the status of an Obligor after the date of this Annex; or
 - (iii) a proposed assignment or transfer by a Holder of any of its rights and/or obligations under this Annex to a person that is not a Holder before that assignment or transfer.
- (c) Each Holder must promptly on the request of any Holder supply to the requesting Holder any documentation or other evidence which is reasonably required by the requesting Holder to carry out and be satisfied with the results of all know your customer requirements.

8. Information for Holders

- (a) At any time, a Holder may direct the Issuer to deliver to its nominated in-house legal and compliance professionals any written information provided by the Group to that Holder pursuant to this paragraph 8 (*Information for Holders*) or any other term of this Annex and if so notified or directed, the Issuer shall not provide any such information to that Holder and will instead deliver such information to that Holder's nominated in-house legal and compliance professionals unless and until notified otherwise by that Holder.
- (b) On and from:
 - (i) the date on which the Completion Milestone is satisfied; or
 - (ii) the occurrence of any Event of Default that has not been remedied or waived within its applicable cure period,

each Holder shall have the right to make a public election in respect of the Notes (in which case, it may notify the Issuer that it does not wish to receive information provided by the Group to the Issuer pursuant to this paragraph 8 (*Information for Holders*) or that is provided by the Group pursuant to any other term of this Annex) subject to a customary wall-crossing procedure to be agreed by the Issuer and the Holders.

Annex 2

FINANCIAL COVENANTS

1. Interpretation

- (a) Any amount in a currency other than US Dollars is to be taken into account at its US Dollars equivalent calculated on the basis of a spot rate of exchange as at the date of determination selected by the Issuer acting reasonably and in good faith and provided that the Issuer notifies the Holders in writing of such rate and date of determination promptly following such selection.
- (b) No item must be credited or deducted more than once in any calculation of a term defined in this Annex 2 (*Financial Covenant*).

2. Liquidity

- (a) The Issuer shall ensure that on each date specified in Column I (each a “**Test Date**”), the Liquidity shall be no less than an amount equal to eighty (80) per cent. of the amount set out in Column II below on the relevant Test Date specified in Column I:

Column I Test Date	Column II Minimum Liquidity (\$)
17 March 2023	14,000,000
24 March 2023	9,000,000
31 March 2023	8,000,000
7 April 2023	7,500,000
14 April 2023	5,000,000
21 April 2023	3,500,000
28 April 2023	1,000,000
5 May 2023	5,000,000
12 May 2023	5,000,000
19 May 2023	5,000,000

- (b) The Liquidity levels set out in paragraph (a) above shall be reported in a Minimum Liquidity Compliance Certificate (which must be signed by a director or the Chief Financial Officer of the Issuer) and which shall also append the Cashflow Forecast to be delivered to the Holders pursuant to paragraph 1(a)(v) of Annex 1 (*Information Undertakings*) to be delivered to the Holders by the Friday immediately after the end of the relevant week (assuming the week ends on a Sunday).

3. Liquidity requirement following the completion of a Recapitalisation Process or the M&A Process

- (a) Following the completion of either a Recapitalisation Process or the M&A Process, the financial covenant in paragraph 2 (*Liquidity*) above shall no longer apply and, following the relevant completion

date, the Issuer shall instead ensure that Liquidity (as shown in the relevant Cashflow Forecast) on the last day of each month (commencing with the first complete month following the completion of the relevant Recapitalisation Process or M&A Process (as applicable)) is not less than \$20,000,000 (the “**Monthly Minimum Liquidity Requirement**”).

- (b) The Monthly Minimum Liquidity Requirement shall be reported in a Minimum Liquidity Compliance Certificate (which must be signed by a director or the Chief Financial Officer of the Issuer) and which shall also append the Cashflow Forecast to be delivered to the Holders pursuant to paragraph 1(a)(v) of Annex 1 (*Information Undertakings*) to be delivered to the Holders by the second Friday of the month immediately following the relevant month.

Annex 3

GENERAL UNDERTAKINGS

1. Authorisations

The Issuer will and shall ensure that each of its Subsidiaries will promptly apply for, obtain and promptly renew from time to time and maintain in full force and effect all Authorisations to the extent required under any applicable law or regulation of its jurisdiction of incorporation to enable it to enter into, and perform its obligations under the Notes and to:

- (a) carry out the transactions contemplated by the Notes where failure to do so would, or would reasonably be expected to have a Material Adverse Effect;
- (b) ensure that, subject to the Legal Reservations, its material obligations under the Notes are valid, legally binding and enforceable; and
- (c) carry on its business where failure to do so would, or would reasonably be expected to have a Material Adverse Effect.

2. Compliance with laws

The Issuer will and shall ensure that each member of the Group will, comply with all laws and regulations binding upon it where non-compliance would reasonably be expected to have a Material Adverse Effect.

3. Pari passu ranking

Each Obligor must ensure that its payment obligations under the Notes at all times rank at least pari passu with all its other present and future unsecured payment obligations, except for obligations mandatorily preferred by law applying to companies generally or otherwise permitted under the Transaction Documents.

4. Negative pledge

- (a) Except as provided below, no member of the Group may create or allow to exist any Security Interest on any of its assets.
- (b) No member of the Group may:
 - (i) sell, transfer or otherwise dispose of any of its assets on terms where it is or may be leased to or re-acquired or acquired by a member of the Group or any of its Affiliates or related parties;
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (iv) enter into any other preferential arrangement having a similar effect,in circumstances where the transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset (each such arrangement being "**Quasi-Security**").
- (c) Paragraphs (a) and (b) above do not apply to:

- (i) Permitted Security; or
- (ii) a Permitted Transaction.

5. Disposals

- (a) Except as provided below, no member of the Group may, either in a single transaction or in a series of transactions and whether related or not, dispose of all or any part of its assets.
- (b) Paragraph (a) above does not apply to any disposal:
 - (i) made in the ordinary course of day to day business of the disposing entity;
 - (ii) of assets in exchange for other assets comparable or superior as to type, value and quality;
 - (iii) of surplus, obsolete or redundant assets;
 - (iv) constituting the creation of any Security Interest or Quasi-Security permitted under this Annex and Condition 14;
 - (v) of Cash or Cash Equivalents or as a result of closing out Treasury Transactions in the ordinary course of day to day business;
 - (vi) subject to paragraph 1(c) of this Annex, between members of the Group, other than any disposal of any Intellectual Property Rights;
 - (vii) made by way of a lawful dividend;
 - (viii) the payment of cash for any purpose not prohibited by any Transaction Document;
 - (ix) that is a Permitted Disposal; or
 - (x) that is a Permitted Transaction.

6. Financial Indebtedness

- (a) Except as provided below, no member of the Group may incur any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to:
 - (i) any Financial Indebtedness incurred pursuant to the Notes;
 - (ii) any Permitted Pari Debt;
 - (iii) any Permitted Financial Indebtedness;
 - (iv) any Permitted Subordinated Debt, or
 - (v) any Financial Indebtedness incurred pursuant to a Permitted Transaction.

7. Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions

- (a) The Issuer shall not and shall ensure that no other member of the Group will directly or (to its actual knowledge having made due enquiry) indirectly, use the proceeds of the Notes, or lend, contribute or otherwise make available such proceeds to, or to the benefit of, any person or entity that is a Sanctioned Person if that could reasonably be expected to result in any person (including any Holder of the Notes) being in breach of Sanctions.
- (b) The Issuer covenants and agrees that it will not directly or (to its actual knowledge having made due enquiry) indirectly use the proceeds of the Notes (or lend, contribute or otherwise make available such proceeds to any Subsidiary or other person or entity):
 - (i) for the purpose of financing activities of any Sanctioned Person or in any Sanctioned Country, in each case, if that could reasonably be expected to result in any such person or any Holder of the Notes being in breach of any Sanctions; or
 - (ii) for the purpose of financing or facilitating any activities that would violate applicable Anti-Corruption Laws.
- (c) Each member of the Group shall conduct its businesses in material compliance with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.
- (d) The Issuer shall, and shall ensure that each other member of the Group will maintain policies and procedures designed to promote and achieve compliance with applicable Anti-Corruption Laws and Anti-Money Laundering Laws.
- (e) Nothing in this paragraph 7 shall create or establish an obligation or right for any entity to the extent that, by agreeing to it, complying with it, exercising it, having such obligation or right, or otherwise, a member of the Group would be placed in violation of any law applicable to it.

8. Change of business

The Issuer must ensure that no substantial change is made to the general nature of the business of the Group as a whole from that carried on at the date of the Supplemental Deed Poll (except as a result of any disposal permitted under this Annex and Condition 14) but this shall not, at any time, prevent any member of the Group engaging in any ancillary or supporting business.

9. Mergers

- (a) No Obligor may enter into any amalgamation, demerger, merger or reconstruction otherwise than under an intra-Group re-organisation on a solvent basis or other transaction agreed by the Holder Majority.
- (b) Paragraph (a) above does not apply to any transaction expressly permitted by any other provision of this Annex and Condition 14.

10. Acquisitions

- (a) Except as provided below, no member of the Group may acquire any shares or securities, business, asset or undertaking (or, in each case, any interest in any of them) until the Notes have been redeemed or repurchased in full.
- (b) Paragraph (a) above does not apply to:

- (i) a Permitted Transaction; or
- (ii) a Permitted Acquisition.

11. Third party guarantees

- (a) Except as provided in paragraph (b) below, no member of the Group may incur or allow to be outstanding any guarantee by such member of the Group or any of its Subsidiaries in respect of the indebtedness of any person which is not a member of the Group.
- (b) Paragraph (a) above does not apply to:
 - (i) a Permitted Guarantee;
 - (ii) a Permitted Loan; or
 - (iii) a Permitted Transaction.

12. Treasury Transactions

- (a) Except as permitted by paragraph (b) below, no member of the Group may enter into any Treasury Transaction.
- (b) Paragraph (a) above does not apply to:
 - (i) any Permitted Hedging Transaction; or
 - (ii) any Permitted Transaction.

13. Arm's length basis

- (a) Except as permitted by paragraph (b) below, no Obligor shall (and the Issuer shall ensure that no other member of the Group will) enter into any transaction with any person except on arm's length terms and for full market value.
- (b) The following transactions shall not be a breach of this Clause:
 - (i) intra-Group loans permitted under sub-paragraph 15(b)(i) of paragraph 15 (*Loans out*);
 - (ii) fees, costs and expenses payable under the Transaction Documents; or
 - (iii) any transaction or arrangement under or contemplated in the Transaction Documents.

14. Taxation

- (a) Each Obligor shall and the Issuer shall ensure that each member of the Group will pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:
 - (i) such payment is being or shall be contested in good faith;

- (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Holders under paragraph (a) of paragraph 1 of Annex 1 (*Information Undertakings*);
 - (iii) such payment can be lawfully withheld; and
 - (iv) failure to pay those Taxes does not have or is not reasonably likely to have a Material Adverse Effect.
- (b) No member of the Group may change its residence for Tax purposes.

15. Loans out

- (a) Except as provided in paragraph (b) below, no member of the Group may be the creditor in respect of any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to:
- (i) a Permitted Loan;
 - (ii) a Permitted Guarantee;
 - (iii) a Permitted Transaction; or
 - (iv) deferred consideration on arm's length terms pursuant to:
 - (A) the IPA Business Disposal provided that the IPA Business Condition will be satisfied upon completion of that disposal; or
 - (B) any Permitted Disposal made in connection with the M&A Process provided that the M&A Process Condition will be satisfied upon completion of the applicable disposal,
- provided that such amount of deferred consideration is no greater than fifty (50) per cent of the total consideration.

16. Environmental matters

- (a) In this Subclause:
- "Environmental Approval"** means any authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from properties owned or used by any member of the Group;
- "Environmental Claim"** means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law; and
- "Environmental Law"** means any applicable law or regulation which relates to:
- (i) the pollution or protection of the environment; or
 - (ii) the harm to or the protection of human health or the health of any living organism.
- (b) Each member of the Group will comply with all Environmental Law and Environmental Approvals applicable to it, where failure to do so has or is reasonably likely to have a Material Adverse Effect.

- (c) Each Obligor must, promptly upon becoming aware, notify the Holders of any Environmental Claim which has or is reasonably likely to have a Material Adverse Effect.

17. Insurance

Each member of the Group must insure its business and assets with insurance companies to such an extent and against such risks as companies engaged in a similar business normally insure.

18. People with Significant Control regime

Each Obligor shall (and the Issuer shall ensure that each other member of the Group will):

- (a) within the relevant time period prescribed by law, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from any Issuer incorporated in the United Kingdom whose shares are the subject of the Transaction Security; and
- (b) promptly provide the Holders with a copy of that notice.

19. Subsidiaries

- (a) No member of the Group may incorporate or acquire a Subsidiary or make any investment in or become party to any joint venture agreements without the prior written consent of the Holders.
- (b) Each Obligor (other than the Issuer and Babylon Group Holdings) and Babylon Healthcare Services Limited shall (on and from the date upon which legal title to the shares in such Obligor and Babylon Healthcare Services Limited transfer to Babylon Group Holdings pursuant to the New HoldCo Transfer) be owned and controlled (directly or indirectly) by Babylon Group Holdings.
- (c) Notwithstanding any other provision of this Annex and Condition 14, Babylon Group Holdings undertakes not to sell, lease, license, transfer or otherwise dispose of any shares, businesses or undertakings to the Issuer at any time.

20. Shares, dividends and share redemption

- (a) No Obligor may (and the Issuer shall ensure that no other member of the Group will) issue any further shares or amend any rights attaching to its issued shares except to another Obligor and subject to those shares being Charged Property pursuant to a Transaction Security Document.
- (b) No Obligor shall:
 - (i) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);
 - (ii) repay or distribute any dividend or share premium reserve or special capital reserve account;
 - (iii) pay or allow any member of the Group to pay any management, advisory or other fee to or to the order of any of its shareholders or Affiliates of its shareholders;
 - (iv) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so; or

- (v) make any payment in respect of any intragroup liabilities owing to another Obligor other than in respect of the ordinary course treasury management activities of the Group, provided that any such payments made to the Issuer shall only be permitted if such payment is in an amount equal to or less than, and for a purpose, expressly contemplated in the most recently delivered Cashflow Forecast, or if such payment is made pursuant to paragraph 27 (*No upstream Cash or intercompany liabilities*).

Paragraphs (a) and (b) above shall not apply to any payment made to fund the purchase of any employee equity (together with the purchase or repayment of any related loans) and/or to make other compensation payments to departing management up to US\$2,000,000 in any Financial Year and a payment to any individual under his service contract relating to services provided to the Group **provided that** no Event of Default is continuing or would result immediately from the relevant payment.

21. No repayment of bilateral or other facilities

Except as otherwise contemplated by this Annex and Condition 14, the Bridge Loan Note Facility Agreement or the Intercreditor Agreement, the Issuer may not, and shall procure that no other member of the Group will pay or repay, at the voluntary election of any member of the Group, any bilateral trade facility or overdraft or any other facility that has been advanced to any member of the Group in accordance with the terms of this Annex and Condition 14 or repay, prepay, purchase, defease, redeem or otherwise acquire or retire the principal amount (or capitalised interest) of any Financial Indebtedness (in whole or in part), in each case, at any time whilst any Notes remain outstanding.

22. Amendments to constitutional documents

No Obligor may amend its articles of association, constitution or other constitutional document in a manner that is adverse to the interest of the Holders without the prior written consent of the Holder Majority.

23. Intellectual Property

- (a) Each Obligor shall and the Issuer shall procure that each Group member will:

- (i) preserve and maintain the subsistence and validity of the Intellectual Property Rights necessary for the business of the relevant Group member;
 - (ii) use reasonable endeavours to prevent any infringement in any material respect of the Intellectual Property Rights necessary for the business of the relevant Group member;
 - (iii) make registrations and pay all registration fees and taxes necessary to maintain the Intellectual Property Rights necessary for the business of the relevant Group member in full force and effect and record its interest in those Intellectual Property Rights;
 - (iv) not use or permit the Intellectual Property Rights necessary for the business of the relevant Group member to be used in a way or take any step or omit to take any step in respect of that Intellectual Property Right which may materially and adversely affect the existence or value of the Intellectual Property Rights necessary for the business of the relevant Group member or imperil the right of any member of the Group to use such property; and
 - (v) not discontinue the use of the Intellectual Property Rights necessary for the business of the relevant Group member,
- in each event, where failure to do so is reasonably likely to have a Material Adverse Effect.

- (b) The Issuer will not, and will not permit any Obligor to enter into any agreement or other arrangement which transfers, sells, loans, disposes of, licenses or otherwise has the commercial effect of a transfer, sale, loan, disposal of, or license, or similar or equivalent arrangement, to persons other than the Issuer or any Obligor incorporated in England and Wales, any Intellectual Property Right whether owned on the date of the Supplemental Deed Poll or acquired, created, developed or otherwise legally or beneficially owned after that date which is or is likely to be used in the business of the Group or any member thereof, except any licensing agreement or a legally and commercially equivalent arrangement, in each case, expressly for the use of such Intellectual Property Right (but not to transfer, loan, sell or dispose of (or any other such transaction having a similar commercial effect) the legal or beneficial ownership of such Intellectual Property) in the ordinary course of day-to-day trading (and where any consideration, fees, payment, revenues or other economic benefit in relation to such arrangements are on commercial arm's length terms).

24. Access

If an Event of Default is continuing or the Holders reasonably suspect an Event of Default is continuing, each Obligor shall, and the Issuer shall ensure that each member of the Group will, (not more than once in every financial year unless the Holders reasonably suspect an Event of Default is continuing) permit the Holders and/or the Security Agent and/or accountants or other professional advisers and contractors of the Holders or Security Agent free access at all reasonable times and on reasonable notice at the risk and cost of the Obligor or Issuer to (a) the premises, assets, books, accounts and records of each member of the Group and (b) meet and discuss matters with executive management team of the Issuer.

25. Further assurance

- (a) Each Obligor shall (and the Issuer shall procure that each other member of the Group will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
- (i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of the Security Agent or the Holders provided by or pursuant to the Transaction Documents or by law;
 - (ii) to confer on the Security Agent or confer on the Holders Security over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Transaction Security Documents; and/or
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.
- (b) Each Obligor shall (and the Issuer shall procure that each other member of the Group will) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Holders by or pursuant to the Transaction Documents.

26. Operational Milestones

- (a) The Issuer shall explore:

- (i) (acting principally through the Strategic Committee) the M&A Process; and
- (ii) the Recapitalisation Process,

provided that without prejudice to the Issuer's obligation to comply with this paragraph 26, the Issuer may at any time discuss any alternative M&A and/or recapitalisation proposals with the Holders and the Holders shall consider any such alternative proposals in good faith.

- (b) The Issuer shall procure that:
 - (i) on or before 1 May 2023 (such date, which may be extended pursuant to paragraphs (c) or (d) below (the **"Binding Terms Milestone Date"**)), the Binding Terms Milestone is satisfied; and
 - (ii) on or before 31 May 2023 (such date, which may be extended pursuant to paragraphs (c) or (d) below (the **"Completion Milestone Date"**)), the Completion Milestone is satisfied.
- (c) Provided the relevant Milestone has not previously been extended in accordance with paragraph (d) below, the Issuer may, not less than seven (7) Business Days prior to the date of a Milestone, request the Holder Majority to consent to an extension of the date of such Milestone and, upon receipt of such consent request, the Holder Majority shall consult with the Issuer for a period of not less than two (2) Business Days with respect to such extension request and shall, based on the relevant facts and circumstances (including whether the relevant Milestone is likely to be satisfied within the extension period and taking into account the Group's Liquidity) and the Holder Majority shall confirm to the Issuer whether they consent to the extension no later than one (1) Business Day prior to the Milestone Date and the Holder Majority shall act reasonably and in good faith when considering any such proposed extension.
- (d) Provided the relevant Milestone has not previously been extended in accordance with paragraph (c) above:
 - (i) the Issuer may extend the Binding Terms Milestone Date from 1 May 2023 to 31 May 2023, provided that:
 - (A) no Default is continuing as at 1 May 2023;
 - (B) by no later than 28 April 2023, the Issuer has delivered to the Holders a cashflow forecast for the period from 1 May 2023 to 31 May 2023 which illustrates that the Liquidity of the Group on each Friday during that period shall be not less than \$7,500,000; and
 - (C) on each Friday during the period from 1 May 2023 to 31 May 2023, the Liquidity of the Group is not less than \$7,500,000, as reported in a Minimum Liquidity Compliance Certificate (which must be signed by a director or the Chief Financial Officer of the Issuer) delivered by the Issuer to the Holders by the Friday immediately after the end of the relevant week (assuming the week ends on a Sunday); and
 - (ii) the Issuer may extend the Completion Milestone Date from 31 May 2023 to 30 June 2023, provided that:
 - (A) no Default is continuing as at 31 May 2023;

- (B) by no later than 29 May 2023, the Issuer has delivered to the Holders a cashflow forecast for the period from 31 May 2023 to 30 June 2023 which illustrates that the Liquidity of the Group on each Friday during that period shall be not less than \$7,500,000; and
 - (C) on each Friday during the period from 31 May 2023 to 30 June 2023, the Liquidity of the Group is not less than \$7,500,000, as reported in a Minimum Liquidity Compliance Certificate (which must be signed by a director or the Chief Financial Officer of the Issuer) delivered by the Issuer to the Holders by the Friday immediately after the end of the relevant week (assuming the week ends on a Sunday).
- (e) If in the reasonable opinion of the Holder Majority, the Issuer is unlikely to satisfy any Milestone, the Holder Majority may deliver a notice to the Issuer setting out in detail their views and the Issuer shall consult with the Holders in relation to whether to appoint a new M&A advisor to advise the Issuer in relation to the M&A Process (a “**Replacement M&A Advisor**”). In the event that the Holder Majority requests that a Replacement M&A Advisor is appointed and the Issuer does not agree with that request within a consultation period of not less than 10 Business Days, the Strategic Committee shall determine whether a Replacement M&A Advisor should be appointed and if the Strategic Committee determines that a Replacement M&A Advisor should be appointed, the Issuer shall appoint a Replacement M&A Advisor as soon as reasonably practicable.
- (f) The Issuer and the Holders (each acting reasonably and in good faith) shall agree the terms of an incentive programme for the relevant members of the management team of the Group as agreed between the Issuer and the Holders in relation to certain performance targets (including the completion of the IPA Business Disposal and the disposal of other strategic investments in the Group agreed between the Issuer and the Holders) on or before 24 April 2023 (or such other date as may be agreed by the Issuer and the Holder Majority) (the “**Agreed Management MIP**”). The Issuer shall subject to any applicable restrictions under applicable law and regulation (including, without limitation, in relation to the issuance or vesting of any shares or equity linked instruments) allocate to the relevant persons the relevant participations in the Agreed Management MIP no later than the date falling twenty (20) Business Days following the agreement of the Agreed Management MIP.

27. No upstream Cash or intercompany liabilities

- (a) Except as provided in paragraph (b) below, no Cash may be transferred to the Issuer and no additional intercompany liabilities may be owed by the Issuer to any member of the Group at any time other than any amounts of Cash required to:
- (i) cover operating expenses, administrative costs, taxes and/or listing expenses incurred by the Issuer and any fees and disbursements charged by professional advisers (including any VAT thereon)); and
 - (ii) pay any amounts due and payable under the terms of the Transaction Documents, the Permitted Pari Debt, the Original Bridge Notes or the Debt Documents (as defined in and subject to the terms of the Intercreditor Agreement).
- (b) Paragraph (a) above shall cease to apply **provided that**:

- (i) the Liquidity of the Group was equal to or greater than \$25,000,000 as at the most recent Test Date, provided further that if on any subsequent Test Date the Liquidity of the Group is less than \$25,000,000, paragraph (a) above shall be deemed to apply notwithstanding this paragraph b(i); or
- (ii) the Completion Milestone is satisfied.

28. Spending Covenant

- (a) Except as provided in paragraph (b) below, no Obligor shall (and the Issuer shall procure that no other member of the Group will) apply any Cash towards a Restricted Purpose without the consent of the Holder Majority.
- (b) Without prejudice to any other restrictions on the application of Cash or making of payments under the Transaction Documents, the restriction in paragraph (a) above shall cease to apply if the Liquidity of the Group was equal to or greater than \$25,000,000 as at the most recent date on which the Liquidity of the Group has been tested in accordance with paragraph 2 (*Liquidity*) of Annex 2 (*Financial Covenant*) or paragraph 3 (*Liquidity requirement following the completion of a Recapitalisation Process or the M&A Process*) of Annex 2 (*Financial Covenant*) (as applicable), provided further that if on any subsequent test the Liquidity of the Group is less than \$25,000,000, paragraph (a) above shall be deemed to apply notwithstanding this paragraph (b).

29. Electronic Data Room

The Issuer shall maintain an electronic data room to which the Holders and their advisers shall be provided access (subject to the Holders being bound by an obligation of confidentiality to the Issuer) and which the Issuer shall populate with any documents and information reasonably requested by the Holders in connection with the Notes, the Original Bridge Notes and any relevant contingency planning.

30. Advisors to the Holders

The Issuer agrees that the Holder Majority may appoint Holders Advisors from time to time and the Issuer shall enter into fee letters with such Holders Advisors pursuant to which it shall pay any reasonable fees, costs and expenses of such advisors as required pursuant to such fee letters, provided that the Issuer shall not be required to enter into any such fee letters or be liable to pay any such fees, costs and expenses unless the Issuer has agreed with the Holder Majority the scope and fees in respect of such arrangements, including without limitation any applicable caps.

The Issuer shall not be required to make any payment to a Holder pursuant to this paragraph 30 to the extent that such Holder has sought to recover the applicable costs and/or expenses (including legal fees, subject to any requirements set out above) pursuant to an equivalent provision in the Bridge Loan Note Facility Agreement and/or the Intercreditor Agreement.

31. Chapter 11 Debtor-in-Possession Financing

To the extent that the Issuer or any member of the Group initiates any process at any time for the purpose of incurring Chapter 11 debtor-in-possession super priority financing, the Issuer shall procure that the Holders have a reasonable opportunity to participate in such process as potential financiers.

32. Corporate Governance

- (a) As soon as reasonably practicable following the date of the Supplemental Deed Poll, the Majority Bridge Noteholders shall nominate a person to be appointed as a director of the Issuer who may (but is not required to) be a current or former restructuring adviser or investor, or insolvency practitioner (such person when appointed as a director of the Issuer and any replacement of such director appointed in

accordance with this paragraph 32 (*Corporate Governance*), the “**Creditor Noteholder-selected Independent Director**”).

- (b) The Issuer shall use all reasonable endeavours to complete the appointment of the Creditor Noteholder-selected Independent Director to the board of the Issuer within fifteen (15) Business Days of the date on which the proposed Creditor Noteholder-selected Independent Director is nominated by the Majority Bridge Noteholders and has accepted his or her prospective appointment as a director of the Issuer (the “**Nomination and Acceptance Date**”) **provided that** in any event the appointment of the Creditor Noteholder-selected Independent Director shall become effective not later than the date falling thirty (30) Business Days after such Nomination and Acceptance Date.
- (c) If the Creditor Noteholder-selected Independent Director resigns or is replaced for any reason whatsoever (including by way of a shareholder vote), the Majority Bridge Noteholders may nominate in consultation with the Issuer a replacement Creditor Noteholder-selected Independent Director and the Issuer shall use all reasonable endeavours to effect the appointment of such replacement Creditor Noteholder-selected Independent Director within fifteen (15) Business Days of the date on which the proposed Creditor Noteholder-selected Independent Director is nominated by the Majority Bridge Noteholders and has accepted his or her prospective appointment as a director of the Issuer (the “**Replacement Nomination and Acceptance Date**”) **provided that** in any event the appointment of the replacement Creditor Noteholder-selected Independent Director shall become effective not later than the date falling thirty (30) Business Days after such Replacement Nomination and Acceptance Date.
- (d) The Issuer shall in accordance with paragraphs (c) and (f) below appoint one (1) additional independent non-executive director to the board of the Issuer (such person when appointed as a director of the Issuer and any replacement of such director appointed in accordance with this paragraph 32, the “**First Additional Independent Director**”).
- (e) The Issuer and Majority Bridge Noteholders shall consult in good faith in relation to potential candidates to be the First Additional Independent Director as soon as reasonably practicable and if no candidate has been agreed on or before the date that is twenty (20) Business Days after the date of the Supplemental Deed Poll, the Issuer shall appoint an independent search consultant as soon as reasonably practicable and, in any event, within ten (10) Business Days to identify a potential candidate with appropriate experience in the digital healthcare sector. The Issuer shall appoint one of the candidates identified by the independent search consultant as the First Additional Independent Director, subject to such person agreeing to accept the appointment and passing all background checks and other regulatory and compliance processes relating to the appointment of directors of the Issuer as a public company listed on the New York Stock Exchange.
- (f) The Issuer shall use all reasonable endeavours to complete the appointment of the First Additional Independent Director within twenty (20) Business Days of the date on which the identity of the proposed First Additional Independent Director has been agreed between the Issuer and the Majority Bridge Noteholders (or has been identified pursuant to the search process described above) and the proposed First Additional Independent Director has accepted his or her prospective appointment as a director of the Issuer provided that the appointment of the First Additional Independent Director Issuer shall become effective not later than fifty (50) Business Days after the date of the Supplemental Deed Poll.
- (g) If the Issuer does not (x) receive one or more non-binding termsheets in respect of the Recapitalisation Process or one or more non-binding bids in respect of the M&A Process on or before 27 March 2023 or

(y) satisfy the Binding Terms Milestone on or before 1 May 2023 (the relevant date, the “**Appointment Trigger Date**”), the Issuer shall in accordance with paragraphs (h) and (i) below appoint two (2) additional independent non-executive directors to the board of the Issuer (such persons when appointed as directors of the Issuer and any replacement of such directors appointed in accordance with this paragraph 32, the “**Second and Third Additional Independent Directors**” and together with the Creditor Noteholder-selected Independent Director and the First Additional Independent Director, the “**New Independent Directors**”).

- (h) The Issuer and Majority Bridge Noteholders shall consult in good faith in relation to potential candidates to be the Second and Third Additional Independent Directors and if one or both candidates have not been agreed on or before the date that is twenty (20) Business Days after the Appointment Trigger Date, the Issuer shall appoint an independent search consultant as soon as reasonably practicable and, in any event, within ten (10) Business Days to identify one or more potential candidates with appropriate experience in the digital healthcare sector. The Issuer shall appoint the persons agreed between the Issuer and the Majority Bridge Noteholders or identified by the independent search consultant as the Second and Third Additional Independent Directors, subject to such persons agreeing to accept the appointment and passing all background checks and other regulatory and compliance processes relating to the appointment of directors of the Issuer as a public company listed on the New York Stock Exchange.
- (i) The Issuer shall use all reasonable endeavours to complete the appointment of each Second and Third Additional Independent Director within twenty (20) Business Days of the date on which the identity of the relevant proposed Second and Third Additional Independent Director has been agreed between the Issuer and the Majority Bridge Noteholders (or has been identified pursuant to the search process described above) and the relevant proposed Second and Third Additional Independent Director has accepted his or her prospective appointment as a director of the Issuer, provided that if the Binding Terms Milestone has not been satisfied on or before the Binding Terms Milestone Date, the appointment of the Second and Third Additional Independent Director shall become effective not later than fifty (50) Business Days following the date of the Binding Terms Milestone Date.
- (j) The Issuer may designate one of the New Independent Directors or any other director of the Issuer who is fully independent from the shareholders of the Issuer and their affiliates as the lead non-executive director.
- (k) If a New Independent Director resigns or is replaced for whatever reason (including by way of a shareholder vote), the Issuer shall appoint a replacement New Independent Director in accordance with the provisions and timelines set-out above, provided that the provisions relating to the appointment of any new Independent Director within fifty (50) Business Days of any date shall not apply to any such replacement appointment.
- (l) Any remuneration, costs, fees and expenses of the New Independent Directors shall be paid by the Issuer in accordance with the Issuer’s Outside Director Compensation Policy. The Issuer shall not remove or replace any New Independent Director without the consent of the Majority Bridge Noteholder unless required to do so pursuant to applicable law or regulation including without limitation as a result of any shareholder vote or any requirement for directors to stand for re-election at each annual general meeting of the Issuer.
- (m) Promptly and in any event no later than five (5) Business Days after the appointment of each of the New Independent Directors to the board of the Issuer, each New Independent Director shall be appointed to the Group’s Strategic Committee. Following the appointment of all the New Independent

Directors required to be appointed pursuant to this paragraph 32, the New Independent Directors (together with any other director of the Issuer who is fully independent from the shareholders of the Issuer and its affiliates) shall at all times form a majority of the Strategic Committee. The Issuer shall authorize the Strategic Committee to give the board of the Issuer recommendations in relation to the M&A Process (including in relation to the IPA Business Disposal).

- (n) Promptly and in any event no later than five (5) Business Days after the appointment of each of the New Independent Directors to the board of the Issuer, each New Independent Director shall be appointed to the Issuer's remuneration committee. Following the appointment of all the New Independent Directors required to be appointed pursuant to this paragraph 32, the New Independent Directors (together with any other director of the Issuer who is fully independent from the shareholders of the Issuer and its Affiliates) shall form a majority on the Issuer's remuneration committee.
- (o) The New Independent Directors shall:
 - (i) be selected taking into account the policies and procedures set forth in the Issuer's Nominating and Corporate Governance Committee Charter and the Company's Corporate Governance Guidelines;
 - (ii) be fully independent (as reasonably determined by the Issuer and the Majority Bridge Noteholders) from the management of the Group, the shareholders of the Issuer, the creditors of the Issuer (including, without limitation, the Bridge Noteholders and the Holders) or in each case any of their related parties; and
 - (iii) have the requisite experience (as reasonably determined by the Issuer and the Majority Bridge Noteholders) in order to perform the role of an independent director of the Issuer and member of the Strategic Committee and comply with all applicable independence and other requirements of the NYSE and the SEC and any applicable law and regulation.
- (p) Notwithstanding the other provisions of this paragraph 32, if any person selected or nominated for appointment as a New Independent Director fails to satisfy any necessary background check or other applicable regulatory and compliance processes relating to the appointment of directors of the Issuer as a public company listed on the New York Stock Exchange (an "Unsuccessful Appointment Event"), the Issuer shall be permitted to recommence the appointment process set out in this paragraph 32 as soon as reasonably practicable following the Unsuccessful Appointment Event and any applicable timelines set out in this paragraph 32 shall be deemed to recommence on and from the date of such Unsuccessful Appointment Event.
- (q) At any time after the Bridge Note Discharge Date, any rights of the Majority Bridge Noteholders under this paragraph 32, may be exercised by the Holder Majority and for this purpose:
 - (i) any references in this paragraph to the Majority Bridge Noteholders shall be deemed to be reference to the Holder Majority; and
 - (ii) to the extent that any New Independent Directors have been appointed on or prior to the Bridge Note Discharge Date, the appointment of any such New Independent Directors shall continue and the provisions of this paragraph 32 shall apply in relation to such New Independent Directors following the Bridge Note Discharge Date.

33. Board Observer

At any time after the Bridge Notes Discharge Date, the Holder Majority shall be entitled (but have no obligation) to appoint an observer to the board of the Issuer, subject to the observer being bound by an obligation of confidentiality to the Issuer. Such board observer may attend board meetings and receive all information distributed or circulated to the board but cannot vote and shall not count towards quorum at any board meeting of the Issuer. The board observer shall be entitled to attend meetings of the Strategic Committee.

34. Preservation of assets

The Issuer will and shall ensure that each member of the Group will maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary or desirable in the conduct of the business of the Group where failure to do so would have a Material Adverse Effect.

35. Pensions

The Issuer shall ensure that all pension schemes operated by or maintained for the benefit of members of the Group and/or any of their employees are funded to the extent required by applicable law and regulations where failure to do so has or would reasonably be likely to have a Material Adverse Effect.

36. Condition Subsequent

(a) The Issuer shall:

- (i) as soon as reasonably practicable and not later than the date falling two (2) Business Days immediately following the Effective Date, submit a supplemental listing application in respect of the Agreed Bridge Equity Issue Shares and the Warrant Shares to the New York Stock Exchange and provide evidence of such submission in a form and substance satisfactory to the Holders (acting reasonably);
- (ii) as soon as reasonably practicable and not later than the date falling three (3) Business Days immediately following the date on which the New York Stock Exchange approves the supplemental listing application referred to in paragraph (a)(i) above, the Issuer shall issue:
 - (A) the Agreed Bridge Equity Issue Shares to the Original Bridge Noteholders pro rata to their participation in the Notes as at the Effective Date in accordance with the Agreed Bridge Equity Issue Shares Documentation and provide evidence of such issuance on the Issuer's transfer agent's books; and
 - (B) the Warrant Shares in accordance with the exercise provisions of the Warrant Instrument, as amended by the Warrant Amendment Documentation and provide evidence of such issuance on the Issuer's transfer agent's book,

subject in each case the Original Bridge Noteholders and persons entitled to receive the Warrant Shares entering to into customary documentation and giving customary representations and warranties in connection with the issuance of the Agreed Bridge Equity Issue Shares and the Warrant Shares and taking all customary steps in connection therewith; and

- (iii) not later than the date falling twenty (20) Business Days following the date on which the Issuer files its Annual Report on Form 10-K for the year ended 31 December 2022 with the U.S. Securities and Exchange Commission, the Issuer shall file a registration statement on

Form S-3 with the U.S. Securities Exchange Commission to register the resale of the Agreed Bridge Equity Issue Shares and the Warrant Shares under the U.S. Securities Act of 1933, as amended, on a registration statement on Form S-3 (in form and substance acceptable to the Holder Majority (acting reasonably and in good faith)) and shall cause the same to become effective as soon as practicable after such filing.

- (b) The Issuer shall, within twenty (20) Business Days of the Effective Date, obtain, and provide the Trustee with a copy of, the applicable consent from the Jersey Financial Services Commission for the Issuer to issue:
- (i) the Original Bridge Notes; and
 - (ii) the Notes,
 - (iii) in each case, to more than ten (10) Holders pursuant to the Control of Borrowing (Jersey) Order 1958.

37. Warrant Shares

The Issuer shall elect to use the cash redemption mechanism in the Warrant Instrument in relation to sufficient Warrant Shares held by each holder of Warrant Shares so that the Cash Redemption Payment (as defined in the Warrant Instrument) is as close to as possible, and is at least equal to, the subscription price payable by such holder of Warrant Shares for the Warrant Shares it will receive upon exercise (prior to any deduction pursuant to clause 5.1(b)(iii)(B) of the Warrant Instrument). The Issuer shall then pay any remaining Cash Redemption Payment (following the deduction required pursuant to clause 5.1(b)(iii)(B) of the Warrant Instrument) to the relevant Warrant Holder in accordance with the terms of the Warrant Instrument.

38. Jersey Regulation

Prior to the satisfaction of the obligations set out in sub-paragraph (b) of paragraph 36 (*Condition Subsequent*), the Issuer shall ensure that the Notes are not issued to, or registered in the name of, more than 10 persons (joint Holders being counted as a single person) without the prior written consent of the Jersey Financial Services Commission under Article 4 of the Control of Borrowing (Jersey) Order 1958.

39. Listing

The Issuer undertakes to make or cause to be made an application for the Notes to be admitted to trading on The International Stock Exchange (or another "recognised stock exchange" for the purposes of section 1005(3) of the ITA) (the "**Listing**") no later than the first Interest Payment Date and to use all reasonable endeavours to maintain such admission to trading for so long as any of the Notes remain outstanding, save that if the Issuer is unable to maintain such admission to trading as aforesaid, the Issuer undertakes to use all reasonable endeavours to obtain and maintain a listing and/or admission to trading for the Notes on such other "recognised stock exchange" for the purposes of section 1005(3) of the ITA as the Issuer may from time to time determine and the Issuer will forthwith give notice to the Holders of any such listing or delisting of the Notes by any of such stock exchanges. Notwithstanding the foregoing, the Issuer shall not be required to complete or maintain the Listing where it would require an amendment to the Conditions which in the opinion of the Issuer acting reasonably are materially prejudicial to its interests.

Schedule 2
FORM OF CERTIFICATE

[Face of Certificate]

THE NOTES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). THE NOTES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

US\$ [●] No. [000000]

Babylon Holdings Limited

(incorporated with limited liability under the laws of Jersey)

Guaranteed by Babylon Group Holdings Limited

(incorporated with limited liability under the laws of England & Wales)

US\$300,000,000 Notes due 2026

This Certificate is issued in respect of the US\$[] (*TRANCHE NOMINAL AMOUNT*) Notes due 2026 [to be consolidated and form a single Series with the US\$[] [*SERIES NOMINAL AMOUNT*]] of Babylon Holdings Limited (the **Issuer**) issued in Authorised Denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

References herein to the Conditions (or to any particular numbered Condition) shall be to the Conditions (or that particular one of them) set out below. Words and expressions defined in the Conditions shall bear the same meaning when used in this Certificate. This Certificate is issued with the benefit of, and subject to the provisions contained in, the Conditions and the Deed Poll.

This Certificate is issued in respect of Notes having an aggregate principal amount of:

[U.S.\$] [] ([] [UNITED STATES DOLLARS])

THIS IS TO CERTIFY that [] is/are the registered holder(s) of the Notes to which this Certificate relates and is/are entitled to such interest and other amounts as are payable under the Conditions, all subject to and in accordance with the Conditions. The statements in the legend set out above are an integral part of the terms of this Certificate and, by acceptance of this Certificate, the registered holder of the Notes to which this Certificate relates agrees to be subject to and bound by the terms and provisions set out in the legend.

This Certificate is not a document of title. Entitlements are determined by entry in the Register and only the duly registered holder from time-to-time is entitled to payment in respect of this Certificate.

Any notices in connection with this Note shall be sent to [Address] or [Email] to the attention of [●].

This Certificate and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with English law.

If any provision in or obligation under the Notes evidenced by this Certificate is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair (i) the validity, legality or enforceability under the law of that jurisdiction of any other provision in or obligation under the Notes evidenced by this Certificate, or (ii) the validity, legality or enforceability under the law of any other jurisdiction of that or any other provision in or obligation under the Notes evidenced by this Certificate.

IN WITNESS whereof this Certificate has been executed on behalf of the Issuer.

Dated:

Babylon Holdings Limited

By:

[REVERSE OF NOTE]

CONDITIONS OF THE NOTES

[INSERT]

ISSUER

BABYLON HOLDINGS LIMITED

FORM OF TRANSFER OF NOTE

FOR VALUE RECEIVED the undersigned sell(s), assign(s) and transfer(s) to:

(Please print or type name and address (including postal code) of transferee)

US\$[●] principal amount of the Notes evidenced by this Certificate and all rights hereunder, hereby irrevocably constituting and appointing Babylon Holdings Limited as attorney to transfer such principal amount of Notes in the register maintained by Babylon Holdings Limited with full power of substitution.

Signature(s)___

—

The undersigned is acquiring US\$[●] principal amount of the Notes evidenced by this Certificate and agrees to be bound by the obligations equivalent to those from which the transferor was bound under the Notes.

Signature(s)___

—

Date:

NOTE:

1. This form of transfer must be accompanied by such documents, evidence and information as may be required pursuant to the Conditions, must be endorsed on the Certificate to which this form of transfer relates and must be executed under the hand of the transferor or, if the transferor is a corporation, this form of transfer must be executed either under its common seal or (a) in the case of a company incorporated in England and Wales, under the hand of two of its officers duly authorised in writing or (b) in the case of a foreign company, by way of the signature of any person(s) who, under the laws of the country of incorporation of that company, is/are acting under the authority of the company, and, in the case of (a) and (b) the document so authorising the officers must be delivered with this form of transfer.
- 2 . The signature(s) on this form of transfer must correspond with the name(s) as it/they appear(s) on the face of this Certificate in every particular, without alteration or enlargement or any change whatever.

Schedule 3
FORM OF REDEMPTION NOTICE

To: Babylon Holdings Limited (the “**Issuer**”)

We, the undersigned being the holders of the Notes specified below, hereby elect to redeem the principal amount of all of the issued and outstanding Notes in accordance with the terms and conditions of the Notes.

1. Total principal amount and, where applicable, the serial numbers of the Certificate(s) evidencing the Notes to which this Redemption Notice applies:

Number of Certificate(s): _____

Total principal amount: US\$ [●]

Serial numbers of Certificate(s): _____

We hereby request that payment of principal and interest required to be made pursuant to Condition 9 of the Notes be paid to the persons whose names and addresses are given below and in the manner specified below/transferred to the US dollar account, details in respect of which are given below:

Name: _____

Address: _____

Account no: _____

Account name: _____

Bank: _____

Branch: _____

Swift Code: _____

IBAN Number: _____

For an on behalf of
[insert name(s) of Holder]

Schedule 4

FORM OF COMPLIANCE CERTIFICATE

To: The Holders

From: The Issuer

Date: []

BABYLON HOLDINGS LIMITED – Deed Poll dated [●] 2023 (the Deed Poll)

Babylon Holdings Limited

1. We refer to the Deed Poll. This is a Compliance Certificate. Terms defined in the Deed Poll have the same meaning in this Compliance Certificate unless given a different meaning in this Compliance Certificate. This Compliance Certificate is a Transaction Document.
2. [We confirm that no Default is outstanding as at [relevant testing date]]¹

[THE ISSUER]

By: By:

Director Chief Financial Officer / Group Finance Director

¹ If this statement cannot be made, the certificate should identify any Default that is outstanding and the steps, if any, being taken to remedy it.

Schedule 5

FORM OF MINIMUM LIQUIDITY COMPLIANCE CERTIFICATE

To: The Holders

From: The Issuer

Date: []

**BABYLON HOLDINGS LIMITED – Deed Poll
dated [●] 2023 (the Deed Poll)**

1. We refer to the Deed Poll. This is a Minimum Liquidity Compliance Certificate. Terms defined in the Deed Poll have the same meaning in this Minimum Liquidity Compliance Certificate unless given a different meaning in this Minimum Liquidity Compliance Certificate. This Minimum Liquidity Compliance Certificate is a Transaction Document.
2. [In accordance with paragraph 2 (*Liquidity*) of Annex 2 (*Financial Covenant*) of the Deed Poll, we confirm that the Liquidity of the Group is \$[●] as at the Test Date is _____ [2023] [and that forecast Liquidity is in excess of the amount set out in column II of the table at paragraph 2 (*Liquidity*) of Annex 2 (*Financial Covenant*) for each week commencing on the date set out in Column I of the table in that Clause for the 13 week forecast period in the Cashflow Forecast appended to this Certificate], and that therefore the covenant in paragraph 2 (*Liquidity*) of Annex 2 (*Financial Covenant*) of the Agreement [has] / [has not] been complied with.]
3. [In accordance with paragraph 3 (*Liquidity requirement following the completion of a Recapitalisation Process or the M&A Process*) of Annex 2 (*Financial Covenant*) of the Deed Poll, we confirm that the Liquidity of the Group is \$[●] on _____ [2023] and that therefore the Monthly Minimum Liquidity Requirement [has] / [has not] been complied with.]

Signed

[Director]

Signed

[Chief Financial Officer of the Issuer/ Finance Director]

Dated _____ 2023

DEED OF AMENDMENT AND RESTATEMENT

**IN RESPECT OF A WARRANT INSTRUMENT DATED 4 NOVEMBER 2021,
AS AMENDED AND RESTATED ON 31 MARCH 2022**

BABYLON HOLDINGS LIMITED

KIRKLAND & ELLIS INTERNATIONAL LLP

30 St. Mary Axe
London EC3A 8AF
Tel: +44 (0)20 7469 2000
Fax: +44 (0)20 7469 2001
www.kirkland.com

THIS DEED POLL is made on _____ 2023

By **BABYLON HOLDINGS LIMITED**, a public limited company incorporated and registered in Jersey with registered number 115471, the registered office of which is at 13 Castle Street, St Helier, Jersey JE1 1ES (the **Company**).

BACKGROUND:

- (A) On 4 November 2021, the Company issued US\$200,000,000 of unsecured notes due 2026 (the **Notes**) to certain funds managed by AlbaCore Capital LLP (the **Note Subscribers**).
- (B) On the same date, Company entered into a deed poll pursuant to which it constituted 1,757,499 warrants to subscribe for the same number of Class A Ordinary Shares in the capital of the Company in connection with the issuance of the Notes (as amended from time to time, the **Warrant Instrument**).
- (C) Pursuant to a note subscription agreement dated 23 December 2021, the Company agreed to issue up to a further USD\$100,000,000 of Notes to the Note Subscribers and/or New Note Subscribers (as applicable and as each term is defined in such note subscription agreement) and 878,750 further Warrants in connection with such issuance.
- (D) On 31 March 2022, the Company amended and restated the terms and conditions of the Warrant Instrument on the terms set out in a deed poll.
- (E) On 15 December 2022, the Company completed a 1 for 25 share consolidation (the **Reverse Share Split**), pursuant to which every 25 existing Class A Ordinary Shares then in issue were consolidated into one new Class A Ordinary Share. The Reverse Share Split constituted an Adjustment (in accordance with clause 8 of the Warrant Instrument) such that Warrantholders' Subscription Entitlement is now exercisable over 105,449 Warrant Shares.
- (F) The Company wishes to further amend and restate the terms and conditions of the Warrant Instrument in accordance with clause 18.1 of the Warrant Instrument on the terms set out in this deed poll. The prior consent of a Warrantholder Majority to the amendment and restatement of the Warrant Instrument on the terms set out in this deed poll has been communicated to the Company in writing by the Warrantholders' Representative.
- (G) It is the intention of the Company that this agreement be executed and delivered as a deed poll.

IT IS AGREED as follows:

1. INTERPRETATION

- 1.1 Unless otherwise defined, capitalised terms used in this deed have the same meaning as given to them in the Warrant Instrument.
- 1.2 The interpretation provisions in the Warrant Instrument (including clause 1 (*Interpretation*)) are incorporated by reference into this deed poll and apply to this deed poll unless otherwise specified.

2. AMENDMENT AND RESTATEMENT OF THE WARRANT INSTRUMENT

- 2.1 With effect from the date of this deed poll (the Effective Time), the Warrant Instrument shall be amended and restated in the form set out in Schedule 1 to this

deed poll and on and from the Effective Time the rights and obligations of the parties under the Warrant Instrument shall be governed by and construed in accordance with the terms of the Warrant Instrument so amended and restated.

- 2.2 A reference to "this Instrument" in the Warrant Instrument shall be deemed to be a reference to the Warrant Instrument as amended and restated by this deed poll.
- 2.3 For the avoidance of doubt, a reference to the "date of this Instrument" in the Warrant Instrument shall be a reference to 4 November 2021.
- 2.4 The amendment and restatement of the Warrant Instrument does not: (i) affect the validity or enforceability of the Warrant Instrument which, save as amended and restated by this deed poll, shall continue in full force and effect; or (ii) modify, discharge or novate any rights or obligations of the Company or any Warrantholders under the Warrant Instrument which had accrued before the Effective Time, and the Company shall be bound by the Warrant Instrument as amended and restated by this deed poll.

3. INCORPORATION BY REFERENCE

- 3.1 The following clauses of the Warrant Instrument shall be incorporated by reference into this deed:
 - (a) clause 18 (*Variation*);
 - (b) clause 19 (*Severance*);
 - (c) clause 20 (*Third Party Rights*);
 - (d) clause 21 (*Notices*);
 - (e) clause 22 (*Governing Law and Jurisdiction*);
 - (f) paragraph 3 (*Confidentiality*) of Schedule 4.
- 3.2 For the purposes of clause 3.1 above, references to "this Instrument" in the clauses of the Warrant Instrument referred to in clause 3.1 above shall be deemed to be references to this deed poll.

IN WITNESS whereof, this deed has been executed and delivered as a deed on the date stated at the beginning of this deed.

SCHEDULE 1
FORM OF AMENDED AND RESTATED WARRANT INSTRUMENT

Dated 4 NOVEMBER 2021

**AND AMENDED AND RESTATED ON 31 MARCH 2022 AND FURTHER AMENDED AND RESTATED ON _____
2023**

for

BABYLON HOLDINGS LIMITED

KIRKLAND & ELLIS INTERNATIONAL LLP

30 St. Mary Axe
London EC3A 8AF
Tel: +44 (0)20 7469 2000
Fax: +44 (0)20 7469 2001
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CONTENTS

Clause Page

1. INTERPRETATION	1
2. CONSTITUTION, GRANT AND FORM OF WARRANTS AND REGISTER	6
3. EXERCISE OF SUBSCRIPTION ENTITLEMENT	7
4. LAPSE OF SUBSCRIPTION ENTITLEMENT	8
5. PROCEDURES ON AN EXERCISE EVENT	8
6. ISSUE OF WARRANT SHARES	10
7. CASH REDEMPTION	11
8. ADJUSTMENT OF SUBSCRIPTION ENTITLEMENT	12
9. ADJUSTMENT OF WARRANT SHARES	14
10. DETERMINATION BY AUDITORS OR INDEPENDENT FINANCIAL ADVISER	14
11. UNDERTAKINGS AND INFORMATION	16
12. WINDING UP	16
13. TRANSFER OF WARRANTS	17
14. MEETINGS OF WARRANTHOLDERS	17
15. WARRANTHOLDERS' REPRESENTATIVE	17
16. TAX	18
17. PAYMENTS	18
18. VARIATION	18
19. SEVERANCE	19
20. THIRD PARTY RIGHTS	19
21. NOTICES	19
22. GOVERNING LAW AND JURISDICTION	19
23. PROCESS AGENT	20
SCHEDULE 1	21
WARRANTHOLDERS	21
SCHEDULE 2 FORM OF WARRANT CERTIFICATE	22
SCHEDULE 3 FORM OF EXERCISE NOTICE	23
SCHEDULE 4 THE CONDITIONS	25

THIS INSTRUMENT (this **Instrument**) is executed as a deed poll on 4 November 2021 by **BABYLON HOLDINGS LIMITED**, a public limited company incorporated and registered in Jersey with registered number 115471, the registered office of which is at 13 Castle Street, St Helier, Jersey, JE1 1ES (the **Company**).

WHEREAS:

- (A) The Company has entered into a note subscription agreement with certain Warrantholders (the “**Initial Warrantholders**”) on 8 October 2021 in connection with the issue of up to US\$200,000,000 unsecured notes due 2026 (the “**Original Notes**”) pursuant to a notes deed poll dated on or around the date of this Instrument (the “**Principal Notes Deed Poll**”) and certain Warrants constituted by this Instrument.
- (B) The Company has entered into a further note subscription agreement with the certain Warrantholders (the “**Subsequent Warrantholders**”) on 23 December 2021 in connection with the further issue of up to US\$100,000,000 unsecured notes due 2026 (together with the Original Notes, the “**Notes**”), pursuant to the Principal Notes Deed Poll (as supplemented and amended on or around the date this Instrument is amended and restated) (the “**Notes Deed Poll**”) and the further Warrants constituted by this Instrument.
- (C) The Warrants have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold directly or indirectly within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The issue of the Warrants is being made by the Company in a private placement transaction in a manner not requiring registration under the Securities Act.
- (D) The Company, by resolution of its board of directors passed on 7 October 2021 and 21 December 2021, has authorised the issue of the Warrants to subscribe for the Warrant Shares on the terms set out in this Instrument, which shall take effect as a deed poll.

NOW THIS INSTRUMENT WITNESSES AND IT IS DECLARED as follows:

1. INTERPRETATION

- 1.1 The definitions and rules of interpretation in this Clause apply in this Instrument.

“**Adjustment**” has the meaning given in Clause 8.1.

“**Affiliate**” means, in relation to any person, a subsidiary of that person or a holding company of that person or any other subsidiary of that holding company.

“**AlbaCore**” means AlbaCore Capital LLP, a limited liability partnership registered in England with number OC412196 and having its registered office at 55 St. James’s Street, London, SW1A 1LA.

“**Articles**” means the memorandum and articles of association of the Company as amended or superseded from time to time.

“**Associated Company**” means in relation to a Warrantholder, (a) any of its Affiliates, or any fund, partnership, special purpose vehicle or similar vehicle (the “**Entity**”) in respect of which the person or any of its Affiliates is (i) a limited partner or the general partner; or (ii) an investment manager; or (iii) directly or indirectly

Controls the Entity or (b) any investor in an Entity or such person, and for the purposes of this definition, **Control** means in relation to any person, where a person has direct or indirect control over more than 50% of the voting share capital of the relevant person.

“**Auditors**” means the auditors of the Company from time to time.

“**Board**” means the board of directors of the Company from time to time.

“**Business Day**” means a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business in Dublin, London, New York and Jersey.

“**Cash Redemption Election**” has the meaning given in Clause 7.1.

“**Cash Redemption Payment**” has the meaning given in Clause 7.1.

“**Certificate**” means a certificate in respect of Warrants, substantially in the form set out in Schedule 2.

“**Change of Control**” has the meaning given in the Notes Deed Poll.

“**Change of Control Exercise Event**” has the meaning given in Clause 3.2.

“**Class A Ordinary Shares**” means the class A ordinary shares with a par value of US\$0.001056433113 following the Reverse Share Split each in the capital of the Company from time to time and, if there is a sub-division, consolidation or reclassification of such shares, the shares resulting from that event, having the rights and being subject to the restrictions set out in the Articles.

“**Closing Price**” means, in respect of a Class A Ordinary Share on any Trading Day, the closing price on such Trading Day on the Relevant Stock Exchange of a Class A Ordinary Share published by or derived from Bloomberg page HP (or any successor page) (setting Last Price, or any other successor setting and using values not adjusted for any event occurring after such Trading Day; and for the avoidance of doubt, all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) in respect of the Relevant Stock Exchange and in respect of such Class A Ordinary Shares, as determined by the Company, provided that if on any such Trading Day (for the purpose of this definition, the **Affected Day**) such price is not available or cannot otherwise be determined as provided above, the Closing Price of a Class A Ordinary Share in respect of such Trading Day shall be the Closing Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined, and further provided that if such immediately preceding Trading Day falls prior to the fifth day before the Affected Day, an Independent Financial Adviser shall determine the Closing Price in good faith.

“**COBO Order**” means the Control of Borrowing (Jersey) Order 1958.

“**Conditions**” means the terms and conditions set out in Schedule 4 (subject to any alterations made in accordance with this Instrument).

“**Early Redemption Exercise Event**” has the meaning given in Clause 3.3.

“**Encumbrances**” means any security interests, claims, charges, mortgages, liens, options, pre-emption or other third-party rights, or agreements, arrangements or obligations to create any of the foregoing.

“Equity Shares” means shares in the equity share capital of the Company (or, following an Adjustment, the relevant member of the Group) from time to time.

“Equivalent Proportion” means a number of Warrants (rounded to the nearest whole Warrant) calculated by multiplying the total number of Warrants held by a Warrantholder by the proportion that the principal amount of the Notes being transferred by that Warrantholder bears to the total principal amount of the Notes held by that Warrantholder immediately prior to such transfer.

“Exercise Completion Date” has the meaning given in Clause 5.1(c).

“Exercise Event” means a Mandatory Exercise Event, a Change of Control Exercise Event, an Early Redemption Exercise Event, a Financing Exercise Event and/or a Final Maturity Exercise Event.

“Exercise Notice” means a notice in writing in the form, or substantially in the form, set out in Schedule 3.

“Exit” means any Change of Control or de-listing of the Equity Shares from the New York Stock Exchange.

“Final Maturity Date” has the meaning given in the Notes Deed Poll.

“Final Maturity Exercise Event” has the meaning given in Clause 3.5.

“Financing Exercise Event” has the meaning given in Clause 3.4.

“Group” means the Company, any subsidiary undertaking or any holding company of the Company and any other subsidiary undertaking from time to time of a holding company of the Company.

“holding company” has the meaning given in Clause 1.12.

“Initial Warrantholders” has the meaning given in Recital A.

“Independent Financial Adviser” means an independent financial advisory firm or an independent investment bank, in each case of international repute.

“Issuer Redemption Notice” has the meaning given in the Notes Deed Poll.

“Law” means the Companies (Jersey) Law 1991 (as amended).

“Original Notes” has the meaning given in Recital (A).

“Mandatory Exercise Event” has the meaning given in Clause 3.1.

“New Note Subscribers” has the meaning given in the Notes Deed Poll.

“Notes” has the meaning given in Recital (B).

“Notes Deed Poll” has the meaning given in Recital (B).

“Note Subscribers” has the meaning given in the Notes Deed Poll.

“Permitted Transferee” means a Related Fund of a Warrantholder or an Affiliate of a Warrantholder.

“Principal Notes Deed Poll” has the meaning given in Recital (A).

“Redemption Date” has the meaning given in the Notes Deed Poll.

“Redemption Notice” has the mean given in the Notes Deed Poll.

“Register” means a register of Warrantholders referred to in Clause 2.4, and kept and maintained in accordance with paragraph 1 of Schedule 4.

“Registered Office” means the registered office of the Company from time to time.

“Related Fund” has the meaning given in the Notes Deed Poll.

“Relevant Stock Exchange” means in respect of the Class A Ordinary Shares the principal stock exchange or securities market on which the Class A Ordinary Shares are listed, admitted to trading or quoted or dealt in.

“Restricted Period” means the period commencing on the date of this Instrument and ending on the date that is 18 calendar months from the date of this Instrument.

“Reverse Share Split” means the 1 for 25 consolidation of Class A Ordinary Shares, effective on 15 December 2022, pursuant to which every 25 existing Class A Ordinary Shares then in issue were consolidated into one new Class A Ordinary Share.

“Subscription Entitlement” has the meaning given in Clause 2.3.

“Subscription Price” means, subject to Clause 8, US\$0.001056433113 per Warrant Share.

“Subsequent Warrantholders” has the meaning given in Recital B.

“subsidiary” has the meaning given in Clause 1.12.

“Tax Deduction” means a withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature.

“Tax Redemption Date” has the meaning given in the Notes Deed Poll.

“Tax Redemption Notice” has the meaning given in the Notes Deed Poll.

“Trading Day” means a day on which the Relevant Stock Exchange is open for business and on which Class A Ordinary Shares may be dealt in (other than a day on which the Relevant Stock Exchange is scheduled to or does close prior to its regular closing time).

“Transfer” has the meaning given in paragraph 2.1 of Schedule 4.

“Value Cap” means, subject to Clause 8 and following the Reverse Share Split, US\$375.00 per Class A Ordinary Share.

“Value Cap Adjustment” has the meaning given in subparagraph (ii) of Clause 8.1.

“Value Cap Warrant Shares Adjustment” means any adjustment to the number of Warrant Shares to which a Warrantholder is entitled per Warrant held by it made in accordance with Clause 9.

“Warrant” means a private warrant to subscribe for one Warrant Share, on the terms and subject to the conditions of this Instrument.

“Warrant Shares” means the Class A Ordinary Shares or, following an Adjustment, such other shares in the capital of a member of the Group as may be required pursuant to the terms of an Adjustment, in each case issued to the Warrantholder following exercise of the Warrants in accordance with the terms of this Instrument (and **“Warrant Share”** means any of them).

“Warrantholder” means the person or persons in whose name(s) a Warrant is registered from time to time as evidenced by the Register.

“Warrantholder Consent” means prior consent in writing from a Warrantholder Majority, which consent may be communicated to the Company by the Warrantholders’ Representative on behalf of the Warrantholders.

“Warrantholder Majority” means one or more Warrantholder(s) for the time being holding outstanding Warrants representing not less than 50% in nominal value of the Warrant Shares subject to an outstanding Subscription Entitlement.

“Warrantholders’ Representative” means AlbaCore or such other person as the Warrantholder Majority may appoint by giving notice to the Company.

- 1.2 Clause, Schedule and paragraph headings shall not affect the interpretation of this Instrument.
- 1.3 References to Clauses and Schedules are to the Clauses of and Schedules to this Instrument, and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.4 The Schedules form part of this Instrument and shall have effect as if set out in full in the body of this Instrument. Any reference to this Instrument includes the Schedules.
- 1.5 A reference to **“this Instrument”** is a reference to this Instrument as varied or novated in accordance with its terms from time to time.
- 1.6 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.7 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.8 A reference to **“writing”** or **“written”** includes e-mail.
- 1.9 Any words following the terms **“including”**, **“include”**, **“in particular”**, **“for example”** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those words.
- 1.10 A reference to a statute or statutory provision is a reference to it as amended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.11 A reference to **“US\$”**, **“\$”** or **“US dollars”** shall be dollars of the United States of America.
- 1.12 A company is a **“subsidiary”** of another company (its **“holding company”**) if that other company, directly or indirectly, through one or more subsidiaries:
 - (a) holds a majority of the voting rights in it;

- (b) is a member or shareholder of it and has the right to appoint or remove a majority of its board of directors or equivalent managing body;
- (c) is a member or shareholder of it and controls alone, or pursuant to an agreement with other shareholders or members, a majority of the voting rights in it; or
- (d) has the right to exercise a dominant influence over it, for example by having the right to give directions with respect to its operating and financial policies, with which directions its directors are obliged to comply.

2. CONSTITUTION, GRANT AND FORM OF WARRANTS AND REGISTER

- 2.1 The Company hereby constitutes 105,449 Warrants to subscribe for the Warrant Shares on the terms and subject to the conditions of this Instrument (such that each Warrant continues to represent an entitlement to receive one Warrant Share following the Reverse Share Split).
- 2.2 The Warrants were originally constituted such that 1,757,499 Warrants were issued in registered form on 4 November 2021 (being the original date of this Instrument) to the Initial Warrantheolders. On 19 November 2021, 202,112 Warrants originally issued to AlbaCore Partners III Investment Holdings Designated Activity Company were transferred to SC ACG EU PD Sarl together with an Equivalent Proportion of the Notes. 878,750 Warrants were issued in registered form on 31 March 2022 to the Subsequent Warrantheolders. The Warrants shall be issued subject to the Articles and otherwise on the terms and subject to the conditions of this Instrument (including the Conditions) which are binding on the Company and each Warrantheolder, and all persons claiming through or under them respectively. The Warrants shall not be issued to more than ten Warrantheolders at any time without the consent of the Jersey Financial Services Commission under the COBO Order.
- 2.3 Each Warrant shall confer the right on the Warrantheolder holding such Warrant to receive one Warrant Share, subject to any Adjustment (other than the Reverse Share Split, for which an Adjustment has already been made, following the date of the amendment and restatement of this Instrument pursuant to clause 2.1 above) or any Value Cap Adjustment in accordance with Clause 8 and to any Value Cap Warrant Shares Adjustment in accordance with Clause 8 (the “**Subscription Entitlement**”). Any Warrant Shares issued upon the exercise of the Subscription Entitlement shall be issued at the Subscription Price per Warrant Share and credited as fully paid on the terms and subject to the conditions of this Instrument. Notwithstanding the foregoing, upon an Exercise Event, the Company may at its absolute discretion elect to satisfy the Subscription Entitlement in whole or in part by making a Cash Redemption Payment in accordance with Clause 7.
- 2.4 A current list of the Warrantheolders (including the respective number of Warrants issued to each Warrantheolder following the Reverse Share Split) as at the date of the amendment and restatement of this Instrument is set out in Schedule 1.
- 2.5 The Company shall procure that the Register is maintained, and Certificates are issued, in accordance with the Conditions.
- 2.6 During the Restricted Period, no Warrantheolder shall be permitted to enter into a hedging transaction in respect of its risk or exposure under the Warrants (except for currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only).

3. EXERCISE OF SUBSCRIPTION ENTITLEMENT

- 3.1 The Subscription Entitlement of each Warrantholder shall be deemed to be automatically and irrevocably exercised (in whole and not in part only) at 11 am (New York time) on the first date following which the Closing Price of the Class A Ordinary Shares has equalled or exceeded the Value Cap for any 20 Trading Days within any 30-Trading Day period commencing on the first Trading Day following the expiry of the Restricted Period (such date, a “**Mandatory Exercise Event**”). For the avoidance of doubt, no Mandatory Exercise Event may occur during the Restricted Period.
- 3.2 In the event that a Redemption Notice is given pursuant to the Notes Deed Poll in connection with a Change of Control, the Subscription Entitlement of each Warrantholder shall, unless agreed otherwise between the Company and the Warrantholder Majority, be deemed to be automatically and irrevocably exercised (in whole and not in part only) at 11 am (New York time) on the date of receipt by the Company of such Redemption Notice (a “**Change of Control Exercise Event**”).
- 3.3 In the event that an Issuer Redemption Notice or Tax Redemption Notice is given pursuant to the Notes Deed Poll at any time following the date of this Instrument, the Subscription Entitlement of each Warrantholder shall, unless agreed otherwise between the Company and the Warrantholder Majority, be deemed to be automatically and irrevocably exercised (in whole and not in part only) at 11 am (New York time) on the Redemption Date or Tax Redemption Date (as applicable) (an “**Early Redemption Exercise Event**”).
- 3.4 Upon the issuance of Tranche 1 Notes (as defined in the Loan Note Facility Agreement between, inter alia, the Company, Kroll Trustee Services Limited as trustee and Kroll Trustee Services Limited as security agent, dated 9 March 2023 (the “**Facility Agreement**”) and in accordance with the Subscription Agreement between the Company and Original Bridge Noteholders (as defined therein), dated 9 March 2023) at any time following the date of this Instrument, the Subscription Entitlement of each Warrantholder shall, unless agreed otherwise between the Company and the Warrantholder Majority, be deemed to be automatically and irrevocably exercised (in whole and not in part only) at the time of such issuance (a “**Financing Exercise Event**”).
- 3.5 If and to the extent the Subscription Entitlement has not been exercised prior to the Final Maturity Date, the Subscription Entitlement shall, unless agreed otherwise between the Company and the Warrantholder Majority, be deemed to be automatically and irrevocably exercised (in whole and not in part only) at 11 am (New York time) on the Final Maturity Date (a “**Final Maturity Exercise Event**”).

4. LAPSE OF SUBSCRIPTION ENTITLEMENT

Subject to Clause 12, if an effective resolution is passed or an order is made for the winding up of the Company (otherwise than for the purposes of a reconstruction, consolidation, amalgamation or merger on terms previously sanctioned by a Warrantholder Consent), the Subscription Entitlement and the Warrants to which they relate shall automatically lapse and cease to be exercisable on the date of that resolution or order.

5. PROCEDURES ON AN EXERCISE EVENT

- 5.1 As soon as reasonably practicable following a Mandatory Exercise Event or Financing Exercise Event or as soon as reasonably practicable following receipt of a Redemption Notice in respect of a Change of Control, and at least ten Business Days prior to an Early Redemption Exercise Event or a Final Maturity Exercise Event, the

Company shall issue an Exercise Notice to the Warrantholders' Representative (in accordance with the provisions of Clause 21) which shall specify:

- (a) in the event of a Mandatory Exercise Event, Financing Exercise Event or a Change of Control Exercise Event, the date and time on which the Subscription Entitlement was deemed to be automatically and irrevocably exercised in accordance with Clause 3.1, 3.2 or 3.4 as applicable or, in the event of an Early Redemption Exercise Event or a Final Maturity Exercise Event, the date and time on which the Subscription Entitlement shall be deemed to be automatically and irrevocably exercised in accordance with Clause 3.3 or 3.5 as applicable;
- (b) whether the Company will satisfy the Subscription Entitlement:
 - (i) by issuing Warrant Shares; or
 - (ii) by making a Cash Redemption Payment; or
 - (iii) by a combination of (i) and (ii), provided that:
 - (A) the proportions in which the Company satisfies the Subscription Entitlement by issuing Warrant Shares and by making a Cash Redemption Payment respectively shall be determined at the absolute discretion of the Company (subject to the provisions of Clause 7) and shall be set out in the Exercise Notice; and
 - (B) an amount equal to the aggregate Subscription Price for the specified number of Warrant Shares to be issued (rounded up to the nearest US\$0.01) shall be deducted from the Cash Redemption Payment in lieu of payment of the Subscription Price to the Company in cash and such deduction shall be set out in the Exercise Notice;
- (c) the date on which the Company shall issue the Warrant Shares and/or make the Cash Redemption Payment (as applicable), which shall be:
 - (i) in respect of a Mandatory Exercise Event, a date within a period of 28 days from the Mandatory Exercise Event; or
 - (ii) in respect of a Change of Control Exercise Event, as soon as reasonably practicable following the Change of Control Exercise Event; or
 - (iii) in respect of a Financing Exercise Event, as soon as reasonably practicable following the Financing Exercise Event and in any event not later than the date by which the Warrant Shares are required to be issued pursuant to the Facility Agreement; or
 - (iv) in respect of an Early Redemption Exercise Event, the Redemption Date or Tax Redemption Date (as applicable); or
 - (v) in respect of a Final Maturity Exercise Event, the Final Maturity Date,

provided that in all cases such date shall be a Business Day (and if such date is not a Business Day, the next following day that is a Business Day) (the “**Exercise Completion Date**”);

- (d) where the Company is satisfying the Subscription Entitlement (in whole or in part) by issuing Warrant Shares, the number of Warrant Shares to be issued to each Warrantholder, including (where applicable), reasonable detail of any Value Cap Warrant Shares Adjustment made in accordance with Clause 9;
 - (e) where the Company is satisfying the Subscription Entitlement in whole or in part by making a Cash Redemption Payment, the amount of the Cash Redemption Payment to be made to each Warrantholder including reasonable detail of the calculation of such Cash Redemption Payment; and
 - (f) where applicable, reasonable detail of the basis of determination and/or calculation of the Closing Price.
- 5.2 Promptly (and in any event within 10 Business Days or, if earlier, at least 2 Business Days prior to the Exercise Completion Date) following receipt of the Exercise Notice by the Warrantholders' Representative, each Warrantholder shall:
- (a) deliver to the Company at its Registered Office any Certificate(s) issued by the Company in respect of the Warrants held by such Warrantholder (or deed of indemnity in favour of the Company on such terms as the Company may reasonably require in the case of any lost, damaged or destroyed Certificates);
 - (b) where the Company is satisfying the Subscription Entitlement in whole by issuing Warrant Shares pursuant to Clause 5.1(b)(i), pay to the Company (or procure payment to the Company of) the aggregate Subscription Price applicable to the Warrant Shares to be issued to it as specified in the Exercise Notice in US dollars in accordance with Clause 17; and
 - (c) where the Company is satisfying the Subscription Entitlement in whole or in part by making a Cash Redemption Payment, notify the Company of its account details for the making of the Cash Redemption Payment in accordance with Clause 17.3.
- 5.3 Once delivered, an Exercise Notice shall be irrevocable (except with the consent of the Warrantholder Majority, which consent may be withheld or conditioned in the Warrantholder Majority's absolute discretion).
- 5.4 Where the Exercise Notice specifies that the Company is satisfying the Subscription Entitlement (in whole or in part) by issuing Warrant Shares, on the Exercise Completion Date, each Warrantholder shall be deemed to subscribe for such Warrant Shares at the Subscription Price per Warrant Share, which shall be issued to the Warrantholder by the Company free from any Encumbrances (save as set out in the Articles) and credited by the Company as being fully paid.
- 6. ISSUE OF WARRANT SHARES**
- 6.1 Subject to the Articles, to any applicable legal and regulatory requirements and to compliance by the relevant Warrantholder(s) with the provisions of Clause 5.2, completion of the allotment and issue of Warrant Shares shall take place on the Exercise Completion Date or at such earlier time as the Board may determine (acting in its absolute discretion).
- 6.2 On the Exercise Completion Date, the Company shall promptly, subject to the Law and to the Articles and the Warrantholder's compliance with its applicable obligations in Clause 5.2:
- (a) allot and issue to the Warrantholder the number of Warrant Shares in respect of which its Subscription Entitlement has been exercised;

- (b) procure the entry of the Warrantholder in the Company's register of members as the holder of the number of Warrant Shares issued to it and deliver a copy thereof to the Warrantholder; and
- (c) to the extent that the Warrant Shares are to be held in certificated form, deliver to the Warrantholder a duly executed share certificate for the number of Warrant Shares issued to it that will be so held.

6.3 The Warrant Shares issued under Clause 6.2(a) shall:

- (a) be issued fully paid, free from all Encumbrances (save as set out in the Articles);
- (b) rank *pari passu* and form one class with the fully paid shares of the same class then in issue, subject to the Articles;
- (c) entitle the registered holder to receive any dividend or other distribution announced or declared on or after the date on which the Warrantholder complies with its applicable obligations in Clause 5.2; and
- (d) be registered in a register of members kept outside the United Kingdom by or on behalf of the Company.

6.4 No fractions of a Warrant Share shall be allotted or issued on the exercise of any Subscription Entitlement and no refund will be made to the Warrantholder exercising such Subscription Entitlement with respect to such fractions. If the exercise of any Subscription Entitlement would require a fraction of a Warrant Share to be allotted (including but not limited to where these arise as a result of a Value Cap Warrant Shares Adjustment in accordance with Clause 9), the aggregate number of Warrant Shares so allotted to a Warrantholder will be rounded down to the nearest whole Warrant Share.

7. CASH REDEMPTION

7.1 Where an Exercise Event has occurred or is proposed to occur, the Company may in its absolute discretion elect in the Exercise Notice relating to that Exercise Event to cancel and redeem some or all of the Subscription Entitlement attaching to the Warrants held by each Warrantholder (a "**Cash Redemption Election**") in consideration for a payment in cash to each Warrantholder equal to either:

- (a) where the Closing Price of the Class A Ordinary Shares has equalled or exceeded the Value Cap for any 20 Trading Days within the 30-Trading Day period immediately preceding:
 - (i) in respect of a Mandatory Exercise Event, the date of the Mandatory Exercise Event; or
 - (ii) in respect of a Change of Control Exercise Event, the date that the Change of Control is first announced to the market by the Company or the person or persons acquiring control in connection with the Change of Control; or
 - (iii) in respect of an Early Redemption Exercise Event, Financing Exercise Event or a Final Maturity Exercise Event, the date of the Exercise Notice,

the Value Cap multiplied by the number of Warrants held by the relevant Warrantholder in respect of which the Company has elected to redeem in cash; or

- (b) where the Closing Price of the Class A Ordinary Shares has not equalled or exceeded the Value Cap for any 20 Trading Days within the 30-Trading Day period immediately preceding:
 - (i) in respect of a Mandatory Exercise Event, the date of the Mandatory Exercise Event; or
 - (ii) in respect of a Change of Control Exercise Event, the date that the Change of Control is first announced to the market by the Company or the person or persons acquiring control in connection with the Change of Control; or
 - (iii) in respect of an Early Redemption Exercise Event, Financing Exercise Event or a Final Maturity Exercise Event, the date of the Exercise Notice,

the Closing Price on the Trading Day immediately prior to the relevant date referred to in subparagraphs (i), (ii) or (iii) above (as applicable) multiplied by the number of Warrants held by the relevant Warrantholder in respect of which the Company has elected to redeem in cash (provided that if the relevant Closing Price is greater than the Value Cap, it shall be deemed to be the Value Cap), (each such payment, a **“Cash Redemption Payment”**).

- 7.2 Where a Cash Redemption Election is made, the Subscription Entitlement (or the relevant proportion of the Subscription Entitlement, as the case may be) of a Warrantholder shall not be treated as cancelled and redeemed unless and until the Cash Redemption Payment has been made in full to the relevant Warrantholder or, if the relevant Warrantholder fails to notify the Company of its account details in accordance with Clause 5.2, to a ring-fenced bank account to be held for the benefit of the relevant Warrantholder.
- 7.3 Upon cancellation and redemption of the Subscription Entitlement (or the relevant proportion of the Subscription Entitlement, as the case may be) in accordance with this Clause 7, all rights and obligations of the Company and the Warrantholders in respect of the Warrants shall immediately terminate and cease to have any force or effect save for any rights which may have accrued prior to the relevant redemption.

8. ADJUSTMENT OF SUBSCRIPTION ENTITLEMENT

- 8.1 If, while any Subscription Entitlement remains exercisable:
 - (a) there is a subdivision, consolidation, reclassification or change in nominal value (excluding a change to no par value where the number of shares in issue is otherwise unchanged) of the Class A Ordinary Shares;
 - (b) there is a reduction of capital (of whatever nature, but excluding a cancellation of capital that is lost or not represented by available assets), or any other reduction in the number of Equity Shares in issue from time to time;
 - (c) there is an issue of Equity Shares by way of dividend or distribution;

- (d) there is an issue of Equity Shares by way of capitalisation of profits or reserves (including share premium account and any capital redemption reserve); or
- (e) there is a consolidation, amalgamation or merger of the Company with or into another entity (other than a consolidation, amalgamation or merger following which the Company is the surviving entity and which does not result in any reclassification of, or change in, the Class A Ordinary Shares) through a share-for-share exchange or otherwise (including, for the avoidance of doubt, a merger or amalgamation where the Company is not the surviving entity),

then:

- (i) the Company shall adjust the Subscription Entitlement and/or the Subscription Price conditional on any such event occurring, but with effect from the date of the relevant event or, if earlier, the record date for the event (an “**Adjustment**”), in each case, so that after such Adjustment, the total number of Warrant Shares for which the outstanding Subscription Entitlement would then be capable of being exercised carry as nearly as possible (and in any event not less than) the same proportion of the voting rights and the same entitlement (expressed as a proportion of the total entitlement conferred by all the Equity Shares) to participate in the profits and assets of the Company as if there had been no such event giving rise to the Adjustment and the Company shall procure the update of the Register accordingly; and
- (ii) upon any Adjustment, the Value Cap shall be deemed to be adjusted as follows and construed accordingly (a “**Value Cap Adjustment**”):

$A = (B \text{ divided by } C) \text{ multiplied by } D$

where:

A = the adjusted Value Cap;

B = the number of Warrant Shares for which the outstanding Subscription Entitlement would be capable of being exercised immediately prior to the relevant Adjustment;

C = the number of Warrant Shares for which the outstanding Subscription Entitlement would be capable of being exercised immediately following the relevant Adjustment as determined in accordance with subparagraph (i) above; and

D = the Value Cap immediately prior to the relevant Adjustment.

- 8.2 The Company shall give the Warrantheolders’ Representative written notice of any event described in Clause 8.1, together with details of the relevant Adjustment and Value Cap Adjustment and reasonable detail of any supporting calculations, at the time of, or as soon as reasonably possible after the occurrence of such event.

9. **ADJUSTMENT OF WARRANT SHARES**

- 9.1 If in an Exercise Notice the Company elects to satisfy a Warrantheolder’s Subscription Entitlement in whole or in part by way of issuing Warrant Shares and the Closing Price on the Trading Day immediately prior to the relevant date as follows:

- (a) in respect of a Mandatory Exercise Event, the date of the Mandatory Exercise Event; or
- (b) in respect of a Change of Control Exercise Event, the date that the Change of Control is first announced to the market by the Company or the person or persons acquiring control in connection with the Change of Control; or
- (c) in respect of an Early Redemption Exercise Event or a Final Maturity Exercise Event, the date of the Exercise Notice,

is equal to or exceeds the Value Cap, the number of Warrant Shares to which a Warrantholder shall be entitled per Warrant (notwithstanding and subject always to the Company's right to elect in an Exercise Notice to redeem the Subscription Entitlement by making a Cash Redemption Payment in accordance with Clause 7) shall be adjusted downwards as follows:

$A = B \text{ divided by } C$

where:

A = the adjusted number of Warrant Shares to which a Warrantholder is entitled per Warrant;

B = the Value Cap; and

C = the Closing Price.

- 9.2 Where applicable the Company shall notify the Warrantholders of any Value Cap Warrant Shares Adjustment in the relevant Exercise Notice and shall include reasonable detail of the calculation of such Value Cap Warrant Shares Adjustment.

10. DETERMINATION BY AUDITORS OR INDEPENDENT FINANCIAL ADVISER

- 10.1 If the Warrantholders' Representative notifies the Company in writing:

- (a) within ten Business Days of receipt of a notice given under Clause 8.2 that the Warrantholder Majority disagrees with any Adjustment and/or any Value Cap Adjustment; or
- (b) within five Business Days of receipt of an Exercise Notice in which the Company has notified the Warrantholders of a Value Cap Warrant Shares Adjustment that the Warrantholder Majority disagrees with such Value Cap Warrant Shares Adjustment,

the Company shall refer the matter to the Auditors for determination.

- 10.2 In respect of any disagreement referred to the Auditors for determination pursuant to Clause 10.1:

- (a) the Company and the Warrantholder(s) will each co-operate with the Auditors in resolving the disagreement as soon as reasonably possible and for that purpose will, subject to any restrictions imposed by applicable law, any regulatory authority or any obligations of confidentiality, provide to them all such information and documents as they may reasonably require;
- (b) the Auditors shall have the right to seek such professional assistance and advice as they may require;

- (c) the Auditors' fees and any professional costs incurred by them shall be borne:
 - (i) where the Auditors' determination in respect of the relevant matter that is the subject of the disagreement is more than 5 per cent. less or more than 5 per cent. greater than the original number or calculation proposed by the Company, by the Company; or
 - (ii) in all other cases, (A) 50 per cent. by the Company; and (B) 50 per cent. proportionately among the Warranholders that disagreed with the matter (as the Warranholders' Representative may determine in its absolute discretion); and
- (d) the Auditors shall act as experts and not as arbitrators and their decision shall (in the absence of manifest error) be final and binding on the Company and all Warranholders.

10.3 If the Warranholders' Representative notifies the Company in writing within five Business Days of receipt of an Exercise Notice that the Warranholder Majority disagrees with the Closing Price specified in such Exercise Notice (where applicable), the Company shall refer the matter to an Independent Financial Adviser for determination, provided that if the disputed Closing Price was first determined by an Independent Financial Adviser on behalf of the Company prior to issuing the Exercise Notice, the Company shall refer the matter to a second Independent Financial Adviser for determination.

10.4 In respect of any disagreement referred to an Independent Financial Adviser for determination pursuant to Clause 10.3:

- (a) the Company and the Warranholder(s) will each co-operate with the Independent Financial Adviser in resolving the disagreement as soon as reasonably possible and for that purpose will, subject to any restrictions imposed by applicable law, any regulatory authority or any obligations of confidentiality, provide to them all such information and documents as they may reasonably require;
- (b) the Independent Financial Adviser shall have the right to seek such professional assistance and advice as it may require;
- (c) the Independent Financial Adviser's fees and any professional costs incurred by them shall be borne:
 - (i) where the Independent Financial Adviser's determination in respect of the relevant matter that is the subject of the disagreement is more than 5 per cent. less or more than 5 per cent. greater than the original number or calculation proposed by the Company, by the Company; or
 - (ii) in all other cases, (A) 50 per cent. by the Company; and (B) 50 per cent. proportionately among the Warranholders that disagreed with the matter (as the Warranholders' Representative may determine in its absolute discretion); and
- (d) the Independent Financial Adviser shall act as an expert and not as an arbitrator and its decision shall (in the absence of manifest error) be final and binding on the Company and all Warranholders.

11. UNDERTAKINGS AND INFORMATION

11.1 For so long as any Subscription Entitlement remains exercisable, the Company shall:

- (a) procure that the Board shall at all times have authority pursuant to the Articles and any applicable legal and regulatory requirements to grant Warrants and to issue Warrant Shares on exercise of any Subscription Entitlement in accordance with the terms of this Instrument and free of any Encumbrances;
 - (b) not permit any of the events described in Clause 8.1(a) to Clause 8.1(e) to the extent that its effect would be that, following any relevant Adjustment, on the exercise of any Subscription Entitlement the Company would be required to allot Warrant Shares at a discount to nominal value; and
 - (c) subject to applicable law, regulation and the rules of any applicable stock exchange, notify each Warrantholder of any anticipated Exit, or commencement of proceedings to effect a winding up in the circumstances set out in Clause 12.1, as soon as reasonably practicable after the Board becomes aware of such Exit or winding up (and, in any event, no later than five Business Days prior to completion of such Exit or passing of the resolution referred to in Clause 12.1(b), as the case may be).
- 11.2 Each Warrantholder (or agent appointed to act on its behalf) shall have the right to attend and speak (but not, by virtue of its Warrants alone, vote) at all meetings of the holders of the Class A Ordinary Shares at which any business is to be moved which will, or may reasonably be expected to, affect the value of the Warrants or the Warrant Shares or the rights attaching to any of them under this Instrument.
- 12. WINDING UP**
- 12.1 This Clause 12 applies if:
- (a) any Subscription Entitlement remains unexercised; and
 - (b) an effective resolution for the winding up of the Company is passed for the summary (solvent) winding up of the Company under Part 21, Chapter 2 of the Law.
- 12.2 In the circumstances set out in Clause 12.1, each Warrantholder with unexercised Subscription Entitlement shall, for the purposes of ascertaining its rights in the winding up, be treated as if it had, immediately before the passing of the resolution, fully exercised its outstanding Subscription Entitlement (and, notwithstanding the time periods specified in Clause 6.1, been issued with Warrant Shares with immediate effect) and shall be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of the Class A Ordinary Shares (or other Warrant Shares as may be required following an Adjustment) such sum as it would have received had it been the holder of all such Class A Ordinary Shares (or such other Warrant Shares as may be required following an Adjustment) to which it would have been entitled by virtue of that exercise after deducting a sum equal to the sum which would have been payable for Warrant Shares, but nothing in this Clause 12 shall require a Warrantholder to make any payment to the Company or any other person.

13. TRANSFER OF WARRANTS

The provisions of paragraph 2 of Schedule 4 shall govern the transfer of Warrants.

14. MEETINGS OF WARRANTHOLDERS

All resolutions and consents of the Warrantholders shall be adopted by way of Warrantholder Consent. Nevertheless, if a meeting of the Warrantholders is to be held, all the provisions of the Articles and any applicable statutory requirements relating to general meetings shall apply to that meeting as if:

- (a) the Warrants constituted shares in the capital of the Company; and
- (b) each Warrantholder was a member of the Company,

provided that the quorum for such a meeting shall be such number of Warrantholders present in person, by proxy or by authorised representative holding 50% in nominal amount of the Warrant Shares subject to outstanding Warrants on the date of the meeting.

15. WARRANTHOLDERS' REPRESENTATIVE

- 15.1 The Warrantholders' Representative shall be entitled to carry out the functions conferred on it by this agreement.
- 15.2 The Warrantholders' Representative shall not be liable to any Warrantholder for any act or omission in connection with the performance by the Warrantholders' Representative (in that capacity) of its duties, functions and/or role pursuant to this Instrument, except in the case of its fraud or dishonesty. The Warrantholders' Representative may act upon any instrument or written communication believed by the Warrantholders' Representative to be genuine and to be signed and presented by the proper person(s). Each of the Warrantholders hereby undertakes to indemnify and keep indemnified and hold harmless the Warrantholders' Representative from all losses, costs, damages, expenses (including professional fees) and any other liabilities that may be incurred by the Warrantholders' Representative (in that capacity) as a result of performance of its duties, functions and role as the Warrantholders' Representative under this agreement provided that the Warrantholders' Representative shall not be entitled to indemnification for and in respect of any matter where its actions or inactions are fraudulent or dishonest.
- 15.3 Any consent given in accordance with the provisions of this Instrument by the Warrantholders' Representative in connection with this Instrument shall bind all the Warrantholders.

16. TAX

All payments by the Company under this Instrument shall be made free and clear of any Tax Deduction, unless such withholding or deduction is required by law. In the event of a Tax Deduction being made by the Company in respect of a payment made by it, the Company shall pay such additional amounts as will result in the receipt by the Warrantholders, after any withholding or deduction for or on account of such taxes, duties, assessments or charges, of such amounts as would have been received by them if no such Tax Deduction had been required.

17. PAYMENTS

- 17.1 Unless otherwise expressly stated (or as otherwise agreed in the case of a given payment), each payment to be made to the Company and to a Warrantholder under this Instrument or in respect of any Warrant shall be made in US dollars by transfer of the relevant amount into the relevant account on the date (and, if applicable, at or before the time) the payment is due for value on that date and in immediately available funds.
- 17.2 The relevant account for a given payment to the Company is:

bank: Barclays Bank PLC
sort code: 20-36-47
account number: 53060166
account name: BHL Fundraising USD
SWIFT: BARCGB22
IBAN: GB34BARC20364753060166

or such other US dollar account in the name of the Company as shall be: (i) notified to the Warranholders' Representative not less than three Business Days before the date that payment is due for the purpose of that payment; and (ii) approved by the Warranholders' Representative following the Company's compliance with anti-money laundering requirements to the satisfaction of the Warranholders.

- 17.3 The relevant account for a given payment to a Warranholder is the US dollar account specified by the Warranholder (or the Warranholders' Representative on its behalf), not less than three Business Days before the date that payment is due, by giving notice to the Company in accordance with Clause 21 for the purposes of that payment. In the absence of any such notice the relevant payment shall be made to a ring-fenced bank account and held for the benefit of the relevant Warranholder.

18. **VARIATION**

- 18.1 Subject to Clause 8 and Clause 18.2, no variation or abrogation of the terms of this Instrument or of all or any of the rights for the time being attached to the Warrants shall be effective (whether or not the Company is being wound up) without Warranholder Consent. Any such variation or abrogation shall be effected by way of deed poll executed by the Company and expressed to be supplemental to this Instrument.
- 18.2 Modifications to this Instrument which are of a minor or administrative nature only, and have no impact on the rights and obligations under this Instrument, may be effected by way of deed poll executed by the Company and expressed to be supplemental to this Instrument.
- 18.3 The Company shall, within five Business Days of making any variation pursuant to this Clause 18, send to each Warranholder (or, in the case of joint holders, to the Warranholder named first in the Register) a copy of the deed poll (or other document) effecting the variation.

19. **SEVERANCE**

If any provision or part-provision of this Instrument is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this Clause 19 shall not affect the validity and enforceability of the rest of this Instrument.

20. **THIRD PARTY RIGHTS**

- 20.1 Except as expressly provided in Clause 20.2, a person who is not a party to this Instrument shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce any term of this Instrument.

20.2 The provisions of this Instrument are intended to confer rights and benefits on the Warrantheolders and the Warrantheolders' Representative and such rights and benefits shall be enforceable by each of them to the fullest extent permitted by law.

20.3 The Company undertakes that it will duly observe and perform the obligations on its part contained in this Instrument and the Warrants shall be issued and held subject to and with the benefit of the provisions of this Instrument.

21. **NOTICES**

Any notice to be given to or by any Warrantheolder(s) for the purposes of this Instrument shall be given in accordance with the provisions of paragraph 4 of Schedule 4.

22. **GOVERNING LAW AND JURISDICTION**

22.1 This Instrument and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

22.2 Each party irrevocably agrees that the English courts shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Instrument or its subject matter or formation (including non-contractual disputes or claims).

23. **PROCESS AGENT**

23.1 Without prejudice to any other mode of service allowed under any relevant law, the Company:

- (a) irrevocably appoints Babylon Partners Limited with registered number 08493276, the registered office of which is at 1 Knightsbridge Green, London, England, SW1X 7QA as its agent for service of process in relation to any proceedings before the English courts in connection with this Instrument; and
- (b) agrees that failure by an agent for service of process to notify the Company of the process will not invalidate the proceedings concerned.

23.2 If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Company shall immediately (and in any event within five days of such event taking place) appoint another agent on terms acceptable to the Warrantheolders' Representative. Failing this, the Warrantheolders' Representative may appoint another agent for this purpose.

THIS DEED has been entered into on the date stated at the beginning of it.

Schedule 1
WARRANTHOLDERS

Name	Address	E-mail Address	Number of Warrants
AlbaCore Partners II Investment Holdings D Designated Activity Company	10 Earlsfort Terrace, Dublin, Dublin, D02 T380, Ireland (copy to: 55 St James's Street, London, SW1A 1LA)	Notices@albacorecapital. com (with a copy to Ipeer@albacorecapital.com and legal@albacorecapital. com)	20,387
AlbaCore Partners III Investment Holdings Designated Activity Company	10 Earlsfort Terrace, Dublin, Dublin, D02 T380, Ireland (copy to: 55 St James's Street, London, SW1A 1LA)	Notices@albacorecapital. com (with a copy to Ipeer@albacorecapital.com and legal@albacorecapital. com)	40,071
AlbaCore Strategic Investments LP	Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (copy to: 55 St James's Street, London, SW1A 1LA)	Notices@albacorecapital. com (with a copy to Ipeer@albacorecapital.com and legal@albacorecapital.com)	1,757
SC ACG EU PD Sàrl	124 Boulevard de la Pétrusse, L-2330, Luxembourg (copy to: 55 St James's Street, London, SW1A 1LA)	Notices@albacorecapital. com (with a copy to Ipeer@albacorecapital.com and legal@albacorecapital.com)	8,084
Vitality (Ireland) Financing Designated Activity Company	5th Floor, The Exchange, George's Dock, IFSC, Dublin 1, D01 W3P9, Ireland (copy to: 55 St James's Street, London, SW1A 1LA)	iecorporateservices@walkersglobal.com (with a copy to legal@albacorecapital.com)	35,150

Schedule 2
FORM OF WARRANT CERTIFICATE

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

WARRANT CERTIFICATE NO. []

BABYLON HOLDINGS LIMITED
a public limited company incorporated and registered in Jersey
registered number: 115471
registered office: [13 Castle Street, St Helier, Jersey, JE1 1ES]
(the “**Company**”)

Date of issue: [●]

Warrantholder name: [●]

Registered address: [●]

Principal place of business: [●]

THIS IS TO CERTIFY that the person named above is the registered holder of [●] Warrants, which entitle the Warrantholder to subscribe for Warrant Shares at the Subscription Price on the terms and subject to the conditions set out in the warrant instrument issued by the Company on [●] 2021, as amended and restated on 31 March 2022 and _____ 2023 (the “**Instrument**”), subject to the Articles.

This certificate is issued with the benefit of, and subject to, the terms of the Instrument, a copy of which is available on request from the Company. The Warrants represented by this certificate and the Subscription Entitlement relating to such Warrants are not transferable except in accordance with the Instrument. Terms defined in the Instrument have the same meaning when used in this certificate.

EXECUTED as a DEED and DELIVERED by)
BABYLON HOLDINGS LIMITED)
acting by a duly authorised director)
in the presence of:)

Witness Signature:

Witness Name:

Witness Address:

.....

Witness Occupation:

Schedule 3
FORM OF EXERCISE NOTICE

The Directors
Babylon Holdings Limited
13 Castle Street
St Helier
Jersey JE1 1ES

To:
Warrantholders' Representative
By e-mail to: [●]

[DATE]

We refer to the warrant instrument dated [●] 2021, as amended and restated on 31 March 2022 and _____ 2023 (the **Instrument**) issued by Babylon Holdings Limited. Terms defined in the Instrument have the same meanings when used in this Exercise Notice.

We hereby give notice of [details of Exercise Event], which constitutes a[n] [Mandatory Exercise Event][Early Redemption Exercise Event][Change of Control Exercise Event][Financing Exercise Event][Final Maturity Exercise Event] for the purposes of the Instrument.

For the purposes of clause 5.1 of the Instrument:

1. the Subscription Entitlement [was][shall be] deemed to be automatically and irrevocably exercised on [date] [at [time]];
2. the Company will satisfy the aggregate Subscription Entitlement by [issuing an aggregate number of [●] Warrant Shares [and]][making an aggregate Cash Redemption Payment of [●] [(net of deduction of an aggregate Subscription Price of US\$[●] in respect of the number of Warrant Shares to be issued (rounded up to the nearest US\$0.01))];
3. the [Warrant Shares [and]][Cash Redemption Payment shall be allocated among the Warrantholders as set out in the Schedule to this Exercise Notice;
4. the Exercise Completion Date shall be [date];
5. [the number of Warrant Shares to be issued to the Warrantholders on the Exercise Completion Date as set out in paragraph 2 and the Schedule to this Exercise Notice has been subject to a Value Cap Warrant Shares Adjustment calculated as follows: [reasonable detail to be included];]
6. [the Cash Redemption Payment to be made to the Warrantholders on the Exercise Completion Date as set out in paragraph 2 and the Schedule to this Exercise Notice has been calculated as follows: [reasonable detail to be included]; [and]
7. [the [Closing Price] for the purposes of the calculations referred to in paragraph[s] [●] above [has][have] been determined as follows [reasonable detail to be included].

We hereby request that each Warrantholder complies with its obligations pursuant to Clause 5.2 of the Instrument within the applicable time period specified therein.

Signed by [NAME OF DIRECTOR] for and on
behalf of **Babylon Holdings Limited** [SIGNATURE OF DIRECTOR]
Director

SCHEDULE TO EXERCISE NOTICE

[Details of allocation of Warrant Shares and/or Cash Redemption Payment among Warrantholders to be included]

Schedule 4
THE CONDITIONS

1. The Register and Certificates

- 1.1 The Register shall be kept and maintained at the Registered Office or at such other place (at all times outside the United Kingdom) as the Company may from time to time determine and notify to the Warrantheolders and there shall promptly be entered in the Register:
- (a) the names and addresses of the Warrantheolders, supplied in accordance with paragraph 4 of this Schedule 4;
 - (b) the number of Warrants held by each Warrantheolder;
 - (c) the date on which each person was registered as a Warrantheolder, in respect of each tranche of Warrants held by it;
 - (d) the date on which the Subscription Entitlement was exercised and the number of Warrants for which such Subscription Entitlement was exercised;
 - (e) the date on which any person ceased to be a Warrantheolder;
 - (f) updates arising out of Adjustments in accordance with Clause 8.1; and
 - (g) all transfers of the Warrants.
- 1.2 The Company shall promptly amend the Register after receiving notice of a change in a Warrantheolder's details for service pursuant to paragraph 4.4 of this Schedule 4.
- 1.3 The Warrantheolders or any of them, or any person authorised by a Warrantheolder, shall be at liberty at all reasonable times during office hours to inspect the Register and to take copies of or extracts from it or any part of it.
- 1.4 The Company shall be entitled to treat each person named in the Register as a Warrantheolder as the absolute owner of a Warrant and, accordingly, shall not, except as ordered by a court of competent jurisdiction or as required by law, be bound to recognise any equitable or other claim to or interest in a Warrant on the part of any other person, whether or not it shall have express or other notice of such a claim.
- 1.5 Every Warrantheolder shall be recognised by the Company as entitled to its Warrants free from any equity, set-off or cross-claim against the original or an intermediate holder of such Warrants.
- 1.6 Each Warrantheolder shall be issued with a Certificate (together with a copy of this Instrument and, at the Warrantheolder's request, a copy of any other document referred to in this Instrument) promptly and, in any event, within ten Business Days, following:
- (a) the date on which it is registered as a Warrantheolder; and
 - (b) any Adjustment (except where such Adjustment is referred to the Auditors for determination in accordance with Clause 10, in which case, following completion of the Auditors' determination).

- 1.7 If a Certificate is mutilated, defaced, lost, stolen or destroyed, it will be replaced by the Company upon payment by the claimant of such reasonable costs as may be incurred in connection with such replacement and on such terms as to evidence and indemnity as the Company may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

2. Transfer of Warrants

- 2.1 No Warrantholder shall assign, transfer, mortgage, charge, declare a trust over, or deal in any other manner with its Warrants or any of its rights in respect of the Warrants (each such transaction, a Transfer) without the express prior written approval of the Board (such approval to be given in the absolute discretion of the Board), other than:
- (a) to a Permitted Transferee of the Warrantholder; or
 - (b) where a Transfer of Notes is permitted pursuant to the terms of the Notes Deed Poll.
- 2.2 Subject to paragraph 2.1, Warrants may be transferred by means of (and only by means of) an instrument of transfer in any usual form or any other form approved by the Board acting reasonably.
- 2.3 An instrument of transfer shall be made under hand and executed by or on behalf of the transferor but need not be signed by the transferee. The transferor shall be deemed to remain the holder of the Warrants until the name of the transferee is entered in the Register for the Warrants being transferred.
- 2.4 The Board may refuse to register a transfer unless such instrument is deposited at the Registered Office together with any Certificate(s) issued by the Company in respect of such Warrants (or deed of indemnity in favour of the Company on such terms as the Company may reasonably require in the case of any lost, damaged or destroyed Certificates) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- 2.5 The registration of a transfer shall be conclusive evidence of approval by the Board of the transfer.
- 2.6 No fee shall be charged for the registration of a transfer of a Warrant, or for the registration of any other documents which, in the opinion of the Board, require registration.
- 2.7 Any transfer of a Warrant purported to be made otherwise than in accordance with this paragraph 2 shall be void and have no effect.

3. Confidentiality

- 3.1 A Warrantholder shall not at any time disclose to any person the existence of or contents of this Instrument, or any confidential information concerning the business, affairs, customers, clients or suppliers of the Group, except as permitted by paragraph 3.2.
- 3.2 A Warrantholder may disclose information, where such disclosure would otherwise be prohibited under paragraph 3.1 if and to the extent:
- (a) the information is or becomes publicly available (other than by breach of this Instrument by the Warrantholder);
 - (b) the Company has given prior approval to the disclosure or use;

- (c) the information is information about the Group which the board of directors of the Company has confirmed in writing to a Warrantholder is not confidential;
- (d) the information is independently developed by a Warrantholder after the date of this Instrument;
- (e) the disclosure or use is required by legal or regulatory requirements, any governmental or regulatory body or any stock exchange on which the shares of a Warrantholder or any of its Associated Companies is listed (including where this is required as part of any actual or potential offering, placing and/or sale of securities of that Warrantholder or any of its Associated Companies) or requested by any court of competent jurisdiction or any relevant governmental, judicial, supervisory, regulatory or self-regulatory body;
- (f) the disclosure or use is required for the purpose of any judicial proceedings arising out of this Instrument or any documents to be entered pursuant to it;
- (g) the disclosure of information is to any tax authority to the extent such disclosure is reasonably required for the purposes of the tax affairs of a Warrantholder or any of its Associated Companies;
- (h) provided that in the event that any demand or request for disclosure of such information is made pursuant to paragraph 3.2(e) to (g) above, such Warrantholder shall (to the extent reasonably practicable to do so and, further, subject to such notification not being in breach of any applicable confidentiality obligations) promptly notify the Company of the existence of such request or demand and shall provide the Company with a reasonable opportunity to seek an appropriate protective order or other remedy, which both the Warrantholders and Company will cooperate in seeking to obtain. In the event that such appropriate protective order or other remedy is not obtained, the Warrantholder shall furnish, or cause to be furnished, only that portion of the confidential information that is legally required to be disclosed;
- (i) the disclosure by a Warrantholder or its Associated Companies is to any of its Associated Companies, Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and representatives and is in respect of such information as such Warrantholder or such Associated Companies shall consider reasonably appropriate, provided that any person to whom the information is to be given pursuant to this paragraph 3.2(i) is informed in writing of its confidential nature and that some or all of such information may be price-sensitive information provided further that that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to such information;
- (j) the disclosure of information is on a confidential basis to any bona fide proposed transferee of Warrants (including any Permitted Transferee, third party, professional advisers, auditors, insurers or financiers of such party) wishing to acquire Warrants from a Warrantholder in accordance with the terms of this Instrument to the extent that any such persons need to know the information for the purposes of considering, evaluating, advising on or furthering the potential purchase, or to service providers and professional advisors who in their ordinary course of carrying out their services for such Warrantholder or its Associated Companies may come into contact with confidential information and who are bound by an obligation of confidentiality to such Warrantholder or is otherwise subject to professional obligations to maintain the confidentiality of the information; and

- (k) the disclosure is to:
 - (l) another Warrantholder; and
 - (m) the Warrantholders' Representative.
- 3.3 No Warrantholder shall use any confidential information relating to the Group for any purpose other than to perform its obligations, or to exercise its rights, under this Instrument.
- 4. Notices**
- 4.1 For the purposes of this paragraph 4, but subject to paragraph 4.7, notice includes any other communication.
- 4.2 Unless otherwise specified in this Instrument, a notice given to a party under or in connection with this Instrument:
- (a) shall be in writing and in English;
 - (b) shall be sent by e-mail (unless a delivery failure message is received by the sender, in which case it may be sent to the registered address of the recipient by another method referred to in paragraph 4.5(b)):
 - (i) in the case of the Company, to legal-corporate@babylonhealth.com (marked for the attention of the General Counsel);
 - (ii) in the case of the Initial Warrantholders, to the Warrantholders' Representative at Ipeer@albacorecapital.com and legal@albacorecapital.com (marked for the attention of Itay Peer and Joe Ohlson), or such other e-mail address or person as that person may notify to the Company in accordance with the provisions of this paragraph 4; and
 - (iii) in the case of any Warrantholder (other than the Initial Warrantholders) to such e-mail address or person as that Warrantholder shall notify to the Company in accordance with the provisions of this paragraph; and
 - (c) unless proved otherwise, is deemed received as set out in paragraph 4.5.
- 4.3 Each Warrantholder (other than an Initial Warrantholder) shall register with the Company an e-mail address to which notices can be sent and, if such Warrantholder fails to do so, notice may be given to that Warrantholder by sending the same by any of the methods referred to in paragraph 4.2 to the last known e-mail address of such Warrantholder or, if none, by sending such notice to the Warrantholders' Representative.
- 4.4 A Warrantholder may change its details for service of notices by giving notice to the Company following any change. Any change notified under this paragraph 4.4 shall take effect at 9am (London time) on the later of:
- (a) the date (if any) specified in the notice as the effective date for the change; or
 - (b) five Business Days after deemed receipt of the notice.
- 4.5 Delivery or receipt (as the case may be) of a notice is deemed to have taken place (if all other requirements in this paragraph 4 have been satisfied):

- (a) if sent by e-mail, at the time of transmission (provided that no delivery failure message is received by the sender); or
- (b) where a delivery failure message is received by the sender:
 - (i) if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the address;
 - (ii) if sent by pre-paid first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9am on the second Business Day after posting; or
 - (iii) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice is left at the address.

If deemed receipt under the previous sub-paragraphs of this paragraph 4.5 would occur outside business hours (meaning 9am to 5.30pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9am on the day when business next starts in the place of deemed receipt. For the purposes of this paragraph 4.5, all references to time are to local time in the place of deemed receipt.

4.6 To prove service, it is sufficient to prove that:

- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address;
- (b) if sent by e-mail, a transmission report was received confirming that the notice was successfully transmitted to the correct e-mail address; or
- (c) if sent by post, the envelope containing the notice was properly addressed, paid for and posted.

4.7 This paragraph 4 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

4.8 All notices with respect to Warrants registered in the names of joint holders shall be given to whichever of such persons is named first in the Register and any notice so given shall be sufficient notice to all the joint registered holders of such Warrants.

4.9 Any person who, whether by operation of law, transfer or other means whatsoever, becomes entitled to any Warrant, shall be bound by every notice properly given to the person from whom it derives title to such Warrant.

4.10 When a given number of days' notice must be given, the day of service shall be included but the day on which such notice shall expire shall not be included in calculating the number of days. The signature to any notice to be given by the Company may be written or printed.

SIGNATORIES

EXECUTED as a **DEED** by
BABYLON HOLDINGS LIMITED

By: /s/ Ali Parsadoust
Name: Ali Parsadoust
Title: Director

By: /s/ Mairi Johnson
Name: Mairi Johnson
Title: Director

BABYLON HOLDINGS LIMITED

Adjustment to **2021 Equity Incentive Plan**

The 2021 Equity Incentive Plan (the “Plan”), of Babylon Holdings Limited (the “Company”), is hereby adjusted as follows pursuant to Section 8(a) of the Plan as a result of the 1-for-25 reverse share split of the Shares (as defined in the Plan):

The number of Shares authorized for issuance under the Plan, as set forth in Section 4(a) of the Plan, is hereby decreased from 45,335,210 to 1,813,408, prior to adding Shares pursuant to the share recycling provision as set forth in Section 4(c)(ii) of the Plan or the evergreen feature as set forth in Section 4(a) of the Plan.

The number of Shares that may automatically added to the Plan each year commencing on January 1, 2022 and ending on (and including) January 1, 2031, as set forth in Section 4(a) of the Plan, is hereby decreased from 45,335,210 to 1,813,408, or, if lesser, 5% of the total number of all classes of shares of the Company that have been issued as at December 31st of the preceding calendar year, in each case, subject to Applicable Laws (as defined in the Plan) and the Company having sufficient authorized but unissued shares.

The maximum number of unused Shares that may be added to the Share Reserve (as defined in the Plan) due to expiration, lapse, termination, exchange for cash, surrender, repurchase, cancellation or withholding to satisfy a tax withholding obligation of an option or options issued under the Prior Plans (as defined in the Plan) and subsisting as of the Effective Date (as defined in the Plan), as set forth in Section 4(c)(ii) of the Plan, is hereby decreased from 23,902,282 to 956,091.

The maximum number of Shares authorized for issuance under the Plan pursuant to the exercise of incentive stock options, as set forth in Section 4(d) of the Plan, is hereby decreased from 69,237,492 to 27,69,499.

This adjustment was approved by the Board of Directors of the Company and was effective as of December 15, 2022.

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is made as of the 27th day of July and shall be effective on August 1, 2022 (the “Effective Date”), between Babylon Inc., a Delaware corporation (the “Company”), and Ali Parsadoust, an individual who is a resident of the state of Texas (the “Executive” and, together with the Company, the “Parties” and each as a “Party”). In consideration of the mutual covenants and agreements set forth herein, the Parties, intending to become legally bound, hereby covenant and agree as follows:

RECITALS

A. The following recitals shall be considered as part of this Agreement and explain the general nature and purpose of the Company’s business and the Parties’ rights and obligations under this Agreement. Any interpretation and construction of this Agreement shall be considered in light of these recitals.

B. Company and Executive desire to enter into this Agreement, effective as of the Effective Date.

C. Company is engaged in the specialized, highly competitive, and highly regulated business of delivering health-related services and information via electronic information and telecommunication technologies.

D. Company desires to employ Executive and Executive desires to accept such employment, under the terms and conditions stated in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants, agreements, and obligations contained in this Agreement, the Executive’s at-will employment, the Executive’s access to confidential, proprietary, and/or trade secret information, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Employment.

(a) At-Will Employment with the Company. The Company hereby continues to employ the Executive, and the Executive hereby accepts such employment, on the terms set forth herein. Executive’s employment relationship with the Company remains at-will. As such, Executive and the Company are free to end the employment relationship at any time, for any reason, or for no reason.

(b) Position and Duties. Executive shall serve as the Chief Executive Officer of the Company (the “CEO”), and shall have responsibilities and duties consistent with such position, as well as such additional powers, responsibilities and duties as may from time to time be prescribed by the Board of Directors (the “Board”) of Babylon Holdings Limited (“Parent”), the Company’s ultimate parent company, provided that such duties are consistent with the level of the

Executive's position or other positions that Executive may hold from time to time. Executive's normal place of work will be in Austin, Texas, and Executive will travel on business as required. The Executive shall devote Executive's full working time, energies, and talents exclusively to the Executive's duties for the Company and to promote the interests of the Company. During the term of Executive's at-will employment pursuant to this Agreement (the "Term"), Executive shall not, without prior written consent from the Board, serve as or be a consultant to or an employee, officer, agent, representative, manager, or director of any other entity where such service creates a conflict of interest or in any manner interferes with or reduces his efficiency or effectiveness as an executive of the Company.

2. Compensation and Related Matters.

(a) Base Salary. During the Term, the Executive's initial base salary shall be at the gross annual rate of \$700,000. The Executive's base salary may be adjusted from time to time by the Board. The annual base salary rate in effect at any given time is referred to herein as the "Base Salary." The Base Salary shall be payable bi-weekly in accordance with the Company's normal payroll procedures for senior executives.

(b) Bonus. The Executive shall have an annual target bonus opportunity of 100% of Executive's Base Salary (the "Bonus"), as determined in the Board's sole discretion, based upon achievement of individual and Company performance objectives as set by the Board on an annual basis. Any Bonus that becomes payable shall be paid to the Executive on or before thirty (30) days following delivery to the Board of the audited financial statements of Parent for the year to which such Bonus relates and the opinion of Parent's registered independent public accounting firm thereon; provided that the Executive must be employed by the Company on the day such Bonus is to be paid in order to be eligible to receive such Bonus except as otherwise provided in Section 4 below.

(c) Time-Based Equity Grants.

(i) Subject to Executive signing the Confidentiality and Business Protection Agreement before the grant is made and subject to approval of the Board at the date of grant and to the commencement and continuation of Executive's employment pursuant to this Agreement through the date of grant, on the Parent's next scheduled equity grant date following commencement of Executive's employment, Executive will be granted 4,000,000 restricted Class A ordinary shares in Parent (the "Equity Grant") that will vest as follows: 20%, 20%, 30% and 30% of the Class A ordinary shares subject to the award on each of the first, second, third and fourth anniversaries of the Effective Date, respectively, subject to Executive's continued employment through each applicable vesting date; provided that, if, at any time prior to the fourth anniversary of the Effective Date, either (x) the closing price of Parent's Class A ordinary shares on the New York Stock Exchange (or other applicable national securities exchange) (the "Share Price") equals or exceeds \$20.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30

trading-day period or (y) the Parent's market capitalization is equal to or greater than \$8,327,361,300 for at least 20 trading days during any 30 trading-day period, then the

Equity Grant will become 100% vested, subject to Executive's continued employment through the date on which such Share Price or market capitalization target is attained.

(ii) At all times, the Equity Grant will be governed solely by the terms of Parent's 2021 Equity Incentive Plan (the "**Plan**") and applicable award grant agreement. Executive will be eligible for future equity awards as determined by the Board in its sole discretion.

(d) Performance-Based Equity Grants. Subject to approval of the Board at the date of grant, and the continuation of Executive's employment pursuant to this Agreement through the date of grant, on the Parent's next scheduled equity grant date following the Effective Date, Executive will be granted (i) 2,000,000 restricted stock units covering Class A ordinary shares in Parent that will vest if, at any time following the date of grant either (x) the Share Price equals or exceeds \$10.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days during any 30 trading-day period, or (y) the Parent's market capitalization is equal to or greater than \$4,163,680,650 for at least 20 trading days during any 30 trading-day period and subject to Executive's continued employment through the date on which such Share Price or market capitalization target is attained; (ii) 1,000,000 restricted stock units covering Class A ordinary shares in Parent that will vest if, at any time following the date of grant, either (x) the Share Price equals or exceeds \$15.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days during any 30 trading-day period, or (y) the Parent's market capitalization is equal to or greater than \$6,245,520,975 for at least 20 trading days during any 30 trading-day period and subject to Executive's continued employment through the date on which such Share Price or market capitalization target is attained; and (iii) 1,000,000 restricted stock units covering Class A ordinary shares in Parent that will vest if, at any time following the date of grant, either (x) the Share Price equals or exceeds \$20.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days during any 30 trading-day period, or (y) the Parent's market capitalization is equal to or greater than \$8,327,361,300 for at least 20 trading days during any 30 trading-day period and subject to Executive's continued employment through the date on which such Share Price or market capitalization target is attained. To the extent any of the performance equity grants described in this Section 2(d) remain unvested as of the date of the Executive's termination of employment for any reason, such grant(s) will be automatically forfeited as of the date of such termination. At all times, the performance equity grants described in this Section 2(d) will be governed solely by the terms of the Plan and the applicable award grant agreement.

(e) In the event of a Change in Control (as defined in the Plan), and provided that Executive remains in employment immediately prior to such Change in Control, the Equity Grant and each of the performance equity grants described in Section 2(d), to the extent not yet

vested, will automatically vest as of the date of the Change in Control. Notwithstanding anything herein or in the Parent equity plans to the contrary, in the event that the Company's Class A ordinary shares cease to be publicly traded in connection with a take private acquisition (without an accompanying Change in Control), any outstanding equity awards granted to Executive under Parent equity plans may not be amended or modified in connection with such take private acquisition in a manner adverse to Executive without Executive's consent; provided, however, that the Board may provide for accelerated vesting (as to 100% of the Class A ordinary shares subject

to the outstanding award, in the case of any time-based awards, and based on performance achievement through the date of the take private acquisition, in the case of any performance-based awards) and cancellation in exchange for a cash payment in respect of the vested shares subject to such equity awards (or the positive spread value, in the case of any option) without Executive's consent.

(f) Paid Time Off. Executive shall be entitled to take Paid Time Off ("PTO"), which includes paid sick leave, in each full calendar year and taken in accordance with the Company's established policies, which may be subject to periodic review and modification by the Board.

(g) Business Expense Reimbursement. The Company shall reimburse the Executive for all reasonable and documented out-of-pocket expenses incurred by the Executive in the course of performing the Executive's duties and responsibilities under this Agreement. Expenses reimbursement shall be provided in accordance with the Company's policies in effect, which may be subject to periodic review and modification by the Board.

(h) Other Benefits. During the Term, the Executive and, to the extent permitted by the applicable Employee Benefit Plans, their spouse, and other dependents, shall be entitled to participate in the Company's Employee Benefit Plans as the Company may adopt or maintain from time to time generally for all or most of its executives of the same status within the hierarchy of the Company. As used herein, the term "Employee Benefit Plans" means any 401(k) retirement plan, deferred compensation plan, savings and profit-sharing plan, life insurance plan, medical insurance plan, dental insurance plan, disability plan, and health and accident plan or arrangement as may be established or maintained by the Company generally for employees of the same status as Executive, any of which may be changed or eliminated by the Company at any time (subject to the applicable plan, arrangement, or law). Such participation shall be subject to the terms, conditions, and overall administration of such plan or arrangement. Nothing contained in this Agreement shall be construed to create any obligation on the part of the Company to establish or maintain the effectiveness of any such or particular plan, program, or benefit, which may be subject to periodic review, modification, and/or termination by the Board.

3. Termination or Resignation. Executive's employment hereunder may be terminated under the following circumstances:

(a) Death. Executive's employment shall automatically terminate immediately upon the Executive's death

(b) Disability. The Company may terminate the Executive's employment upon the Executive's Disability. For purpose of this Agreement, "Disability" shall mean the Executive's inability, due to physical or mental impairment or any other condition, to perform the essential functions of the Executive's job, with reasonable accommodation, for 180 days in total in any 365-day period, irrespective of whether such days are consecutive, as determined in good faith by the Board. The Parties agree that the Executive's inability to perform the essential functions of the Executive's job, with reasonable accommodation, for 180 days in a 365-day period would constitute an undue hardship on the Company.

(c) Termination by Company for Any Reason and Without Cause. The Company may terminate the Executive's employment hereunder at any time for any reason. Any termination by the Company of the Executive's employment under this Agreement that does not constitute a termination by the Company for Cause under Section 3(d) shall be deemed a termination without Cause.

(d) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder at any time for Cause. For purposes of this section of the Agreement, "Cause" shall mean: (i) the Executive's commission of, or pleading guilty or nolo contendere to a crime constituting (A) a felony under the laws of the United States or any state thereof or (B) a misdemeanor involving moral turpitude, misappropriation, dishonesty, unethical business conduct, fraud, or breach of fiduciary duty, or (C) any crime in connection with the delivery of health care services; (ii) the Executive engaged in fraudulent or criminal activity (whether or not prosecuted); (iii) the Executive's conduct, even if not in conjunction with the Executive's duties hereunder, which could reasonably be expected to, or which does, cause the Company economic harm or which brings the Company into public disgrace or disrepute; (vi) the Executive obtaining any personal profit not previously and thoroughly disclosed to and approved by the Board in connection with any transaction entered into by, or on behalf of, or in relation to, the Company.

(e) Performance Related Reasons for Termination for Cause. In addition section (d) above, for purposes of this section of the Agreement, the Company may terminate the Executive's employment for performance reasons such as: (i) the Executive's failure to perform duties hereunder as reasonably directed by the Board (other than any such failure resulting from incapacity due to physical or mental illness), which is not immediately cured following written notice thereof to the Executive; (ii) the Executive's gross negligence or willful misconduct with respect to the Company in the performance of the Executive's duties hereunder; (iii) the Executive's violation of any of the terms of the Company's established rules or policies (including, but not limited to, policies concerning insider trading or sexual harassment, code of ethics, and business conduct) which, if curable, is not cured to the Board's reasonable satisfaction within thirty (30) days after written notice thereof to the Executive; (iv) any other material breach of this Agreement by the Executive, which, if curable, is not cured within thirty (30) days after written notice thereof. With respect to items (i), (ii) and (iii), above, the Company will have no obligation to provide an opportunity to cure in the event the failure, violation, or breach is not reasonably susceptible to cure, and, in such event, the Company may terminate the employment for Cause with immediate effect

(f) Resignation for Good Reason. The Executive may terminate his employment hereunder at any time for Good Reason. For purposes of this Agreement, "Good Reason" means the occurrence of one or more of the following events effected without providing the Executive's prior notice of the changes: (i) the assignment to Executive of substantial new duties or a substantial reduction of Executive's duties, either of which results in a material diminution in Executive's position or responsibilities with the Company; (ii) a change in the Executive's title or reporting structure so that he is no longer the Chief Executive Officer of Babylon; (iii) a reduction by the Company in the base salary of Executive by fifteen percent (15%) or more unless similar such reductions occur concurrently with and apply to other members of the Company's senior management; (iv) a move in the Executive's normal place of work which is

greater than fifty (50) miles from Austin, Texas; or (v) any material breach by the Company of any material provision of this Agreement.

Executive will not terminate his employment for Good Reason without first providing the Company with written notice of the acts or omissions constituting the grounds for "Good Reason" within ninety (90) days of the initial existence of such grounds and allowing the Company thirty (30) days following the date of such notice ("Cure Period") to cure such grounds. If the Company has not cured within the Cure Period, the Executive's employment shall terminate.

(g) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written notice to the other party hereto specifying the specific termination provision in this Agreement relied upon to affect such termination.

(h) Date of Termination. The date on which the Executive's employment with the Company terminates shall be referred to herein as the "Date of Termination."

4. Compensation Upon Termination or Resignation

(a) Accrued Benefit. If the Executive's employment with the Company is terminated by the Company without Cause, or terminated by the Executive for Good Reason, the Company shall pay or provide to the Executive (or to the Executive's authorized representative or estate): (i) any Base Salary earned through the Date of Termination; (ii) any unpaid expense reimbursements; and (iii) any vested benefits the Executive may have under any Employee Benefit Plan through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such Employee Benefit Plan (collectively, the "Accrued Benefit").

(b) Termination by the Company Without Cause or Resignation for Good Reason.

(i) If the Executive's employment is terminated by the Company without Cause, then the Company shall: (A) pay the Executive an amount equal to twelve (12) months of the Executive's Base Salary then in effect, paid in one lump sum no later than thirty (30) days after the Date of Termination. The benefit under Section 4(b)(i) shall not apply to a termination in connection with a Change in Control covered by Section 4(b)(iii).

(ii) All such payments shall be in addition to payment of the Accrued Benefit, and shall be subject to the Executive signing and returning an executed severance agreement containing, among other provisions, a general release of claims in favor of the Company and related persons and entities, confidentiality, return of property, and non-disparagement, in form and substance satisfactory to the Company (the "Separation Agreement and Release");

(iii) However, in the event that Executive's employment is terminated without Cause three months before or within twelve (12) months after a Change in Control, then the Company shall pay the Executive an amount equal to twelve (12) months' of the Executive's Base Salary then in effect in one lump sum no later than sixty (60) days after

the Date of Termination and subject to receiving the signed Separation Agreement and Release; provided that, if the Date of Termination occurs within three months before a Change in Control, such lump sum payment shall instead be made no later than sixty (60) days after the date of the Change in Control. A "Change in Control" shall be deemed to have occurred if:

(A) any "person" or "group" (within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), but excluding any employee benefit plan of such person and its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of Class A ordinary shares, Class B ordinary shares and/or any other class or classes of capital stock of Parent (if any) representing in the aggregate more than fifty percent (50%) of the voting power of all of the outstanding shares of capital stock of Parent entitled to vote;

(B) there is consummated an agreement or series of related agreements for the sale or other disposition, directly or indirectly, by the Parent of all or substantially all of the Parent's assets; or

(C) there is consummated a merger or consolidation of Parent with any other corporation or entity, and, immediately after the consummation of such merger or consolidation, the voting securities of Parent immediately prior to such merger or consolidation do not continue to represent, or are not converted into, more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of the person resulting from such merger or consolidation or, if the surviving company is a subsidiary, the ultimate parent thereof.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred (A) by virtue of the consummation of any transaction or series of integrated transactions the sole purpose of which is to change the jurisdiction of Parent's incorporation or to form a holding company that will be beneficially owned in substantially the same proportions by the persons who held Parent's voting securities immediately before such transaction or (B) by virtue of the consummation of any other transaction or series of integrated transactions immediately following which the record holders of the Class A ordinary shares, Class B ordinary shares and/or any other class or classes of capital stock of Parent immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in and voting control over, and own

substantially the same proportionate ownership in and voting control over, and own substantially all of the shares of, an entity which owns all or substantially all of the assets of Parent immediately following such transaction or series of transactions.

The Board shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto.

(iv) if the Executive was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company for at least six months. However, in the event that Executive's employment is terminated without Cause three months before or within twelve (12) months after a Change in Control, then the Company shall pay, or reimburse to, the Executive an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company for at least twelve (12) months.

(v) in the event that Executive's employment is terminated without Cause three months before or within twelve (12) months after a Change in Control, then (A) the Company shall also pay the prorated amount of Executive's target Bonus; and (B) any outstanding unvested equity awards granted to Executive under Parent equity plans that vest solely based on continued employment or service, if any, will automatically become 100% vested.

5. Section 409A.

(a) General. It is the intention of both the Company and Executive that the benefits and rights to which Executive could be entitled pursuant to this Agreement are exempt from or comply with Internal Revenue Code (the "Code") Section 409A, to the extent that the requirements of Code Section 409A are applicable thereto, and the provisions of this Agreement shall be construed in a manner consistent with that intention. Nothing herein shall be construed as an entitlement to or guarantee of any particular tax treatment to the Executive.

(b) Distributions on Account of Separation from Service. If and to the extent required to comply with Code Section 409A, any payment or benefit required to be paid under this Agreement on account of termination of Executive's employment shall be made upon Executive incurring a "separation of service" within the meaning of Code Section 409A.

(c) Timing of Severance Payments. Notwithstanding anything in this Agreement to the contrary, if Executive is deemed to be a "specified employee" for purposes of Code Section 409A, no severance payment or other payments pursuant to, or contemplated by, this Agreement that are subject to Code Section 409A, if any, shall be made to Executive by the

Company before the date that is six months after the Executive's "separation from service" (or, if earlier, the date of Executive's death) if and only to the extent that such payment or benefit constitutes a deferral of compensation under Code Section 409A. Any payment or benefit delayed by reason of the prior sentence shall be paid out or provided in a single lump sum at the end of such required delay period in order to catch up to the original payment schedule.

(d) Treatment of Each Installment as a Separate Payment. For purposes of applying the provisions of Code Section 409A to this Agreement, each separately identified amount to which Executive is entitled under this Agreement shall be treated as a separate payment. In addition, to the extent permissible under Code Section 409A, any series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

(e) Expenses. Notwithstanding anything in this Agreement to the contrary, except to the extent any expense or reimbursement hereunder does not constitute a deferral of compensation under Code Section 409A, any expense or reimbursement shall meet the following requirements: (i) the amount of expenses eligible for reimbursement provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year, (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred, (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit, and (iv) the reimbursements shall be made pursuant to objectively determinable and nondiscretionary Company policies and procedures regarding such reimbursement expenses.

6. At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement. Executive shall be required to execute the Company's At-Will Employment, Confidential Information, Invention Assignment and Arbitration Agreement as a condition of employment with the Company, which will be enclosed herein as Exhibit A. In addition, Executive acknowledges that they have read and must comply with the following policies of the Parent: (1) Insider Trading Policy; (2) Code of Ethics & Conduct; (3) External Communications Policy; and (4) Global Anti-Bribery and Anti-Corruption Policy.

7. Proprietary Information.

(a) Proprietary Information. The Company has spent extensive time and effort identifying and developing trade secrets, investor relationships, customer relationships, client relationships, supplier relationships, goodwill and economic advantage, other business initiatives, and other confidential information (as further defined below, the "Proprietary Information"). The Executive acknowledges and understands that the Executive will have access to such Proprietary Information solely as a byproduct of the Executive's employment with the Company. The Executive agrees that, at all times during Executive's employment with the Company, and at any time thereafter and without regard to when or for what reasons such employment terminates, the Executive shall not disclose any such Proprietary Information to any person outside the Company or utilize such Proprietary Information to compete against the Company unless such disclosure is (1) necessary for the Executive to perform the Executive's duties as an employee of (and only while employed by) the Company, (2) in response to a valid subpoena or order by a court or other governmental body, or (3) otherwise required by law or regulation. In the event that the Executive receives a subpoena or similar demand to disclose Proprietary Information, the Executive shall promptly notify the Company so that the Company shall have the ability to seek an appropriate protective order prior to the Executive making any disclosure in response to such subpoena or demand. For purposes of this Agreement, "Proprietary Information" shall include, without limitation:

(i) The identity of any current or prospective clients, patients, prospect lists, healthcare provider information, payor information, suppliers, or vendors.

(ii) Information relating to the business, products, affairs, and finances of the Company, for the time being confidential to it.

(iii) Technical data and know-how relating to the business of the Company.

(iv) Any information relating to the Company's technology, marketing, and business plans or strategies.

(v) Any management accounting and other similar financial information that would typically be included in the financial statements of the Company, including, without limitation, the amount of the assets, liabilities, net worth, revenues, or net income.

(vi) The identity of any current or prospective investors, technical data and know-how relating to the business of any of the Company's investors, and names and addresses of the Company's investors and their related individuals.

(vii) Non-public information concerning the Company's employees, including, by way of example only, compensation arrangements, performance information of the type that would typically be maintained in a personnel file, and information concerning such employees' abilities, skills, and relationships which the Company has acquired and/or developed through its investments in the recruitment and employment of such individuals.

(viii) The details of any independent contractor or agency arrangements.

(ix) Non-public information relating to legal and professional dealings, real property, tangible property, finances, business, and investment activities, and other personal affairs of the Company.

(x) Any and all books, notes, memoranda, records, correspondence, documents, computer and other discs and tapes, data listings, codes, designs, drawings, and other documents and materials (whether made or created by the Executive or otherwise) relating to the business of the Company or any of its principals; and

(xi) Any other non-public information gained in the course of the Executive's employment with the Company that could reasonably be expected to prove harmful to the Company if disclosed to third parties, including without limitation, any information that could be reasonably expected to aid a competitor or potential competitor of the Company.

(xii) For purposes of this Agreement, "Proprietary Information" shall not include information that (1) was otherwise in the Executive's possession prior to disclosure by the Company as evidenced by Executive's written records; (2) is disclosed to the Executive by a third party who is lawfully in possession of such information and who is not in violation of any contractual, legal, or fiduciary obligation to the Company with

respect to such information; or (3) is or becomes part of the public domain other than directly or indirectly, through the breach of this Agreement.

(xiii) Nothing in this Agreement shall be interpreted or applied to prohibit the Executive from making any good faith report to any governmental agency or other governmental entity concerning any act or omission that the Executive reasonably believes constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation. Pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(b) Documents and Records. The Executive agrees that Executive will not make or retain any originals, copies, or reproductions of, or excerpts from, any of the Proprietary Information for the Executive's use or the use of others, except for the Executive's use for the benefit of the Company in the course of and in connection with the Executive's employment with the Company during the Term. On request by the Company, or on termination of the Executive's employment with the Company, the Executive will immediately deliver to the Company all tangible property that embodies or contains any Proprietary Information, including books, notes, memoranda, records, correspondence, documents, computer and other discs and tapes, data listings, codes, designs, drawings, and other documents and materials relating to the business of the Company, whether prepared or developed by or with the assistance of the Executive or otherwise coming into the Executive's possession, custody, or control and shall certify that all such property has been handed over on request by the Company; provided, however, that the Executive may retain (and make copies of) the Executive's personal non-business-related correspondence files and documents relating to the Executive's personal compensation, benefits, and obligations.

8. Non-Disparagement. The Executive agrees that Executive will not, whether during or after the Executive's employment with the Company, (i) make or publish any derogatory or disparaging statement, orally or in writing, regarding the Company, or any its respective officers, executives, directors, managers, members, employees, or investors, or (ii) in any way, directly or indirectly, cause, encourage or condone the making of such statements by anyone else. Nothing herein shall be deemed to preclude the Executive from testifying truthfully under oath if the Executive is required or compelled by law to testify in any judicial action or before any government authority or agency, from making any other legally required truthful statements or disclosures, or from facilitating or participating in employee performance reviews or disciplinary action.

9. Non-Competition. Executive agrees that during Executive's employment with the

Company, and for a period of twelve (12) months following the Date of Termination or Date of Resignation, Executive shall not, without the prior written consent of the Company: (a) operate, conduct, or engage in, or prepare to operate, conduct, or engage in the Business; (b) take an active ownership, financial, or investment role in (except as the holder of not more than one percent of the outstanding stock of a publicly-held company) any Business, or (c) render services to any entity that engages in the Business (x) which involves the same or similar types of services Executive performed for the Company at any time during the last two years of his employment with the Company or (y) in which Executive could reasonably be expected to use or disclose Proprietary

Information, in the case of each of (a), (b), or (c), in the Restricted Territory. The term "Business" means any business in the healthcare and related technology field or part thereof that develops, manufactures, markets, licenses, sells, or provides any product or service that competes with any product or service developed, manufactured, marketed, licensed, sold or provided, or planned to be developed, manufactured, marketed, licensed, sold or provided, by the Company, in each case at any time during Executive's employment with the Company. The term "Restricted Territory" means each city, county, state, territory, and country in which (i) Executive provided services or had a material presence or influence at any time during the last two years of his employment with the Company or (ii) the Company is engaged in or has plans to engage in the Business as of the Date of Termination.

10. Non-Solicitation of Customers, Patients, and Clients. Executive agrees that during the Executive's employment with the Company, and for a period of twelve (12) months following the Date of Termination or Date of Resignation, the Executive shall not, without the prior written consent of the Company, solicit or negotiate with any customer, patient, client, or other business relation of the Company of which Executive is aware, or knowingly request or advise any customer, patient, client, or other business relation of the Company to curtail or cancel its business relationship with the Company. The Executive further represents that the Executive's fulfillment of the obligations set forth in this Section 10 shall not cause the Executive any substantial economic hardship or render the Executive unemployable within the industry either during or after the non-solicitation period.

11. Non-Solicitation of Employees. The Executive agrees that while Executive is employed as an employee of the Company and for a period of twelve (12) months after the Date of Termination or Date of Resignation, the Executive shall not hire, solicit, recruit, induce, entice, or procure on the Executive's own account or on behalf of any third party, any officer, executive, director, partner, principal, member, employee, physician, health care provider, representative, agent, consultant or other independent contractor of the Company, its Parent and subsidiaries of the Parent, or any person who was an officer, executive, director, partner, principal, member, employee, representative, agent, consultant or other independent contractor of the Company at any time during the final year of the Executive's employment with the Company, to invest with, or work for the Executive without the express written consent of the Company. The Executive further represents that the Executive's fulfillment of the obligations set forth in this Section 11 shall not cause the Executive any substantial economic hardship or render the Executive unemployable within the industry either during or after the non-solicitation period.

12. Corporate Opportunities. Executive will submit to the Company all business, commercial and investment opportunities or offers presented to Executive or of which Executive becomes aware which relate to the business of Parent, the Company, or other subsidiaries of Parent, as such businesses exist at any time during Executive's employment by the Company (collectively, "Corporate Opportunities"). Unless approved by the Board, Executive will not accept or pursue, directly or indirectly, any Corporate Opportunities on Executive's own behalf.

13. Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with Parent, the Company, or other subsidiaries of Parent in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of Parent, the Company, or other subsidiaries of Parent

which relate to events or occurrences that transpired while the Executive was employed by the Company. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state, or local regulatory authority, or internal investigation by Parent, the Company, or other subsidiaries of Parent, in each case as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 13.

14. Injunctive Relief. The Executive acknowledges that the Proprietary Information was and, in the future, may be acquired and/or developed by the Company at great expense, constitutes a special, valuable, and unique asset of the Company, and is owned exclusively by the Company. The Executive acknowledges that the restrictions contained in this Agreement are reasonable and necessary to protecting the Company's Proprietary Information and other legitimate business interests. Therefore, the Executive acknowledges and agrees that the Executive's failure to perform any of the covenants in Sections 7-11 of this Agreement would cause irreparable injury to the Company and cause damages to the Company that would be difficult or impossible to ascertain or quantify. Accordingly, without limiting any remedies that may be available with respect to any breach of this Agreement, the Executive consents to the entry of a temporary restraining order and/or an injunction to restrain any breach or threatened breach of this Agreement without showing or proving any actual damage to the Company and without the posting of a bond or other security. Further, the Company shall be entitled to recover its reasonable attorneys' fees, costs, and expenses related to such breach or threatened breach.

15. Extension of Restrictions. In the event of a violation of the covenants contained herein and a proceeding instituted by the Company to prevent and enjoin such violation, then the period of time during which the Executive's business activities shall be restricted, as provided in this Agreement, shall be lengthened by a time period equal to the period between the date of the breach of the terms or covenants contained in this Agreement and the date on which the decision disposing of the issues upon the merits shall become final or not subject to further appeal.

16. Choice of Law; Venue; Consent to Jurisdiction. This Agreement and all matters or disputes relating to the validity, construction, performance, or enforcement hereof and Executive's employment with Company, shall be governed, construed, and controlled by and under the laws of the State of Texas, without regard to principles of conflicts of laws. To the extent not prohibited by applicable law, each party waives and agrees not to assert, by way of motion, as a defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the courts in Williamson County, Texas, that its property is exempt or immune from attachment or execution, that any such action brought in Williamson County, Texas should be dismissed on grounds of forum non conveniens, should be transferred or removed to any court other than one in Williamson County, Texas, or should be stayed by reason of the pendency of some other proceeding in any other court other than a court in Williamson County, Texas, or that this Agreement or the subject matter hereof may not be enforced in or by any court in Williamson County, Texas, and each party agrees not to commence any such action other than before a court in Williamson County, Texas. Notwithstanding the previous sentence, a party may commence any action in a court other than a court in Williamson County, Texas solely for the purpose of enforcing an order or judgment issued by a court in Williamson County, Texas. Each party agrees that for

any action between the Parties arising in whole or in part under or in connection with this Agreement, such Party will bring actions only in Williamson County, Texas. Each party further waives any claim and will not assert that venue should properly lie in any other location within the selected jurisdiction. The Parties consent irrevocably to the jurisdiction over them of any of the aforementioned courts in any such action or proceeding. The Parties agree that the venue provided above is the most convenient forum for both Parties. Executive and Company permanently and irrevocably waive any objection to venue or jurisdiction and any objection based on a more convenient forum in any action under this Agreement. Executive, by and through Executive's legal counsel, participated in the negotiation of all terms in this Agreement including without limitation this Section 16. By signing this Agreement, Executive and Executive's legal counsel each represent and affirm that Executive is individually represented by legal counsel in negotiating the terms of this Agreement, including without limitation the choice of law and forum of this Section 16.

17. Withholding; Authorized Deductions; 280G. All payments made by the Company to the Executive under this Agreement shall subject to withholdings and deductions as required by applicable law and as authorized by the Executive. Notwithstanding anything contained in this Agreement or Parent's applicable equity plan to the contrary, to the extent that any of the payments or benefits by the Company or otherwise to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (collectively, the "Payments") would constitute a "parachute payment" within the meaning of Section 280G of the Code and would, but for this Section 17, be subject (in whole or in part) to the excise tax imposed pursuant to Section 4999 of the Code (the "Excise Tax"), then the amount of such Payments shall be reduced (in the order provided in the following sentence) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Payments, but only if (i) the net amount of such Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Payments), is greater than or equal to (ii) the net amount of such Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Payments and the amount of the Excise Tax to which the Executive would be subject in respect of such unreduced Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Payments). The Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Code Section 409A, (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Code Section 409A, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Code Section 409A and (iv) reduction of any payments or benefits otherwise payable to the Executive on a pro-rata basis or such other manner that complies with Code Section 409A; provided, in the case of clauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Parent equity awards shall be first applied to Parent equity awards that would otherwise vest last in time.

18. Assignment; Successors and Assigns. Neither the Company nor the Executive may

make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other party. Notwithstanding the foregoing, the Company may assign its rights under this Agreement without any such further consent of the Executive to any successor in interest to the Company including in the event that the Company shall effect a

reorganization, consolidate with, or merge into any other corporation, limited liability company, partnership, organization, or other entity, or transfer all or substantially all of its properties or assets to any other corporation, limited liability company, partnership, organization, or other entity, in which event all references to the "Company" shall be deemed to mean the assignee or a designated affiliate of the assignee. In addition, the Company may assign this Agreement to another direct or indirect wholly owned subsidiary of the Parent. The Executive hereby consents to such assignment as set forth in the immediately preceding sentence and further acknowledges and agrees that no further consent by the Executive is necessary to make such assignment. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs, and permitted assigns.

19. Entire Agreement. This Agreement constitutes the entire agreement between the Executive and the Company regarding the subject matter hereof and supersedes any prior written or oral agreements between the Parties concerning such subject matter. There are no representations, agreements, arrangements, or understandings, oral or written, between the Parties to this Agreement relating to the subject matter contained in this Agreement that are not fully expressed herein.

20. Enforceability; Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court or arbitrator of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. In the event that any portion or provision of this Agreement is determined by a court or arbitrator of competent jurisdiction to be unenforceable by reason of excessive scope as to geographic, temporal, or functional coverage, such provision will be deemed to extend only over the maximum geographic, temporal, and functional scope as to which it may be enforceable.

21. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment with the Company to the extent necessary to effectuate the terms contained herein.

22. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

23. NOTICES. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given (a) upon personal delivery; (b) one (1) business day following the date sent when sent by reputable overnight courier for next business day delivery, charges prepaid; (c) three (3) business days after being sent by registered or certified U.S. mail, return receipt requested and postage prepaid; or (d) the business day sent (or next business day if not sent on a business day or not sent during normal business hours of the recipient) if sent electronically with delivery confirmation, in each case to the

appropriate address and email address set forth below (or to such other addresses and email address as a party may designate by written notice to the other parties:

Notices to Employee:

On file with the Company

Notices to the Company:

Babylon, Inc.
2500 Bee Cave Road
Austin TX 78746
Attn: General Counsel

Any party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth. Notices hereunder shall be effective on the date of delivery in person or by courier or three (3) days after the date mailed.

24. No Strict Construction; Representation by Counsel. The Parties have participated jointly in the negotiation and drafting of this Agreement, including without limitation that each of the Executive and the Company has negotiated the restrictive covenants set forth in Sections 6-12 of this Agreement and the choice of law and choice of forum clauses herein with and through their respective independent legal counsel. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any law shall be deemed also to refer to all rules and regulations promulgated thereunder unless the context requires otherwise. The word “including” or “includes” shall mean including without limitation.

25. Amendment; Modification. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company (that is not the Executive).

26. Counterparts. This Agreement may be executed in any number of counterparts

(including by means of facsimile or electronic mail in .pdf format), each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

27. Consent on the Part of the Company. For purposes of this Agreement, consent on the part of the Company means the written, signed consent of the Parent's Board of Directors.

28. Disclosure to Future Employers. The Executive agrees that, for 24 months following the Date of Termination, the Executive will provide to any prospective employer, partner, or co-venturer (prior to entering into an employment or other business relationship with such entity or person) a copy of the provisions of this Agreement containing post-employment

obligations or, alternatively, an accurate, written description of the post-employment obligations contained in Sections 6-12 of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective on the date and year first above written.

BABYLON , INC.

DocuSigned by:
Samira Lowman
 Signer Name: Samira Lowman
Signing Reason: I approve this document
Signing Time: 8/6/2022 | 14:45 BST
By: 45BF6D99DA8C456AA14B537CAE03D583
Its: Chief People Officer

EXECUTIVE

DocuSigned by:
Ali Parsadoust
 Signer Name: Ali Parsa
Signing Reason: I approve this document
Signing Time: 8/2/2022 | 19:21 BST
6FB9B2A947204C54A7411CF65D904E9F
Ali Parsadoust

EXHIBIT A

At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement

CONFIDENTIALITY AND BUSINESS PROTECTION AGREEMENT

As a condition of my employment or continued employment (as applicable) with Babylon Inc. (the “Company”), a subsidiary of Babylon Holdings Limited (together with any sister corporations, subsidiaries, parents, or affiliates of the Company, the “Company Group”), and in consideration of my employment or continued employment (as applicable) with the Company, my access or continued access (as applicable) to confidential information and trade secrets, my eligibility to earn a performance bonus and my eligibility to receive a grant of equity, that I shall receive conditional upon signing this Agreement, which shall be consideration for my agreement to fulfill my obligations under Section 7, and my receipt of the compensation now and hereafter paid to me by the Company, I agree to the following provisions of this agreement (“Agreement”). This Agreement shall be effective as of the date on which it has been signed by both the Company and me (the “Effective Date”).

1. AT-WILL EMPLOYMENT

I understand and acknowledge that my employment with the Company is for no specified term and constitutes “at-will” employment. I also understand that any representation to the contrary is unauthorized and not valid unless in writing and signed by the CEO of the Company. Accordingly, I acknowledge that my employment relationship may be terminated at any time, with or without good cause or for any or no cause, at my option or at the option of the Company, with or without notice. I further acknowledge that the Company may modify job titles, reporting lines, salaries and benefits from time to time as it deems necessary.

2. CONFIDENTIALITY

A. Definition of Company Confidential Information. I understand that “Company Confidential Information” means information (including any and all combinations of individual items of information) that the Company Group has or will develop, acquire, create, compile, discover or own, that has value in or to the Company Group’s business which is not generally known and which the Company Group wishes to maintain as confidential. Company Confidential Information includes both information disclosed by the Company Group to me, and information developed or learned by me during the course of my employment with the Company. Company Confidential Information also includes all information of which the unauthorized disclosure could be detrimental to the interests of the Company Group, whether or not such information is identified as Company Confidential Information. By example, and without limitation, Company Confidential Information includes any and all non-public information that relates to the actual or anticipated business and/or products, research or development of the Company Group, or to the Company Group’s technical data, trade secrets, personally identifiable information, protected health information, or know-how, including, but not limited to, research, product plans, or other information regarding the Company Group’s products or services and markets therefor, customer lists and customers (including, but not limited to, customers of the Company Group on which I called or with which I may become acquainted during the term of my employment), software,

Group on which I relied or with which I may become acquainted during the term of my employment), software, developments, inventions, discoveries, ideas, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances, and other business information disclosed by the Company Group either directly or indirectly in writing, orally or by drawings or inspection of premises, parts, equipment, or other Company Group property. Notwithstanding the foregoing, Company Confidential Information shall not include any such information which I can establish (i) was publicly known or made generally available prior to the time of disclosure by the Company Group to me; (ii) becomes publicly known or made generally available after disclosure by the Company Group to me through no wrongful action or omission by me; or (iii) is in my rightful possession, without confidentiality obligations, at the time of disclosure by the Company Group as shown by my then-contemporaneous written records; provided that any combination of individual items of information shall not be deemed to be within any of the foregoing exceptions merely because one or more of the individual items are within such exception, unless the combination as a whole is within such exception. I understand that nothing in this Agreement limits employees' rights to discuss the terms, wages, and working conditions of their employment, as protected by applicable law.

B. Nonuse and Nondisclosure. I agree that during and after my employment with the Company, I will hold in the strictest confidence, and take all reasonable precautions to prevent any unauthorized use or disclosure of Company Confidential Information. I will not (i) use Company Confidential Information for any purpose whatsoever other than for the benefit of the Company Group in the course of my employment, or (ii) disclose Company Confidential Information to any third party without the prior written authorization of the CEO, or the Board of Directors of the Company. Prior to disclosure, when compelled by applicable law, I shall provide prior written notice to the CEO, and General Counsel of the Company (as applicable). I agree that I obtain no title to any Company Confidential Information, and that the Company Group retains all Confidential Information as the sole property of the Company Group. I understand that my unauthorized use or disclosure of Company Confidential Information during my employment may lead to disciplinary action, up to and including, immediate termination and legal action by the Company Group. I understand that my obligations under this Section 2.B shall continue after termination of my employment and also that nothing in this Agreement prevents me from engaging in protected activity, as described in Section 14 below.

C. Former Employer Confidential Information. I agree that during my employment with the Company, I will not improperly use, disclose, or induce the Company Group to use any proprietary information or trade secrets of any former employer or other person or entity with which I have an obligation to keep such proprietary information or trade secrets in confidence. I further agree that I will not bring onto the Company Group's premises or transfer onto the Company Group's technology systems any unpublished document, proprietary information, or trade secrets belonging to any such third party unless disclosure to, and use by, the Company Group has been consented to in writing by such third party and the Company.

D. Third Party Information. I recognize that the Company Group has received, and in the future may receive, from third parties (for example, customers, suppliers, licensors, licensees, partners, and collaborators) ("Associated Third Parties"), information which the Company Group is required to maintain and treat as confidential or proprietary information of such Associated Third Parties ("Associated Third Party Confidential Information"), and I agree to use such Associated Third Party Confidential Information only as directed by the Company and to not use or disclose such Associated Third Party Confidential Information in a manner that would violate the Company Group's obligations to such Associated Third Parties. By way of example, Associated Third Party Confidential Information may include the habits or practices of Associated Third Parties, the technology of Associated Third Parties, requirements of Associated Third Parties, and information related to the business conducted between the Company Group and such Associated Third Parties. I agree at all times during my employment with the Company and thereafter, that I owe the Company Group and its Associated Third Parties a duty to hold all such Associated Third Party Confidential Information in the strictest confidence, and not to use it or to disclose it to any person, firm, corporation, or other third party except as necessary in carrying out my work for the Company consistent with the Company Group's agreement with such Associated Third Parties. I further agree to comply with any and all Company Group policies and guidelines that may be adopted from time to time regarding Associated Third Parties and Associated Third Party Confidential Information. I understand that my unauthorized use or disclosure of Associated Third Party Confidential Information or violation of any Company policies during my employment may lead to disciplinary action, up to and including immediate termination and legal action by the Company.

3. OWNERSHIP

A. Assignment of Inventions. As between the Company and myself, I agree that all right, title, and interest in and to any and all copyrightable material, notes, records, ideas, drawings, designs, logos, inventions, improvements, developments, discoveries and trade secrets conceived, discovered, authored, invented, developed or reduced to practice by me, solely or in collaboration with others, during the period of time I am in the employ of the Company (including during my off-duty hours), or with the use of the Company's equipment, supplies, facilities, or Company Confidential Information, and any copyrights, patents, trade secrets, mask work rights or other intellectual property rights relating to the foregoing, except as provided in Section 3.G below (collectively, "Inventions"), are the sole property of the Company. I also agree to promptly make full written disclosure to the Company of any Inventions, and to deliver and assign and hereby irrevocably assign fully to the

Company all of my right, title and interest in and to Inventions. I agree that this assignment includes a present conveyance to the Company of ownership of Inventions that are not yet in existence. I further acknowledge that all original works of authorship that are made by me (solely or jointly with others) within the scope of and during the period of my employment with the Company and that are protectable by copyright are “works made for hire,” as that term is defined in the United States Copyright Act. I understand and agree that the decision whether or not to commercialize or market any Inventions is within the Company’s sole discretion and for the Company’s sole benefit, and that no royalty or other consideration will be due to me as a result of the Company’s efforts to commercialize or market any such Inventions.

B. Pre-Existing Materials. I will inform the Company in writing before incorporating any inventions, discoveries, ideas, original works of authorship, developments, improvements, trade secrets and other proprietary information or intellectual property rights owned by me or in which I have an interest prior to, or separate from, my employment with the Company, including without limitation, any such inventions that meet the criteria set forth herein under Section 3.G (“Prior Inventions”) into any Invention or otherwise utilizing any such Prior Invention in the course of my employment with the Company, and the Company is hereby granted a nonexclusive, royalty-free, perpetual, irrevocable, transferable worldwide license (with the right to grant and authorize sublicenses) to make, have made, use, import, offer for sale, sell, reproduce, distribute, modify, adapt, prepare derivative works of, display, perform, and otherwise exploit such Prior Inventions, without restriction, including, without limitation, as part of or in connection with such Invention, and to practice any method related thereto. I will not incorporate any inventions, discoveries, ideas, original works of authorship, developments, improvements, trade secrets and other proprietary information or intellectual property rights owned by any third party into any Invention without the Company’s prior written permission. I have attached hereto as Exhibit A, a list describing all Prior Inventions that relate to the Company’s current or anticipated business, products, or research and development or, if no such list is attached, I represent and warrant that there are no such Prior Inventions. Furthermore, I represent and warrant that if any Prior Inventions are included on Exhibit A, they will not materially affect my ability to perform all obligations under this Agreement.

C. Moral Rights. Any assignment to the Company of Inventions includes all rights of attribution, paternity, integrity, modification, disclosure and withdrawal, and any other rights throughout the world that may be known as or referred to as “moral rights,” “artist’s rights,” “droit moral,” or the like (collectively, “Moral Rights”). To the extent that Moral Rights cannot be assigned under applicable law, I hereby waive and agree not to enforce any and all Moral Rights, including, without limitation, any limitation on subsequent modification, to the extent permitted under applicable law.

D. Maintenance of Records. I agree to keep and maintain adequate, current, accurate, and authentic written records of all Inventions made by me (solely or jointly with others) during the term of my employment with the Company. The records will be in the form of notes, sketches, drawings, electronic files, reports, or any other format that may be specified by the Company. As between the Company and myself, the records are and will be available to and remain the sole property of the Company at all times.

E. Further Assurances. I agree to assist the Company, or its designee, at the Company’s expense, in every proper way to secure the Company’s rights in the Inventions in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, and all other instruments that the Company shall deem proper or necessary in order to apply for, register, obtain, maintain, defend, and enforce such rights, and in order to deliver, assign and convey to the Company, its successors, assigns, and nominees the sole and exclusive rights, title, and interest in and to all Inventions, and testifying in a suit or other proceeding relating to such Inventions. I further agree that my obligations under this Section 3.E shall continue after the termination of this Agreement.

F. Attorney-in-Fact. I agree that, if the Company is unable because of my unavailability, mental or physical incapacity, or for any other reason to secure my signature with respect to any Inventions, including, without limitation, for the purpose of applying for or pursuing any application for any United States or foreign patents or mask work or copyright registrations covering the Inventions assigned to the Company in Section 3.A, then I hereby irrevocably designate and appoint the Company and its duly authorized officers and

Page 3 of 16

agents as my agent and attorney-in-fact, to act for and on my behalf to execute and file any papers and oaths, and to do all other lawfully permitted acts with respect to such Inventions to further the prosecution and issuance of patents, copyright and mask work registrations with the same legal force and effect as if executed by me. This power of attorney shall be deemed coupled with an interest, and shall be irrevocable.

G. Exception to Assignments. I understand that the provisions of this Agreement requiring assignment of Inventions to the Company do not apply to any Invention that I have developed entirely on my own time without using the Company's equipment, supplies, facilities, trade secret information or Company Confidential Information (an "Other Invention") except for those Other Inventions that either (i) relate at the time of conception or reduction to practice of such Other Invention to the Company's business, or actual or anticipated research or development of the Company or (ii) result from or relate to any work that I performed for the Company or to any Company Confidential Information or Inventions, or if I work for the Company in a state covered by one of the state-specific statutes in Exhibit E at the time such Other Invention is conceived or reduced to practice, except for those Other Inventions that qualify fully under the provisions of the applicable state-specific statute in Exhibit E. I will not incorporate, or permit to be incorporated, any Other Invention owned by me or in which I have an interest into a Company product, process or service without the Company's prior written consent. Notwithstanding the foregoing sentence, if, in the course of my employment with the Company, I incorporate into a Company product, process, or service an Other Invention owned by me or in which I have an interest, I hereby grant to the Company a nonexclusive, royalty-free, fully paid-up, irrevocable, perpetual, transferable, sublicensable, worldwide license to reproduce, make derivative works of, distribute, perform, display, import, make, have made, modify, use, sell, offer to sell, and exploit in any other way such Other Invention, and to practice any method related thereto. I agree to advise the Company promptly in writing of any Inventions that I believe meet the criteria of this Section 3.G., and are not otherwise disclosed on Exhibit A, to permit a determination of ownership by the Company. Any such disclosure will be received in confidence.

4. CONFLICTING OBLIGATIONS

A. Current Obligations. I agree that during the term of my employment with the Company, I will not engage in or undertake any other employment, occupation, consulting relationship, or commitment that competes with or is directly related to the business in which the Company Group is now involved or becomes involved or has plans to become involved, nor will I engage in any other activities that in the reasonable opinion of the Company conflict with my obligations to the Company.

B. Prior Relationships. Without limiting Section 4.A., I represent and warrant that I have no other agreements, relationships, or commitments to any other person or entity that conflict with the provisions of this Agreement, my obligations to the Company under this Agreement, or my ability to become employed and perform the services for which I am being hired by the Company. I further agree that if I have signed a confidentiality agreement or similar type of agreement with any former employer or other entity, I will comply with the terms of any such agreement to the extent that its terms are lawful under applicable law. I represent and warrant that after undertaking a careful search (including searches of my computers, cell phones, electronic devices, and documents), I have returned all property and confidential information belonging to all prior employers (and/or other third parties I have performed services for in accordance with the terms of my applicable agreement). Moreover, I agree to fully indemnify the Company, its directors, officers, agents, employees, investors, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assignors for all verdicts, judgments, settlements, and other losses incurred by any of them resulting from my

and assigns for all verdicts, judgments, settlements, and other losses incurred by any of them resulting from my breach of my obligations under any agreement with a third party to which I am a party or obligation to which I am bound, as well as any reasonable attorneys' fees and costs if the plaintiff is the prevailing party in such an action, except as prohibited by law.

5. COMPANY PROPERTY AND MATERIALS

A. Definition of Electronic Media Equipment and Electronic Media Systems. I understand that "Electronic Media Equipment" includes, but is not limited to, computers, external storage devices, thumb drives, mobile devices (including, but not limited to smart phones, tablets, and e-readers), telephone equipment,

Page 4 of 16

and other electronic media devices. I understand that "Electronic Media Systems" includes, but is not limited to, computer servers, messaging and email systems or accounts, applications for computers or mobile devices, and web-based services (including cloud-based information storage accounts).

B. Return of Company Property. I understand that anything that I created or worked on for the Company Group while working for the Company belongs solely to the Company and that I cannot remove, retain, or use such information without the Company's express written permission. Accordingly, upon separation from employment with the Company or upon the Company's request at any other time, I will immediately deliver to the Company, and will not keep in my possession, recreate, or deliver to anyone else, any and all Company property, including, but not limited to, Company Confidential Information, Associated Third Party Confidential Information, all Company equipment including all Company Electronic Media Equipment, all tangible embodiments of the Inventions, all electronically stored information and passwords to access such information, Company credit cards, records, data, notes, notebooks, reports, files, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, photographs, charts, any other documents and property, and reproductions of any of the foregoing items, including, without limitation, those records maintained pursuant to Section 3.D. Notwithstanding the foregoing, I understand that I am allowed to keep a copy of the Company's employee handbook and personnel records relating to my employment.

C. Return of Company Information on Company Electronic Media Equipment. In connection with my obligation to return information to the Company, I agree that I will not copy, delete, or alter any information, including personal information voluntarily created or stored, contained in Company Electronic Media Equipment before I return the information to the Company.

D. Return of Company Information on Personal Electronic Media Equipment. In addition, if I have used any personal Electronic Media Equipment or personal Electronic Media Systems to create, receive, store, review, prepare or transmit any Company information, including but not limited to, Company Confidential Information, I agree to make a prompt and reasonable search for such information in good faith, including reviewing any personal Electronic Media Equipment or personal Electronic Media Systems to locate such information and if I locate such information I agree to notify the Company of that fact and then provide the Company with a computer-useable copy of all such Company information from those equipment and systems. I agree to cooperate reasonably with the Company to verify that the necessary copying is completed (including upon request providing a sworn declaration confirming the return of property and deletion of information), and, upon confirmation of compliance by the Company, I agree to delete and expunge all Company information.

E. No Expectation of Privacy in Company Property. I understand that I have no expectation of privacy in Company property, and I agree that any Company property is subject to inspection by Company Group personnel at any time with or without further notice. As to any personal Electronic Media Equipment or personal Electronic Media Systems that I have used for Company purposes, I agree that the Company, at its sole discretion, may have reasonable access, as determined by the Company in good faith, to such personal Electronic Media Equipment or personal Electronic Media Systems to review, retrieve, destroy, or ensure the permanent deletion of Company information from such equipment or systems or to take such other actions necessary to

deletion of Company information from such equipment or systems or to take such other actions necessary to protect the Company Group or Company property, as determined by the Company Group reasonably and in good faith. I also consent to an exit interview and an audit to confirm my compliance with this Section 5, and I will certify in writing that I have complied with the requirements of this Section 5.

6. TERMINATION OBLIGATIONS

A. Upon separation from employment with the Company, I agree to: (i) immediately update all of my social media accounts, including but not limited to Facebook, LinkedIn, and Twitter, to delete any information, assertions, or suggestions to the effect that I am a current employee of the Company or am otherwise currently affiliated with the Company in any way; and (ii) immediately sign and deliver to the Company the "Termination Certification" attached hereto as Exhibit B.

7. NOTIFICATION OF NEW EMPLOYER

A. In the event that I leave the employ of the Company, I hereby grant consent to notification by the Company to my new employer about my obligations under this Agreement.

8. CONFLICT OF INTEREST GUIDELINES

A. I agree to diligently adhere to all policies of the Company Group, including the Company's insider trading policies and the Company's Conflict of Interest Guidelines. A copy of the Company's current Conflict of Interest Guidelines is attached as Exhibit C hereto, but I understand that these Conflict of Interest Guidelines may be revised from time to time during my employment.

9. REPRESENTATIONS

A. Without limiting my obligations under Section 3.E above, I agree to execute any proper oath or verify any proper document required to carry out the terms of this Agreement. I represent and warrant that my performance of all the terms of this Agreement will not breach any agreement to keep in confidence information acquired by me in confidence or in trust prior to my employment by the Company. I hereby represent and warrant that I have not entered into, and I will not enter into, any oral or written agreement in conflict herewith.

10. AUDIT

A. I acknowledge that I have no reasonable expectation of privacy in any Company Electronic Media Equipment or Company Electronic Media Systems. All information, data, and messages created, received, sent, or stored in Company Electronic Media Equipment or Company Electronic Media Systems are, at all times, the property of the Company. As such, the Company Group has the right to audit and search all such items and systems, without further notice to me, to ensure that the Company Group is licensed to use the software on the Company Group's devices in compliance with the Company Group's software licensing policies, to ensure compliance with the Company Group's policies, and for any other business-related purposes in the Company Group's sole discretion. I understand that I am not permitted to add any unlicensed, unauthorized, or non-compliant applications to the Company Group's technology systems, including, without limitation, open source or free software not authorized by the Company Group, and that I shall refrain from copying unlicensed software onto the Company Group's technology systems or using non-licensed software or websites. I understand that it is my responsibility to comply with the Company Group's policies governing use of the Company Group's documents and the internet, email, telephone, and technology systems to which I will have access in connection with my employment. In addition, as to any personal Electronic Media Equipment or personal Electronic Media Systems or other personal property that I have used for Company purposes, I agree that the Company Group may have reasonable access to such personal Electronic Media Equipment or personal Electronic Media Systems or other personal property to review, retrieve, destroy, or ensure the permanent deletion of Company Group information from such equipment or systems or property or take such other actions that are needed to protect the Company Group or Company property, as determined by the Company Group reasonably and in good faith.

B. I am aware that the Company Group has or may acquire software and systems that are capable of monitoring and recording all Company Group network traffic to and from any Company Electronic Media Equipment or Company Electronic Media Systems. The Company Group reserves the right to access, review, copy, and delete any of the information, data, or messages accessed through Company Electronic Media Equipment or Company Electronic Media Systems, with or without notice to me and/or in my absence. This includes, but is not limited to, all e-mail messages sent or received, all website visits, all chat sessions, all news group activity (including groups visited, messages read, and postings by me), and all file transfers into and out of the Company Group's internal networks. The Company Group further reserves the right to retrieve previously deleted messages from e-mail or voicemail and monitor usage of the Internet, including websites visited and any information I have downloaded. In addition, the Company Group may review Internet and technology systems

activity and analyze usage patterns, and may choose to share this data to assure that technology systems are devoted to legitimate business purposes.

11. ARBITRATION AND EQUITABLE RELIEF

A. Arbitration. In consideration of my employment or continued employment with the Company (as applicable), its promise to arbitrate all employment-related disputes with me, and my receipt of the compensation, pay raises and other benefits paid to me by the Company, at present and in the future, I agree that, except as set forth in Sections 12.A.(1), 12.A.(2), and 12.A.(3), below, any and all controversies, claims, or disputes that I may have with the (including any Company Group employee, officer, director, trustee, shareholder or benefit plan of the Company, in their capacity as such or otherwise), arising out of, relating to, or resulting from my employment or relationship with the Company or the termination of my employment or relationship with the Company, including any breach of this Agreement, shall be subject to binding arbitration under the Federal Arbitration Act (the "FAA"). The FAA's substantive and procedural provisions shall exclusively govern and apply with full force and effect to this arbitration agreement, including its enforcement, and any state court of competent jurisdiction shall compel arbitration in the same manner as a federal court under the FAA. I agree that I may only commence an action in arbitration, or assert counterclaims in an arbitration, pursuant to this Section 12.A., on an individual basis and, thus, I hereby waive my right to commence or participate in any class or collective action(s) against the Company. Disputes that I agree to arbitrate, and thereby agree to waive any right to a trial by jury, include any statutory claims under local, state, or federal law, including, but not limited to, claims under Title VII Of The Civil Rights Act of 1964, the Civil Rights Act of 1991, the Fair Labor Standards Act, the Americans With Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the worker Adjustment And Retraining Notification Act, the Fair Credit Reporting Act, the Employee Retirement Income Security Act of 1974, the Family And Medical Leave Act, the laws of the state in which I work for the Company as of the Effective Date, claims relating to employment status, classification and relationship with the Company, claims of harassment, discrimination, wrongful termination, breach of contract, and any statutory or common law claims. I also agree to arbitrate any and all disputes arising out of or relating to the interpretation or application of this agreement to arbitrate, but not disputes about the enforceability, revocability or validity of this agreement to arbitrate or any portion hereof or the class, collective and representative proceeding waiver herein. With respect to all such claims and disputes that I agree to arbitrate, I hereby expressly agree to waive, and do waive, any right to a trial by jury. I further understand that this agreement to arbitrate also applies to any disputes that the company may have with me. I understand that nothing in this agreement requires me to arbitrate claims that cannot be arbitrated under applicable law, including the Sarbanes-Oxley Act.

(1) Exception for New Jersey Employees. Without otherwise limiting my obligations to the Company and the Company Group as set forth in this Agreement and notwithstanding Section 12.A., I acknowledge that if I work for the company in the State of New Jersey as of the later of my first day of employment with the Company and the Effective Date, then this Agreement's arbitration provision will not apply to any controversies, claims, or disputes alleging or asserting claims of discrimination, harassment, and retaliation pursuant to the New Jersey Law Against Discrimination or other anti-discrimination statutes.

(2) Exception for New York Employees. Without otherwise limiting my obligations to the Company and the Company Group as set forth in this Agreement and notwithstanding Section 12.A., I acknowledge that if I work for the Company in the State of New York as of the later of my first day of employment with the Company and the Effective Date, then this Agreement's arbitration provision will not apply to any controversies, claims, or disputes alleging or asserting claims of discrimination.

(3) Exception for Illinois Employees. Without otherwise limiting my obligations to

(c) Exception for Illinois Employees. Without otherwise limiting my obligations to the Company and the Company Group as set forth in this Agreement and notwithstanding Section 12.A., I acknowledge that if I work for the Company in the State of Illinois as of the later of my first day of employment with the Company and the Effective Date, then this Agreement's arbitration provision will not apply to any claims of unlawful discrimination, harassment, or retaliation. For the avoidance of doubt, I acknowledge that I may pursue such claims through either arbitral or judicial forums.

Page 7 of 16

B. Procedure. I agree that any arbitration will be administered by JAMS pursuant to its Employment Arbitration Rules & Procedures (the "JAMS Rules"), which are available at <http://www.jamsadr.com/rules-employment-arbitration/> and from human resources, provided, however, that the JAMS Rules shall not contradict or otherwise alter the terms of this agreement, including, but not limited to, the below cost sharing provision and Section 13.B. below, as applicable. The arbitration shall be before a single arbitrator who shall be a former federal or state court judge. The arbitration shall apply the federal rules of civil procedure, except to the extent such rules conflict with the JAMS Rules. I understand that the parties to the arbitration shall each pay an equal share of the costs and expenses of such arbitration, except as prohibited by law, and understand that each party shall separately pay its respective attorneys' fees and costs. In the event that JAMS fails, refuses, or otherwise does not enforce the aforementioned arbitration costs sharing provision, either party may commence an action to recover such amounts against the non-paying party in court and the non-paying party shall reimburse the moving party for the attorneys' fees and costs incurred in connection with such action. I agree that the arbitrator shall consider and shall have the power to decide any motions brought by any party to the arbitration, including motions for summary judgment and/or adjudication, and motions to dismiss, prior to any arbitration hearing. I agree that the arbitrator shall issue a written decision on the merits. I also agree that the arbitrator shall have the power to award any remedies available under applicable law. I agree that the decree or award rendered by the arbitrator may be entered as a final and binding judgment in any court having jurisdiction thereof. Subject to the FAA's exclusive applicability to the enforcement of this agreement to arbitrate, I agree that the arbitrator shall apply the substantive law of the state in which I work for the company as of the Effective Date to any dispute or claim, without reference to rules of conflict of law. To the extent that the JAMS Rules conflict with the substantive law of that state, the law of that state shall take precedence. I agree that arbitration under this Agreement shall be conducted in Travis County, Texas, or in a location mutually agreed upon by the Company and me.

C. Remedy. Except as prohibited by law or provided by this Agreement, arbitration shall be the sole, exclusive and final remedy for any dispute between me and the Company. Accordingly, neither I nor the Company will be permitted to pursue or participate in a court action regarding claims that are subject to arbitration.

D. Availability of Injunctive Relief. I agree that any party may also petition the court for injunctive relief where either party alleges or claims a violation of this Agreement or any other agreement between me and the Company regarding trade secrets, confidential information, assignment of intellectual property, noncompetition or nonsolicitation. I understand that any breach or threatened breach of any of the aforementioned agreements will cause irreparable injury and that money damages will not provide an adequate remedy therefore and both parties to this Agreement hereby consent to the issuance of an injunction without posting of a bond. In the event either party seeks injunctive relief, the prevailing party shall be entitled to recover reasonable costs and attorneys' fees without regard for the prevailing party in the final judgment, if any. Such attorneys' fees and costs shall be recoverable on written demand at any time, including, but not limited to, prior to entry of a final judgment, if any, by the court, and must be paid within thirty (30) days after demand or else such amounts shall be subject to the accrual of interest at a rate equal to the maximum statutory rate.

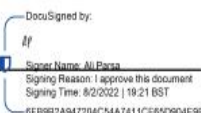
E. Administrative Relief. I understand that this Agreement does not prohibit me from pursuing an administrative claim with a local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, including, but not limited to, the Equal Employment Opportunity Commission (and any state or local equivalent agency), the National Labor Relations

Employment Opportunity Commission (and any state or local equivalent agency), the National Labor Relations Board, the Securities And Exchange Commission, or the Workers' Compensation Board. This Agreement does, however, preclude me from pursuing a court action regarding any such claim, except as permitted by law.

F. Voluntary Nature of Agreement. I acknowledge and agree that I am executing this Agreement, including its arbitration provisions, voluntarily and without any duress or undue influence by the Company or anyone else. I further acknowledge and agree that I have carefully read this Agreement, including its arbitration provisions, and that I have asked any questions needed for me to understand the terms, consequences, and binding effect of this Agreement and fully understand it, including that I am waiving my

Page 8 of 16

right to a jury trial. Finally, I agree that I have been provided an opportunity to seek the advice of an attorney of my choice before signing this Agreement.

Initial here:  DocuSigned by:
Ali Parsa
Signer Name: Ali Parsa
Signing Reason: I approve this document
Signing Time: 8/2/2022 19:21 BST
6FB9B2A947204C54A7411CF60D904E9F

12. MISCELLANEOUS

A. Governing Law; Consent to Personal Jurisdiction. With the exception of the arbitration requirements set forth herein, this Agreement will be governed by the laws of the state in which I work for the Company as of the Effective Date without regard to any state's conflicts of law rules that may result in the application of the laws of any jurisdiction other than that state. To the extent that any lawsuit is permitted under this Agreement and unless otherwise prohibited by law, I hereby expressly consent to the personal and exclusive jurisdiction and venue of the state and federal courts located in Travis County, Texas for any lawsuit filed against me by the Company.

B. Waiver of Trial by Jury. TO THE EXTENT THAT ANY LAWSUIT IS PERMITTED UNDER THIS AGREEMENT AND UNLESS OTHERWISE PROHIBITED BY LAW, I IRREVOCABLY AND UNCONDITIONALLY WAIVE MY RIGHT TO A TRIAL BY JURY IN ANY LAWSUIT DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR MY RELATIONSHIP WITH THE COMPANY GROUP AND ACKNOWLEDGE THAT I AM KNOWINGLY AND VOLUNTARILY WAIVING MY RIGHT TO A TRIAL BY JURY.

(1) Exception for North Carolina Employees. Without otherwise limiting my obligations to the Company and the Company Group as set forth in this Agreement, I acknowledge that Section 13.B. shall not apply to me if I work for the Company in the State of North Carolina as of the Effective Date.

C. Assignability. This Agreement will be binding upon my heirs, executors, assigns, administrators, and other legal representatives, and will be for the benefit of the Company, its successors, and its assigns. The Associated Third Parties are intended third-party beneficiaries to this Agreement with respect to my obligations in Section 2.D. Notwithstanding anything to the contrary herein, the Company may assign this Agreement and its rights and obligations under this Agreement to any successor to all or substantially all of the Company's relevant assets, whether by merger, consolidation, reorganization, reincorporation, sale of assets or stock, or otherwise. For the avoidance of doubt, the Company's successors and assigns are authorized to enforce the Company's rights under this Agreement.

D. Entire Agreement. This Agreement, together with the Exhibits herein and any executed written offer letter between me and the Company, to the extent such materials are not in conflict with this Agreement, sets forth the entire agreement and understanding between the Company and me with respect to the subject matter herein and supersedes all prior written and oral agreements, discussions, or representations between us, and any representations made during my interview(s) or relocation negotiations. I represent and warrant that I

us, and any representations made during my interview(s) or relocation negotiations. I represent and warrant that I am not relying on any statement or representation not contained in this Agreement. Any subsequent change or changes in my duties, salary, compensation, conditions or any other terms of my employment will not affect the validity or scope of this Agreement.

E. Headings. Headings are used in this Agreement for reference only and shall not be considered when interpreting this Agreement.

F. Severability. If a court or other body of competent jurisdiction finds, or the parties to this Agreement mutually believe, any provision of this Agreement, or portion thereof, to be invalid or unenforceable, such provision will be enforced to the maximum extent permissible so as to effect the intent of the parties, and the remainder of this Agreement will continue in full force and effect.

G. Modification, Waiver. No modification of or amendment to this Agreement, nor any


waiver of any rights under this Agreement, will be effective unless in a writing signed by the CEO of the Company and me. Waiver by the Company of a breach of any provision of this Agreement will not operate as a waiver of any other or subsequent breach.

H. Survivorship. The rights and obligations of the parties to this Agreement will survive termination of my employment with the Company.

13. PROTECTED ACTIVITY NOT PROHIBITED

A. I understand that nothing in this Agreement limits or prohibits me from filing a charge or complaint with, or otherwise communicating or cooperating with or participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("Government Agencies"), including disclosing documents or other information as permitted by law, without giving notice to, or receiving authorization from, the Company. Notwithstanding, in making any such disclosures or communications, I agree to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company Confidential Information to any parties other than the Government Agencies. I further understand that I am not permitted to disclose the Company's attorney-client privileged communications or attorney work product. In addition, I hereby acknowledge that the Company has provided me with notice in compliance with the Defend Trade Secrets Act of 2016 regarding immunity from liability for limited disclosures of trade secrets. The full text of the notice is attached in Exhibit D.

Date: 8/2/2022 | 19:21 BST

DocuSigned by:

Signer Name: Ali Parsa
Signing Reason: I approve this document
Signing Time: 8/2/2022 | 19:21 BST
6FB9B2A947204C54A7411CF65D904E9F
Signature

Ali Parsa

Name of Employee (typed or printed)

ACKNOWLEDGED AND ACCEPTED BY THE COMPANY:

Date: 8/6/2022 | 14:45 BST

DocuSigned by:

Signer Name: Samira Lowman
Signing Reason: I approve this document
Signing Time: 8/6/2022 | 14:45 BST
45BF6D99DA8C456AA14B537CAE03D583
By: Samira Lowman
Title: Chief People Officer

EXHIBIT A

LIST OF PRIOR INVENTIONS
AND ORIGINAL WORKS OF AUTHORSHIP


Title	Date	Identifying Number or Brief Description

___ No inventions or improvements

___ Additional Sheets Attached

8/2/2022 | 19:21 BST
Date: _____

DocuSigned by:





Signer Name: Ali Parsa

Signing Reason: I approve this document

Signing Time: 8/2/2022 | 19:21 BST

6FB9B2A947204C54A7411CF65D904E9F

Signature

Ali Parsa

Name of Employee (typed or printed)

EXHIBIT B

TERMINATION CERTIFICATION

This is to certify that I do not have in my possession, nor have I failed to return, any devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, any other documents or property, or reproductions of any and all aforementioned items belonging to the Company. Notwithstanding the foregoing, I understand that I may keep a copy of the Company's employee handbook and personnel records relating to me. I further certify that I have updated all of my social media accounts to delete any information, assertions, or suggestions to the effect that I am a current employee of the Company or am otherwise currently affiliated with the Company in any way.

I further certify that I have complied with all the terms of the Company's At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement (the "Agreement") signed by me, including the reporting of any inventions and original works of authorship (as defined therein) conceived or made by me (solely or jointly with others), as covered by that Agreement.

I understand that pursuant to the Agreement, and subject to its protected activity exclusion, I am obligated to preserve, as confidential, all Company Confidential Information and Associated Third Party Confidential Information, including trade secrets, confidential knowledge, data, or other proprietary information relating to products, processes, know-how, designs, formulas, developmental or experimental work, computer programs, databases, other original works of authorship, customer lists, business plans, financial information, or other subject matter pertaining to any business of the Company or any of its employees, clients, consultants, or licensees.

I also agree that for twelve (12) months from this date, I will comply with the restrictive covenants (as applicable), as set forth in the Agreement.

After leaving the Company's employment, I will be employed by _____ in the position of _____.

Date: _____

Signature

Name of Employee (typed or printed)

Address for Notifications: _____

EXHIBIT C

CONFLICT OF INTEREST GUIDELINES

It is the policy of the Company to conduct its affairs in strict compliance with the letter and spirit of the law and to adhere to the highest principles of business ethics. Accordingly, all officers, employees, and independent contractors must avoid activities that are in conflict, or give the appearance of being in conflict, with these principles and with the interests of the Company. The following are potentially compromising situations that must be avoided:

1. Revealing confidential information to outsiders or misusing confidential information. Unauthorized divulging of information is a violation of this policy whether or not for personal gain and whether or not harm to the Company is intended. (The At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement elaborates on this principle and is a binding agreement.)
2. Accepting or offering substantial gifts, excessive entertainment, favors, or payments that may be deemed to constitute undue influence or otherwise be improper or embarrassing to the Company.
3. Participating in civic or professional organizations that might involve divulging confidential information of the Company.
4. Initiating or approving personnel actions affecting reward or punishment of employees or applicants where there is a family relationship or is or appears to be a personal or social involvement.
5. Initiating or approving any form of personal or social harassment of employees.
6. Investing or holding outside directorship in suppliers, customers, or competing companies, including financial speculations, where such investment or directorship might influence in any manner a decision or course of action of the Company.
7. Borrowing from or lending to employees, customers, or suppliers.
8. Acquiring real estate of interest to the Company.
9. Improperly using or disclosing to the Company any proprietary information or trade secrets of any other employer or other person or entity with whom obligations of confidentiality exist.
10. Unlawfully discussing prices, costs, customers, sales, or markets with competing companies or their employees.
11. Making any unlawful agreement with distributors with respect to prices.
12. Improperly using or authorizing the use of any inventions that are the subject of patent claims of any other person or entity.
13. Engaging in any conduct that is not in the best interest of the Company.

Each officer, employee, and independent contractor must take every necessary action to ensure compliance with these guidelines and to bring problem areas to the attention of higher management for review. Violations of this conflict of interest policy may result in discharge without warning.

Nothing in these guidelines is intended to limit employees' rights to discuss the terms, wages, and working conditions of their employment, as protected by applicable law, including any rights an employee may have under Section 7 of the National Labor Relations Act. Also, nothing in these guidelines limits or prohibits employees from filing a charge or complaint with, or otherwise communicating or cooperating with or participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("Government Agencies"), including disclosing documents or other information as permitted by law, without giving notice to, or receiving authorization from, the Company. Notwithstanding, in making any such disclosures

or communications, employees must take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company Confidential Information to any parties other than the Government Agencies. Employees may not disclose the Company's attorney-client privileged communications or attorney work product.

EXHIBIT D

SECTION 7 OF THE DEFEND TRADE SECRETS ACT OF 2016

“IMMUNITY FROM LIABILITY FOR CONFIDENTIAL DISCLOSURE OF A TRADE SECRET TO THE GOVERNMENT OR IN A COURT FILING—

(1) IMMUNITY.—An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that—(A) is made—(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(2) USE OF TRADE SECRET INFORMATION IN ANTI-RETALIATION LAWSUIT.—An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual—(A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.”

Exhibit E

If you ("Assignor") are a resident of Delaware, Illinois, Kansas, New Jersey or North Carolina, then the following applies:

No provision in this Agreement requires Assignor to assign any of his or her rights to an invention for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on Assignor's own time, unless (a) the invention relates (i) to the business of the Company or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by Assignor for the Company. Delaware Code Title 19 Section 805; Illinois 765 ILCS 1060/1-3, "Employees Patent Act"; Kansas Statutes Section 44-130; New Jersey Revised Statutes Section 34:1B-265; North Carolina General Statutes Article 10A, Chapter 66, Commerce and Business, Section 66-57.1.

If Assignor is a resident of Minnesota, then the following applies:

No provision in this Agreement requires Assignor to assign any of his or her rights to an invention for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on Assignor's own time, and (a) which does not relate (i) directly to the business of the Company, or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) does not result from any work performed by Assignor for the Company. Minnesota Statutes 13A Section 181.78.

If Assignor is a resident of Utah, then the following applies:

No provision in this Agreement requires Assignor to assign any of his or her rights to an invention which was created entirely on Assignor's own time, and which is not (a) conceived, developed, reduced to practice, or created by Assignor (i) within the scope of Assignor's employment with the Company, (ii) on the Company's time, or (iii) with the aid, assistance, or use of any of the Company's property, equipment, facilities, supplies, resources, or patents, trade secrets, know-how, technology, confidential information, ideas, copy rights, trademarks and service marks and any and all rights, applications and registrations relating to them, (b) the result of any work, services, or duties performed by Assignor for the Company, (c) related to the industry or trade of the Company, or (d) related to the current or demonstrably anticipated business, research, or development of the Company. Utah Code Sections 34-39-1 through 34-39-3, "Employee Inventions Act."



Certificate Of Completion

Envelope Id: A50E4290BA524E8BA9B857210FEAC059	Status: Completed
Subject: Ali Parsadoust - Executive Agreement July 2022 (Resend)	
Source Envelope:	
Document Pages: 35	Signatures: 5
Certificate Pages: 5	Initials: 1
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Disabled	US People Signatures
Time Zone: (UTC) Dublin, Edinburgh, Lisbon, London	1 Knightsbridge Green
	London, London SW1X 7QA
	uspeople.signatures@babylonhealth.com
	IP Address: 173.2.160.170

Record Tracking

Status: Original	Holder: US People Signatures	Location: DocuSign
8/2/2022 2:46:42 PM	uspeople.signatures@babylonhealth.com	

Signer Events

Signature	Timestamp
Ali Parsa	Sent: 8/2/2022 2:48:46 PM
ali.parsa@babylonhealth.com	Viewed: 8/2/2022 7:20:59 PM
Director	Signed: 8/2/2022 7:21:36 PM

Ali Parsadoust
 Security Level: Email, Account Authentication (Required)

Signature Adoption: Drawn on Device
 Signature ID:
 6FB9B2A9-4720-4C54-A741-1CF65D904E9F
 Using IP Address: 86.166.10.201

With Signing Authentication via DocuSign password

With Signing Reasons (on each tab):

I approve this document
 I approve this document
 I approve this document
 I approve this document

Electronic Record and Signature Disclosure:
 Accepted: 10/19/2021 1:48:08 PM
 ID: 86b7d399-1f9c-450b-802f-4ec83f0b07a8

Samira Lowman
 samira.lowman@babylonhealth.com
 Chief People Officer

Security Level: Email, Account Authentication (Required), Login with SSO

Samira Lowman

Signature Adoption: Pre-selected Style
 Signature ID:
 45BF6D99-DA8C-456A-A14B-537CAE03D583

Sent: 8/2/2022 7:21:38 PM
 Viewed: 8/6/2022 2:45:42 PM
 Signed: 8/6/2022 2:45:59 PM

Using IP Address: 24.228.193.211

With Signing Authentication via DocuSign password

With Signing Reasons (on each tab):

I approve this document

I approve this document

Electronic Record and Signature Disclosure:

Accepted: 8/24/2021 1:56:08 PM

ID: 08110935-5080-454a-90eb-6dc1878d7ebc

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Mei Mei Chan meimei.chan@babylonhealth.com Head of People Experience Security Level: Email, Account Authentication (Required) Electronic Record and Signature Disclosure: Accepted: 7/1/2022 5:24:11 PM ID: 1df7e656-e56d-41c7-b85f-fa85e45618be	<div>COPIED</div>	Sent: 8/6/2022 2:46:02 PM
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	8/2/2022 2:48:46 PM
Certified Delivered	Security Checked	8/6/2022 2:45:42 PM
Signing Complete	Security Checked	8/6/2022 2:45:59 PM
Completed	Security Checked	8/6/2022 2:46:02 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Babylon Partners Limited (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Babylon Partners Limited:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: richard.grundy@babylonhealth.com

To advise Babylon Partners Limited of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at richard.grundy@babylonhealth.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Babylon Partners Limited

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to richard.grundy@babylonhealth.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that

time, if any.

To withdraw your consent with Babylon Partners Limited

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to richard.grundy@babylonhealth.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Babylon Partners Limited as described above, you consent to

receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Babylon Partners Limited during the course of your relationship with Babylon Partners Limited.

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is made as of the 27th day of September, and shall be effective on 1st September, 2022 (the “Effective Date”), between Babylon Partners Limited, Company number 08493276 whose registered address is at 1 Knightsbridge Green, London, England, SW1X 7QA (the “Company”), and David Humphreys of 3 Old Park Lane, Farnham, Surrey, GU9 0AH (the “Executive” and, together with the Company, the “Parties” and each as a “Party”). In consideration of the mutual covenants and agreements set forth herein, the Parties, intending to become legally bound, hereby covenant and agree as follows:

RECITALS

A. The following recitals shall be considered as part of this Agreement and explain the general nature and purpose of the Company’s business and the Parties’ rights and obligations under this Agreement. Any interpretation and construction of this Agreement shall be considered in light of these recitals.

B. Company and Executive desire to enter into this Agreement, effective as of the Effective Date.

C. Company is engaged in the specialized, highly competitive, and highly regulated business of delivering health-related services and information via electronic information and telecommunication technologies.

D. Company desires to employ Executive and Executive desires to accept such employment under the terms and conditions stated in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants, agreements, and obligations contained in this Agreement, the Executive’s access to confidential, proprietary, and/or trade secret information, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Employment.

(a) Continuous Employment with the Company. The Company hereby employs the Executive and the Executive hereby accepts such employment, on the terms set forth herein. The Executive’s employment with Babylon Partners Limited (a member of the Company’s group of companies) which commenced on 26 November 2020 shall count towards the Executive’s continuous employment with the Company. His employment hereunder is of an indefinite duration.

(b) Position and Duties. Executive shall serve as the Chief Financial Officer of the Company (the “CFO”), and shall have responsibilities and duties consistent with such position, as well as such additional powers, responsibilities and duties as may from time to time be prescribed by the Board of Directors (the “Board”) of Babylon Holdings Limited (“Parent”), the

Company's ultimate parent company, provided that such duties are consistent with the level of the Executive's position or other positions that Executive may hold from time to time. Executive's normal place of work will be the London office, and Executive will travel on business as required. During the Term the Executive shall not be required to work outside the UK for any continuous period of more than one month. The Executive shall devote Executive's full time, energies, and talents exclusively to the Executive's duties for the Company and to promote the interests of the Company. During the term of Executive's employment pursuant to this Agreement (the "Term"), Executive shall not, without prior written consent from the Board, serve as or be a consultant to or an employee, officer, agent, representative, manager, or director of any other entity where such service creates a conflict of interest or in any manner interferes with or reduces his efficiency or effectiveness as an executive of the Company.

(c) Notice Period. Either Party is required to give the other not less than 3 months' prior written notice to terminate the Executive's employment. Following service of notice to terminate the Appointment by either Party, or if the Executive purports to terminate the Appointment in breach of contract, the Company may by written notice place the Executive on garden leave for the whole or part of the remainder of the Appointment. During any period of garden leave: (a) the Company shall be under no obligation to provide any work to the Executive and may revoke any powers he holds on the Company's or or Babylon Holdings Limited's (together with any sister corporations, subsidiaries, parents or affiliates if the Company (the "Company Group") behalf; (b) the Company may require the Executive to carry out alternative duties or to only perform such specific duties as are expressly assigned to him, at such location (including the Executive's home) as the Company may decide; (c) the Executive shall continue to receive his basic salary and all contractual benefits in the usual way and subject to the terms of any benefit arrangement; (d) the Executive shall remain an employee and bound by the terms of this agreement (including any implied duties of good faith and fidelity); (e) Executive shall ensure that at least one member of the senior leadership team ("SLT") knows where he will be and how he can be contacted during each working day (except during any periods taken as holiday in the usual way); (f) the Company may exclude the Executive from any Company Group's premises; and (g) the Company may require the Executive not to contact or deal with (or attempt to contact or deal with) any officer, employee, consultant, client, customer, supplier, agent, distributor, shareholder, adviser or other business contact of any Company Group ("**Garden Leave**").

(d) Right to Work in the UK. The Executive warrants that he is entitled to work in the UK without any additional approvals and will notify the Company immediately if he ceases to be so entitled during the Term.

(e) Warranty. The Executive warrants that he is not subject to any restriction preventing him from acting as a director.

(f) Hours of Work. The Executive is expected to work normal office hours of 9am to 6pm on Mondays to Fridays and these hours and days are not variable although he may be required to work such additional hours as are necessary for the proper performance of his duties. The Executive hereby acknowledges that he shall not receive further remuneration in

duties. The Executive hereby acknowledges that he shall not receive further remuneration in respect of such additional hours. The Parties each agree that the nature of the Executive's position is such that his working time cannot be measured and, accordingly, that the

Appointment falls within the scope of regulation 20 of the Working Time Regulations 1998 (SI 1998/1833).

2. Compensation and Related Matters.

(a) Base Salary. During the Term, the Executive's initial base salary shall be at the gross annual rate of £350000. The Executive's base salary may be increased from time to time by the Board. The annual base salary rate in effect at any given time is referred to herein as the "Base Salary." The Base Salary shall be payable twice a month in accordance with the Company's normal payroll procedures for senior executives.

(b) Bonus. The Executive shall have an annual target bonus opportunity of up to 100% of Executive's Base Salary (the "Bonus"), as determined in the Board's sole discretion, based upon achievement of individual and Company performance objectives as set by the Board on an annual basis. Any Bonus that becomes payable shall be paid to the Executive on or before thirty (30) days following delivery to the Board of the audited financial statements of Parent for the year to which such Bonus relates and the opinion of Parent's registered independent public accounting firm thereon; provided that the Executive must be employed and not having provided or given notice to terminate his employment or directorship by the Company on the day such Bonus is to be paid in order to be eligible to receive such Bonus.

(c) Equity Grant. Subject to Executive signing the UK Confidentiality and Business Protection Agreement before commencing the appointment and subject to approval of the Board at the date of grant and to the commencement and continuation of Executive's employment pursuant to this Agreement through the date of grant, on the Parent's next scheduled equity grant date following commencement of Executive's employment, Executive will be granted 550,000 restricted Class A ordinary shares in Parent (the "Equity Grant") that will vest as follows: 20%, 20%, 30% and 30% of the Class A ordinary shares subject to the award on each of the first, second, third and fourth anniversaries of the Effective Date, respectively, subject to Executive's continued employment through each applicable vesting date; provided that, the Equity Grant will become 100% vested if, prior to the fourth anniversary of the Effective Date, either (x) a Change in Control occurs, (y) the closing price of Parent's Class A ordinary shares on the New York Stock Exchange (or other applicable national securities exchange) (the "Share Price") equals or exceeds \$20.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30 trading-day period or (y) the Parent's market capitalization is equal to or greater than \$8,327,361,300 for at least 20 trading days during any 30 day trading period, subject to Executive's continued employment through the date on which such Change in Control occurs or such share price or market capitalization target is attained. At all times, the Equity Grant will be governed solely by the terms of Parent's applicable equity plan and award grant agreement. Executive will be eligible for future equity awards as determined by the

Board in its sole discretion.

(d) Performance-Based Equity Grant. Subject to approval of the Board at the date of grant, and the continuation of Executive's employment pursuant to this Agreement through the date of grant, on the Parent's next scheduled equity grant date following the Effective Date, Executive will be granted 200,000 restricted stock units covering Class A ordinary shares in Parent

("Performance Equity Grant") that will vest (i) as to 50% of the Performance Equity Grant, if, at any time following the date of grant either (x) the Share Price equals or exceeds \$10.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days during any 30 trading-day period, or (y) the Parent's market capitalization is equal to or greater than \$4,163,680,650 for at least 20 trading days during any 30 trading-day period and subject to Executive's continued employment through the date on which such Share Price or market capitalization target is attained; (ii) as to an additional 25% of the Performance Equity Grant, if, at any time following the date of grant, either (x) the Share Price equals or exceeds \$15.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days during any 30 trading-day period, or (y) the Parent's market capitalization is equal to or greater than \$6,245,520,975 for at least 20 trading days during any 30 trading-day period and subject to Executive's continued employment through the date on which such Share Price or market capitalization target is attained; and (iii) as to the remaining 25% of the Performance Equity Grant, if, at any time following the date of grant, either (x) the Share Price equals or exceeds \$20.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days during any 30 trading-day period, or (y) the Parent's market capitalization is equal to or greater than \$8,327,361,300 for at least 20 trading days during any 30 trading-day period and subject to Executive's continued employment through the date on which such Share Price or market capitalization target is attained. To the extent any portion of the Performance Equity Grant remains unvested as of the date of the Executive's termination of employment for any reason, such portion will be automatically forfeited as of the date of such termination. At all times, the Performance Equity Grant will be governed solely by the terms of Parent's applicable equity plan and the applicable award grant agreement.

(e) In the event of a Change in Control (as defined in Parent's 2021 Equity Incentive Plan), and provided that Executive remains in employment immediately prior to such Change in Control, the Equity Grant and the Performance Equity Grant, to the extent not yet vested, will automatically vest as of the date of the Change in Control. Notwithstanding anything herein or in the Parent equity plans to the contrary, in the event that the Company's Class A ordinary shares cease to be publicly traded in connection with a take private acquisition (without an accompanying Change in Control), any outstanding equity awards granted to Executive under Parent equity plans may not be amended or modified in connection with such take private acquisition in a manner adverse to Executive without Executive's consent; provided, however, that the Board may provide for accelerated vesting (as to 100% of the Class A ordinary shares subject to the outstanding award, in the case of any time-based awards, and based on performance achievement through the date of the take private acquisition. in the case of any performance-based

achievement through the date of the take private acquisition, in the case of any performance based awards) and cancellation in exchange for a cash payment in respect of the vested shares subject to such equity awards (or the positive spread value, in the case of any option) without Executive's consent.

(f) "Employment" for the purposes of this clause excludes any period during which the Executive has given or has received notice to terminate his employment or directorship with the Company.

(g) Holiday. Executive shall be entitled to [25] days' paid holiday in each holiday year together with the usual public holidays in England and Wales or days in lieu where

the Company requires the Executive to work on a public holiday. All holiday requests must be approved in writing in advance by the SLT or the Chief People Officer. The Executive must give at least 4 weeks' notice of proposed holiday. No more than 10 working days' holiday may be taken at any one time unless prior consent is obtained from the SLT or the Chief People Officer. The SLT or the Chief People Officer may require the Executive to take (or not to take) holiday on particular dates, including during any notice period. Any accrued but unused holiday entitlement shall be deemed to be taken during any period of Garden Leave under clause 1(c).

(h) Business Expense Reimbursement. The Company shall reimburse the Executive for all reasonable and documented out-of-pocket expenses incurred by the Executive in the course of performing the Executive's duties and responsibilities under this Agreement. Expenses reimbursement shall be provided in accordance with the Company's policies in effect, which may be subject to periodic review and modification by the Board.

(i) Other Benefits. During the Term, the Executive and, to the extent permitted by the applicable Employee Benefit Plans, their spouse and other dependents, shall be entitled to participate in the Company's Employee Benefit Plans as the Company may adopt or maintain from time to time generally for all or most of its executives of the same status within the hierarchy of the Company. As used herein, the term "Employee Benefit Plans" means any 401(k) retirement plan, deferred compensation plan, savings and profit-sharing plan, life insurance plan, medical insurance plan, dental insurance plan, disability plan, and health and accident plan or arrangement as may be established or maintained by the Company generally for employees of the same status as Executive, any of which may be changed or eliminated by the Company at any time (subject to the applicable plan, arrangement, or law). Such participation shall be subject to the terms, conditions, and overall administration of such plan or arrangement. Nothing contained in this Agreement shall be construed to create any obligation on the part of the Company to establish or maintain the effectiveness of any such or particular plan, program, or benefit, which may be subject to periodic review, modification, and/or termination by the Board.

3. Termination. Executive's employment hereunder may be terminated under the following circumstances:

(a) Death. Executive's employment shall automatically terminate immediately upon the Executive's death.

(b) Disability. The Company may terminate the Executive's employment upon the Executive's Disability. For purpose of this Agreement, "Disability" shall mean the Executive's inability, due to physical or mental impairment or any other condition, to perform the essential functions of the Executive's job, with reasonable accommodation, for 180 days in total in any 365-day period, irrespective of whether such days are consecutive, as determined in good faith by the Board. The Parties agree that the Executive's inability to perform the essential functions of the Executive's job, with reasonable accommodation, for 180 days in a 365-day period would constitute an undue hardship on the Company.

(c) Termination by Company for Any Reason and Without Cause. The Company may terminate the Executive's employment hereunder at any time for any reason after providing written notice as per clause 1(c) above. Any termination by the Company of the

Executive's employment under this Agreement that does not constitute a termination by the Company for Cause under Section 3(d) shall be deemed a termination without Cause.

(d) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder at any time for Cause. For purposes of this Agreement, "Cause" shall mean: (i) the Executive's commission of, or pleading guilty or nolo contendere to, a crime constituting (A) a felony under the laws of the United States or any state thereof, (B) a misdemeanor involving moral turpitude, misappropriation, dishonesty, unethical business conduct, fraud, or breach of fiduciary duty, or (C) any crime in connection with the delivery of health care services; (ii) the Executive engaging in fraudulent or criminal activity (whether or not prosecuted); (iii) the Executive's conduct, even if not in conjunction with the Executive's duties hereunder, which could reasonably be expected to, or which does, cause the Company economic harm or which brings the Company into public disgrace or disrepute; (iv) the Executive's failure to perform duties hereunder as reasonably directed by the Board (other than any such failure resulting from incapacity due to physical or mental illness), which is not cured within ten (10) days following written notice thereof to the Executive; (v) the Executive's gross negligence or willful misconduct with respect to the Company in the performance of the Executive's duties hereunder; (vi) the Executive obtaining any personal profit not previously and thoroughly disclosed to and approved by the Board in connection with any transaction entered into by, or on behalf of, or in relation to, the Company; (vii) the Executive's violation of any of the terms of the Company's established rules or policies (including, but not limited to, policies concerning insider trading or sexual harassment, code of ethics, and business conduct) which, if curable, is not cured to the Board's reasonable satisfaction within thirty (30) days after written notice thereof to the Executive; or (viii) any other material breach of this Agreement by the Executive, which, if curable, is not cured within thirty (30) days after written notice thereof. With respect to items (iv), (vii) and (viii), above, the Company will have no obligation to provide an opportunity to cure in the event the failure, violation, or breach is not reasonably susceptible to cure and, in such event, the Company may terminate the employment for Cause with immediate effect.

(e) Resignation for Good Reason. The Executive may terminate his employment hereunder at any time for Good Reason. For the purposes of this Agreement, "**Good Reason**" means the occurrence of one or more of the following events effected without prior notice of the changes: (i) the assignment to the Executive of a material diminution in the Executive's position or responsibilities with the Company; (ii) a change in the Executive's title or reporting structure so that he is no longer the Chief Financial Officer of Babylon; (iii) a reduction by the Company in the base salary of the Executive by fifteen percent (15%) or more unless similar reductions occur concurrently with and apply to other members of the Company's senior management; (iv) a move in the Executive's normal place of work which is greater than 50 miles from London; or (v) any material breach by the Company of any material provision of this Agreement. Executive will not terminate his employment for Good Reason without first providing the Company with written notice of the acts or omissions constituting the grounds for "Good Reason" within ninety (90) days of the initial existence of such grounds and allowing the Company thirty (30) days following the date of such notice ("**Cure Period**") to cure such

grounds. If the Company has not cured such grounds within the Cure Period, the Executive's employment shall terminate.

(f) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written notice to the other party hereto specifying the specific termination provision in this Agreement relied upon to affect such termination.

(g) Date of Termination. The date on which the Executive's employment with the Company terminates shall be referred to herein as the "Date of Termination."

4. Compensation Upon Termination or Resignation

(a) Accrued Benefit. If the Executive's employment with the Company is terminated by the Company without Cause, or terminated by the Executive for Good Reason, the Company shall pay or provide to the Executive (or to the Executive's authorized representative or estate): (i) any Base Salary earned through the Date of Termination; (ii) any unpaid expense reimbursements; and (iii) any vested benefits the Executive may have under any Employee Benefit Plan through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such Employee Benefit Plan (collectively, the "Accrued Benefit").

(b) Termination by the Company Without Cause or Resignation for Good Reason. If the Executive's employment is terminated by the Company without Cause, then the Company shall: (A) pay the Executive an amount equal to twelve (12) months of the Executive's Base Salary then in effect, paid in one lump sum no later than thirty (30) days after the Date of Termination. The benefit under Section 4(b)(i) shall not apply to a Change in Control which is covered by Section 4 (b)(iii). All such payments shall be in addition to payment of the Accrued Benefit and shall be subject to the Executive signing and returning an executed severance agreement containing, among other provisions, a general release of claims in favor of the Company and related persons and entities, confidentiality, return of property, and non-disparagement, in form and substance satisfactory to the Company (the "Separation Agreement and Release"):

(i) However, in the event that Executive's employment is terminated without Cause three months before or within twelve (12) months after a Change in Control, then the Company shall pay the Executive an amount equal to twelve (12) months' of the Executive's Base Salary then in effect in one lump sum no later than sixty (60) days after the Date of Termination and subject to receiving the signed Separation Agreement and Release; provided that, if the Date of Termination occurs within three months before a Change in Control, such lump sum payment shall instead be made no later than 60 days after the date of the Change in Control. A "Change in Control" shall be deemed to have occurred if:

(ii) (i) any "person" or "group"

(within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), but excluding any employee benefit plan of such person and its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of Class A

ordinary shares, Class B ordinary shares and/or any other class or classes of capital stock of Parent (if any) representing in the aggregate more than fifty percent (50%) of the voting power of all of the outstanding shares of capital stock of Parent entitled to vote;

(iii) (ii) there is consummated an agreement or series of related agreements for the sale or other disposition, directly or indirectly, by the Parent of all or substantially all of the Parent's assets; or

(iv) (iii) there is consummated a merger or consolidation of Parent with any other corporation or entity, and, immediately after the consummation of such merger or consolidation, the voting securities of Parent immediately prior to such merger or consolidation do not continue to represent, or are not converted into, more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of the person resulting from such merger or consolidation or, if the surviving company is a subsidiary, the ultimate parent thereof.

(v) (iv) Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred (A) by virtue of the consummation of any transaction or series of integrated transactions the sole purpose of which is to change the jurisdiction of Parent's incorporation or to form a holding company that will be beneficially owned in substantially the same proportions by the persons who held Parent's voting securities immediately before such transaction or (B) by virtue of the consummation of any other transaction or series of integrated transactions immediately following which the record holders of the Class A ordinary shares, Class B ordinary shares and/or any other class or classes of capital stock of Parent immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in and voting control over, and own substantially all of the shares of, an entity which owns all or substantially all of the assets of Parent immediately following such transaction or series of

assets of Parent immediately following such transaction or series of transactions.

(vi) (v) The Board shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto.

(vii) if the Executive was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay an amount equal to the monthly employer contribution that the

Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company for at least six months. However, in the event that Executive's employment is terminated without Cause three months before or within twelve (12) months after a Change in Control, then the Company shall pay, or reimburse to, the Executive an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company for at least twelve (12) months.

(viii) in the event that Executive's employment is terminated without Cause three months before or within twelve (12) months after a Change in Control, then (A) the Company shall also pay the prorated amount of Executive's target Bonus; and (B) the Equity Grant and any outstanding unvested equity awards granted to Executive under Parent equity plans that vest solely based on continued employment or service, if any, will automatically become 100% vested.

5. Section 409A.

(a) General. It is the intention of both the Company and Executive that the benefits and rights to which Executive could be entitled pursuant to this Agreement are exempt from or comply with Internal Revenue Code (the "Code") Section 409A, to the extent that the requirements of Code Section 409A are applicable thereto, and the provisions of this Agreement shall be construed in a manner consistent with that intention. Nothing herein shall be construed as an entitlement to or guarantee of any particular tax treatment to the Executive.

(b) Distributions on Account of Separation from Service. If and to the extent required to comply with Code Section 409A, any payment or benefit required to be paid under this Agreement on account of termination of Executive's employment shall be made upon Executive incurring a "separation of service" within the meaning of Code Section 409A.

(c) Timing of Severance Payments. Notwithstanding anything in this Agreement to the contrary, if Executive is deemed to be a "specified employee" for purposes of Code Section 409A, no severance payment or other payments pursuant to, or contemplated by, this Agreement that are subject to Code Section 409A, if any, shall be made to Executive by the Company before the date that is six months after the Executive's "separation from service" (or, if earlier, the date of Executive's death) if and only to the extent that such payment or benefit constitutes a deferral of compensation under Code Section 409A. Any payment or benefit delayed by reason of the prior sentence shall be paid out or provided in a single lump sum at the end of such required delay period in order to catch up to the original payment schedule.

(d) Treatment of Each Installment as a Separate Payment. For purposes of applying the provisions of Code Section 409A to this Agreement, each separately identified amount to which Executive is entitled under this Agreement shall be treated as a separate payment. In addition, to the extent permissible under Code Section 409A, any series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

(e) Expenses. Notwithstanding anything in this Agreement to the contrary, except to the extent any expense or reimbursement hereunder does not constitute a deferral of

compensation under Code Section 409A, any expense or reimbursement shall meet the following requirements: (i) the amount of expenses eligible for reimbursement provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year, (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred, (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit, and (iv) the reimbursements shall be made pursuant to objectively determinable and nondiscretionary Company policies and procedures regarding such reimbursement expenses.

6. Employment, Confidential Information, Invention Assignment, and Arbitration Agreement. Executive shall be required to execute the Company's Employment, Confidential Information, Invention Assignment and Arbitration Agreement as a condition of employment with the Company, which will be enclosed herein as Exhibit A. In addition, Executive acknowledges that they have read and must comply with the following policies of the Parent: (1) Insider Trading Policy; (2) Code of Ethics & Conduct; (3) External Communications Policy; and (4) Global Anti-Bribery and Anti-Corruption Policy.

7. Proprietary Information.

(a) Proprietary Information. The Company Group has spent extensive time and effort identifying and developing trade secrets, investor relationships, customer relationships, client relationships, supplier relationships, goodwill and economic advantage, other business initiatives, and other confidential information (as further defined below, the "Proprietary Information"). The Executive acknowledges and understands that the Executive will have access to such Proprietary Information solely as a byproduct of the Executive's employment with the Company. The Executive agrees that, at all times during Executive's employment with the Company, and at any time thereafter and without regard to when or for what reasons such employment terminates, the Executive shall not disclose any such Proprietary Information to any person outside the Company or utilize such Proprietary Information to compete against the Company unless such disclosure is (1) necessary for the Executive to perform the Executive's duties as an employee of (and only while employed by) the Company, (2) in response to a valid subpoena or order by a court or other governmental body, or (3) otherwise required by law or regulation. In the event that the Executive receives a subpoena or similar demand to disclose Proprietary Information, the Executive shall promptly notify the Company so that the Company shall have the ability to seek an appropriate protective order prior to the Executive making any disclosure in response to such subpoena or demand. For purposes of this Agreement, "Proprietary Information" shall include, without limitation:

- (i) The identity of any current or prospective clients, patients, prospect lists, healthcare provider information, payor information, suppliers, or vendors;
- (ii) Information relating to the business, products, affairs, and finances of the Company, for the time being confidential to it;
- (iii) Technical data and know-how relating to the business of the

Company;

(iv) Any information relating to the Company's technology, marketing, and business plans or strategies;

(v) Any management accounting and other similar financial information that would typically be included in the financial statements of the Company, including, without limitation, the amount of the assets, liabilities, net worth, revenues or net income;

(vi) The identity of any current or prospective investors, technical data and know-how relating to the business of any of the Company's investors, and names and addresses of the Company's investors and their related individuals;

(vii) Non-public information concerning the Company's employees, including, by way of example only, compensation arrangements, performance information of the type that would typically be maintained in a personnel file, and information concerning such employees' abilities, skills and relationships which the Company has acquired and/or developed through its investments in the recruitment and employment of such individuals;

(viii) The details of any independent contractor or agency arrangements;

(ix) Non-public information relating to legal and professional dealings, real property, tangible property, finances, business, and investment activities, and other personal affairs of the Company;

(x) Any and all books, notes, memoranda, records, correspondence, documents, computer and other discs and tapes, data listings, codes, designs, drawings, and other documents and materials (whether made or created by the Executive or otherwise) relating to the business of the Company or any of its principals; and

(xi) Any other non-public information gained in the course of the Executive's employment with the Company that could reasonably be expected to prove harmful to the Company if disclosed to third parties, including without limitation, any information that could be reasonably expected to aid a competitor or potential competitor of the Company.

(xii) For purposes of this Agreement, "Proprietary Information" shall not include information that (1) was otherwise in the Executive's possession prior to disclosure by the Company as evidenced by Executive's written records; (2) is disclosed to the Executive by a third party who is lawfully in possession of such information and who is not in violation of any contractual, legal, or fiduciary obligation to the Company with respect to such information; or (3) is or becomes part of the public domain other than directly or indirectly, through the breach of this Agreement.

(xiii) Nothing in this Agreement shall be interpreted or applied to prohibit the Executive from making any good faith report to any governmental agency or other governmental entity concerning any act or omission that the Executive reasonably believes constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation or country law or regulation. Pursuant to the federal Defend Trade

Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(xiv)

(b) Documents and Records. The Executive agrees that Executive will not make or retain any originals, copies, or reproductions of, or excerpts from, any of the Proprietary Information for the Executive's use or the use of others, except for the Executive's use for the benefit of the Company in the course of and in connection with the Executive's employment with the Company during the Term. On request by the Company, or on termination of the Executive's employment with the Company, the Executive will immediately deliver to the Company all tangible property that embodies or contains any Proprietary Information, including books, notes, memoranda, records, correspondence, documents, computer and other discs and tapes, data listings, codes, designs, drawings, and other documents and materials relating to the business of the Company, whether prepared or developed by or with the assistance of the Executive or otherwise coming into the Executive's possession, custody, or control and shall certify that all such property has been handed over on request by the Company; provided, however, that the Executive may retain (and make copies of) the Executive's personal non-business-related correspondence files and documents relating to the Executive's personal compensation, benefits, and obligations.

8. Non-Disparagement. The Executive agrees that Executive will not, whether during or after the Executive's employment with the Company, (i) make or publish any derogatory or disparaging statement, orally or in writing, regarding the Company or any Company Group, or any its or their respective officers, executives, directors, managers, members, employees, or investors, or (ii) in any way, directly or indirectly, cause, encourage or condone the making of such statements by anyone else. Nothing herein shall be deemed to preclude the Executive from testifying truthfully under oath if the Executive is required or compelled by law to testify in any judicial action or before any government authority or agency, from making any other legally-required truthful statements or disclosures, or from facilitating or participating in employee performance reviews or disciplinary action.

9. Non-Competition. Executive agrees that during Executive's employment with the Company, and for a period of twelve (12) months following the Date of Termination or the Date of Resignation (less any period spent on Garden Leave), Executive shall not, without the prior written consent of the Company, directly or indirectly, for his own benefit or for the benefit of any other individual or entity other than the Company Group: (a) operate, conduct, or engage in, or prepare to operate, conduct, or engage in the Business; (b) own, finance, or invest in (except as the holder of not more than one percent of the outstanding stock of a publicly-held company) any Business, or (c) participate in, render services to, or assist any person or entity that engages in or is preparing to engage in the Business in any capacity (whether as an employee, consultant, contractor, partner, officer, director, or otherwise) (x) which involves the same or similar types

contractor, partner, officer, director, or otherwise) (x) which involves the same or similar types of services Executive performed for the Company at any time during the last two years of his employment with the Company or (y) in which Executive could reasonably be expected to use or disclose Proprietary Information, in the case of each of (a), (b), or (c), in the Restricted Territory. The term "Business" means any business in the healthcare and related technology field or part thereof that develops, manufactures, markets, licenses, sells or provides any product or service that competes with any product or service developed, manufactured, marketed, licensed, sold or provided, or planned to be developed, manufactured, marketed, licensed, sold or provided, by the Company Group, in each case at any time during Executive's employment with the Company. The term "Restricted Territory" means each city, county, state, territory and country in which (i) Executive provided services or had a material presence or influence at any time during the last

two years of his employment with the Company or (ii) the Company Group is engaged in or has plans to engage in the Business as of the Date of Termination.

10. Non-Solicitation of Customers, Patients, and Clients. Executive agrees that during the Executive's employment with the Company, and for a period of twelve (12) months following the Date of Termination or Date of Resignation (less any period spent on Garden Leave), the Executive shall not, without the prior written consent of the Company, solicit or negotiate with, directly or indirectly, any customer, patient, client, or other business relation of the Company Group of which the Executive is aware, or knowingly request or advise any customer, patient, client, or other business relation of the Company Group to curtail or cancel its business relationship with the Company Group. The Executive further represents that the Executive's fulfillment of the obligations set forth in this Section 10 shall not cause the Executive any substantial economic hardship or render the Executive unemployable within the industry either during or after the non-solicitation period.

11. Non-Solicitation of Employees. The Executive agrees that while Executive is employed as an employee of the Company and for a period of twelve (12) months after the Date of Termination or Date of Resignation (less any period spent on Garden Leave), the Executive shall not hire, solicit, recruit, induce, entice, or procure directly or indirectly, on the Executive's own account or on behalf of any third party, any officer, executive, director, partner, principal, member, employee, physician, health care provider, representative, agent, consultant or other independent contractor of the Company, its Parent and subsidiaries of the Parent, or any person who was an officer, executive, director, partner, principal, member, employee, representative, agent, consultant or other independent contractor of the Company at any time during the final year of the Executive's employment with the Company, to invest with, or work for the Executive or any person or entity with which the Executive is or intends to be affiliated or encourage any such person to terminate his or her employment or other relationship with the Company Group, without the express written consent of the Company. The Executive further represents that the Executive's fulfillment of the obligations set forth in this Section 11 shall not cause the Executive any substantial economic hardship or render the Executive unemployable within the industry either during or after the non-solicitation period.

12. Corporate Opportunities. Executive will submit to the Company all business, commercial and investment opportunities or offers presented to Executive or of which Executive becomes aware which relate to the business of any Company Group, as such businesses exist at any time during Executive's employment by the Company (collectively, "Corporate Opportunities"). Unless approved by the Board, Executive will not accept or pursue, directly or indirectly, any Corporate Opportunities on Executive's own behalf.

13. Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with Parent, the Company or other subsidiaries of Parent in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of Parent, the Company, or other subsidiaries of Parent which relate to events or occurrences that transpired while the Executive was employed by the Company. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any country, federal, state, or local regulatory authority, or internal investigation by Parent, the Company, or other subsidiaries

of Parent, in each case as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 13.

14. Injunctive Relief. The Executive acknowledges that the Proprietary Information was and in the future may be acquired and/or developed by the Company at great expense, constitutes a special, valuable, and unique asset of the Company, and is owned exclusively by the Company. The Executive acknowledges that the restrictions contained in this Agreement are reasonable and necessary to protect the Company's Proprietary Information and other legitimate business interests. Therefore, the Executive acknowledges and agrees that the Executive's failure to perform any of the covenants in Sections 7-11 of this Agreement would cause irreparable injury to the Company and cause damages to the Company that would be difficult or impossible to ascertain or quantify. Accordingly, without limiting any remedies that may be available with respect to any breach of this Agreement, the Executive consents to the entry of a temporary restraining order and/or an injunction to restrain any breach or threatened breach of this Agreement without showing or proving any actual damage to the Company and without the posting of a bond or other security. Further, the Company shall be entitled to recover its reasonable attorneys' fees, costs, and expenses related to such breach or threatened breach.

15. Extension of Restrictions. In the event of a violation of the covenants contained herein and a proceeding instituted by the Company to prevent and enjoin such violation, then the period of time during which the Executive's business activities shall be restricted, as provided in this Agreement, shall be lengthened by a time period equal to the period between the date of the breach of the terms or covenants contained in this Agreement and the date on which the decision disposing of the issues upon the merits shall become final or not subject to further appeal.

16. Choice of Law; Venue; Consent to Jurisdiction. This Agreement and all matters or disputes relating to the validity, construction, performance, or enforcement hereof and Executive's employment with Company, shall be governed, construed, and controlled by and under the laws of England and Wales,. By signing this Agreement, Executive and Executive's legal counsel each represent and affirm that Executive is individually represented by legal counsel in negotiating the terms of this Agreement, including without limitation the choice of law and forum of this Section 16.

17. Withholding; Authorized Deductions; 280G. All payments made by the Company to the Executive under this Agreement shall subject to withholdings and deductions as required by applicable law and as authorized by the Executive. Notwithstanding anything contained in this Agreement or Parent's applicable equity plan to the contrary, to the extent that any of the payments or benefits by the Company or otherwise to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (collectively, the "Payments") would constitute a "parachute payment" within the meaning of Section 280G of the Code and would, but for this Section 17, be subject (in whole or in part) to

the excise tax imposed pursuant to Section 4999 of the Code (the “Excise Tax”), then the amount of such Payments shall be reduced (in the order provided in the following sentence) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Payments, but only if (i) the net amount of such Payments, as so reduced (and after subtracting the net amount of federal,

state and local income and employment taxes on such reduced Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Payments), is greater than or equal to (ii) the net amount of such Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Payments and the amount of the Excise Tax to which the Executive would be subject in respect of such unreduced Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Payments). The Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Code Section 409A, (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Code Section 409A, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Code Section 409A and (iv) reduction of any payments or benefits otherwise payable to the Executive on a pro-rata basis or such other manner that complies with Code Section 409A; provided, in the case of clauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Parent equity awards shall be first applied to Parent equity awards that would otherwise vest last in time.

18. Assignment; Successors and Assigns. Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other party. Notwithstanding the foregoing, the Company may assign its rights under this Agreement without any such further consent of the Executive to any successor in interest to the Company including in the event that the Company shall effect a reorganization, consolidate with, or merge into any other corporation, limited liability company, partnership, organization, or other entity, or transfer all or substantially all of its properties or assets to any other corporation, limited liability company, partnership, organization, or other entity, in which event all references to the “Company” shall be deemed to mean the assignee or a designated affiliate of the assignee. In addition, the Company may assign this Agreement to another direct or indirect wholly-owned subsidiary of the Parent. The Executive hereby consents to such assignment as set forth in the immediately preceding sentence and further acknowledges and agrees that no further consent by the Executive is necessary to make such assignment. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs, and permitted assigns.

19. Entire Agreement. This Agreement constitutes the entire agreement between the Executive and the Company regarding the subject matter hereof, and supersedes any prior written or oral agreements between the Parties concerning such subject matter. There are no representations, agreements, arrangements, or understandings, oral or written, between the Parties to this Agreement relating to the subject matter contained in this Agreement that are not fully expressed herein. For the avoidance of doubt, this clause shall not interfere with or supersede the Signing Bonus and Loan Repayment agreement with the Executive dated 25 September 2022

which shall continue in full force and effect in accordance with its terms.

20. Enforceability; Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court or arbitrator of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. In the event that any portion or provision of this Agreement

15

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is determined by a court or arbitrator of competent jurisdiction to be unenforceable by reason of excessive scope as to geographic, temporal, or functional coverage, such provision will be deemed to extend only over the maximum geographic, temporal, and functional scope as to which it may be enforceable.

21. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment with the Company to the extent necessary to effectuate the terms contained herein.

22. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

23. Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given (a) upon personal delivery; (b) one (1) business day following the date sent when sent by reputable overnight courier for next business day delivery, charges prepaid; (c) three (3) business days after being sent by registered or certified U.S. mail, return receipt requested and postage prepaid; or (d) the business day sent (or next business day if not sent on a business day or not sent during normal business hours of the recipient) if sent electronically with delivery confirmation, in each case to the appropriate address and email address set forth below (or to such other addresses and email address as a party may designate by written notice to the other parties:

Notices to Employee:

On file with the Company

Notices to the Company:

Babylon, Inc.
2500 Bee Cave Road
Austin TX 78746
Attn:
Email:

With copies to (which will not constitute notice to the Company):

Email:

Any party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth. Notices hereunder shall be effective on the date of delivery in person or by courier or three (3) days after the date mailed.

24. No Strict Construction; Representation by Counsel. The Parties have participated jointly in the negotiation and drafting of this Agreement, including without limitation that each of

the Executive and the Company has negotiated the restrictive covenants set forth in Sections 6-12 of this Agreement and the choice of law and choice of forum clauses herein with and through their respective independent legal counsel. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word “including” or “includes” shall mean including without limitation.

25. Amendment; Modification. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company (that is not the Executive).

26. Counterparts. This Agreement may be executed in any number of counterparts (including by means of facsimile or electronic mail in .pdf format), each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

27. Consent on the Part of the Company. For purposes of this Agreement, consent on the part of the Company means the written, signed consent of the Parent’s Board of Directors.

28. Disclosure to Future Employers. The Executive agrees that, for 24 months following the Date of Termination, the Executive will provide to any prospective employer, partner, or co-venturer (prior to entering into an employment or other business relationship with such entity or person) a copy of the provisions of this Agreement containing post-employment obligations or, alternatively, an accurate, written description of the post-employment obligations contained in Sections 6-12 of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective on the date and year first above written.

BABYLON, INC.

DocuSigned by:

Samira Lowman



Signer Name: Samira Lowman
Signing Reason: I approve this document
Signing Time: 9/28/2022 | 16:01 BST

By: _____

45BF6D99DA8C456AA14B537CAE03D583

Its: Chief People Officer

EXECUTIVE

DocuSigned by:

David Humphreys



Signer Name: David Humphreys
Signing Reason: I approve this document
Signing Time: 9/28/2022 | 13:58 BST

David Humphreys

273E3CA9CFC349359C5B2F41DB121352

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EXHIBIT A

UK Employment, Confidential Information, Invention Assignment, and Arbitration Agreement

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DocuSign**Certificate Of Completion**

Envelope Id: 689E3E650EC54F4895353D60F28C0DC3	Status: Completed
Subject: David Humphreys - UK Babylon-Executive Employment Agreement	
Source Envelope:	
Document Pages: 19	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Disabled	US People Signatures
Time Zone: (UTC) Dublin, Edinburgh, Lisbon, London	1 Knightsbridge Green
	London, London SW1X 7QA
	uspeople.signatures@babylonhealth.com
	IP Address: 173.2.160.170

Record Tracking

Status: Original	Holder: US People Signatures	Location: DocuSign
9/27/2022 8:52:26 PM	uspeople.signatures@babylonhealth.com	

Signer Events

Signature	Timestamp
David Humphreys	Sent: 9/27/2022 8:52:26 PM
david.humphreys@babylonhealth.com	Viewed: 9/27/2022 9:52:25 PM
Incoming CFO	Signed: 9/28/2022 1:58:55 PM

Security Level: Email, Account Authentication
(Required)

Signature Adoption: Pre-selected Style
Signature ID:
273E3CA9-CFC3-4935-9C5B-2F41DB121352
Using IP Address: 47.19.88.21

With Signing Authentication via DocuSign password
With Signing Reasons (on each tab):
I approve this document

Electronic Record and Signature Disclosure:
Accepted: 9/1/2021 11:49:14 AM
ID: 0a14a7ce-7b73-4e6f-9412-9c6949c0b792

Samira Lowman
samira.lowman@babylonhealth.com
Chief People Officer

Security Level: Email, Account Authentication
(Required)

Samira Lowman

Signature Adoption: Pre-selected Style
Signature ID:
45BF6D99-DA8C-456A-A14B-537CAE03D583
Using IP Address: 24.228.193.211

With Signing Authentication via DocuSign password

Sent: 9/28/2022 1:58:56 PM
Viewed: 9/28/2022 4:01:10 PM
Signed: 9/28/2022 4:01:23 PM

With Signing Reasons (on each tab):
I approve this document

Electronic Record and Signature Disclosure:
Accepted: 8/24/2021 1:56:08 PM
ID: 08110935-5080-454a-90eb-6dc1878d7ebc

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	9/27/2022 8:52:26 PM
Certified Delivered	Security Checked	9/28/2022 4:01:10 PM
Signing Complete	Security Checked	9/28/2022 4:01:23 PM
Completed	Security Checked	9/28/2022 4:01:23 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Babylon Partners Limited (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Babylon Partners Limited:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: richard.grundy@babylonhealth.com

To advise Babylon Partners Limited of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at richard.grundy@babylonhealth.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Babylon Partners Limited

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to richard.grundy@babylonhealth.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that

time, if any.

To withdraw your consent with Babylon Partners Limited

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to richard.grundy@babylonhealth.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Babylon Partners Limited as described above, you consent to

receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Babylon Partners Limited during the course of your relationship with Babylon Partners Limited.

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is made as of the 27th day of July and shall be effective on August 1, 2022 (the “Effective Date”), between Babylon Inc., a Delaware corporation (the “Company”), and Paul-Henri Ferrand, an individual who is a resident of the state of California (the “Executive” and, together with the Company, the “Parties” and each as a “Party”). In consideration of the mutual covenants and agreements set forth herein, the Parties, intending to become legally bound, hereby covenant and agree as follows:

RECITALS

A. The following recitals shall be considered as part of this Agreement and explain the general nature and purpose of the Company’s business and the Parties’ rights and obligations under this Agreement. Any interpretation and construction of this Agreement shall be considered in light of these recitals.

B. Company and Executive desire to enter into this Agreement, effective as of the Effective Date.

C. Company is engaged in the specialized, highly competitive, and highly regulated business of delivering health-related services and information via electronic information and telecommunication technologies.

D. Company desires to employ Executive and Executive desires to accept such employment, under the terms and conditions stated in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants, agreements, and obligations contained in this Agreement, the Executive’s at-will employment, the Executive’s access to confidential, proprietary, and/or trade secret information, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Employment.

(a) At-Will Employment with the Company. The Company hereby continues to employ the Executive, and the Executive hereby accepts such employment, on the terms set forth herein. Executive’s employment relationship with the Company remains at-will. As such, Executive and the Company are free to end the employment relationship at any time, for any reason, or for no reason.

(b) Position and Duties. Executive shall serve as the Chief Operating Officer of the Company (the “COO”), and shall have responsibilities and duties consistent with such position, as well as such additional powers, responsibilities and duties as may from time to time be prescribed by the Board of Directors (the “Board”) of Babylon Holdings Limited (“Parent”), the Company’s ultimate parent company, provided that such duties are consistent with the level of

the Executive's position or other positions that Executive may hold from time to time. Executive's normal place of work will be in San Francisco, California, and Executive will travel on business as required. The Executive shall devote Executive's full working time, energies, and talents exclusively to the Executive's duties for the Company and to promote the interests of the Company. During the term of Executive's at-will employment pursuant to this Agreement (the "Term"), Executive shall not, without prior written consent from the Board, serve as or be a consultant to or an employee, officer, agent, representative, manager, or director of any other entity where such service creates a conflict of interest or in any manner interferes with or reduces his efficiency or effectiveness as an executive of the Company.

2. Compensation and Related Matters.

(a) Base Salary. During the Term, the Executive's initial base salary shall be at the gross annual rate of \$700,000. The Executive's base salary may be adjusted from time to time by the Board. The annual base salary rate in effect at any given time is referred to herein as the "Base Salary." The Base Salary shall be payable bi-weekly in accordance with the Company's normal payroll procedures for senior executives.

(b) Bonus. The Executive shall have an annual target bonus opportunity of 100% of Executive's Base Salary (the "Bonus"), as determined in the Board's sole discretion, based upon achievement of individual and Company performance objectives as set by the Board on an annual basis. Any Bonus that becomes payable shall be paid to the Executive on or before thirty (30) days following delivery to the Board of the audited financial statements of Parent for the year to which such Bonus relates and the opinion of Parent's registered independent public accounting firm thereon; provided that the Executive must be employed by the Company on the day such Bonus is to be paid in order to be eligible to receive such Bonus except as otherwise provided in Section 4 below.

(c) Time-Based Equity Grants.

(i) Subject to Executive signing the Confidentiality and Business Protection Agreement before the grant is made and subject to approval of the Board at the date of grant and to the commencement and continuation of Executive's employment pursuant to this Agreement through the date of grant, on the Parent's next scheduled equity grant date following commencement of Executive's employment, Executive will be granted 2,000,000 Class A ordinary shares in Parent (the "Replacement Grant") that will vest, as to 50% of the shares, on the date of grant, and, as to the remaining 50% of the shares, on the six-month anniversary of the date of grant, subject to Executive's continued employment through such vesting date. Executive acknowledges and agrees that upon the full vesting of the Replacement Grant, the option to purchase 1,291,361 Class A ordinary shares in Parent at an exercise price of \$10.00 per share, granted to Executive on October 21, 2021, shall terminate and be of no further force or effect.

(ii) Subject to Executive signing the Confidentiality and Business

Protection Agreement before the grant is made and subject to approval of the Board at the date of grant and to the commencement and continuation of Executive's employment pursuant to this Agreement through the date of grant, on the Parent's next scheduled

equity grant date following commencement of Executive's employment, Executive will be granted 2,000,000 restricted Class A ordinary shares in Parent (the "Equity Grant") that will vest as follows: 20%, 20%, 30% and 30% of the Class A ordinary shares subject to the award on each of the first, second, third and fourth anniversaries of the Effective Date, respectively, subject to Executive's continued employment through each applicable vesting date; provided that, if, at any time prior to the fourth anniversary of the Effective Date, either (x) the closing price of Parent's Class A ordinary shares on the New York Stock Exchange (or other applicable national securities exchange) (the "Share Price") equals or exceeds \$20.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30 trading-day period or (y) the Parent's market capitalization is equal to or greater than \$8,327,361,300 for at least 20 trading days during any 30 trading-day period, then the Equity Grant will become 100% vested, subject to Executive's continued employment through the date on which such Share Price or market capitalization target is attained.

(iii) At all times, the Replacement Grant and the Equity Grant will be governed solely by the terms of Parent's 2021 Equity Incentive Plan (the "**Plan**") and applicable award grant agreement. Executive will be eligible for future equity awards as determined by the Board in its sole discretion.

(d) Performance-Based Equity Grants. Subject to approval of the Board at the date of grant, and the continuation of Executive's employment pursuant to this Agreement through the date of grant, on the Parent's next scheduled equity grant date following the Effective Date, Executive will be granted (i) 2,000,000 restricted stock units covering Class A ordinary shares in Parent that will vest if, at any time following the date of grant either (x) the Share Price equals or exceeds \$10.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days during any 30 trading-day period, or (y) the Parent's market capitalization is equal to or greater than \$4,163,680,650 for at least 20 trading days during any 30 trading-day period and subject to Executive's continued employment through the date on which such Share Price or market capitalization target is attained; (ii) 1,000,000 restricted stock units covering Class A ordinary shares in Parent that will vest if, at any time following the date of grant, either (x) the Share Price equals or exceeds \$15.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days during any 30 trading-day period, or (y) the Parent's market capitalization is equal to or greater than \$6,245,520,975 for at least 20 trading days during any 30 trading-day period and subject to Executive's continued employment through the date on which such Share Price or market capitalization target is attained; and (iii) 1,000,000 restricted stock units covering Class A ordinary shares in Parent that will vest if, at any time following the date of grant, either (x) the Share Price equals or exceeds \$20.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days during any 30 trading-day

period, or (y) the Parent's market capitalization is equal to or greater than \$8,327,361,300 for at least 20 trading days during any 30 trading-day period and subject to Executive's continued employment through the date on which such Share Price or market capitalization target is attained. To the extent any of the performance equity grants described in this Section 2(d) remain unvested as of the date of the Executive's termination of employment for any reason, such grant(s) will be automatically forfeited as of the date of such termination. At all times, the performance equity

grants described in this Section 2(d) will be governed solely by the terms of the Plan and the applicable award grant agreement.

(e) In the event of a Change in Control (as defined in the Plan), and provided that Executive remains in employment immediately prior to such Change in Control, the Replacement Grant, the Equity Grant and each of the performance equity grants described in Section 2(d), to the extent not yet vested, will automatically vest as of the date of the Change in Control. Notwithstanding anything herein or in the Parent equity plans to the contrary, in the event that the Company's Class A ordinary shares cease to be publicly traded in connection with a take private acquisition (without an accompanying Change in Control), any outstanding equity awards granted to Executive under Parent equity plans may not be amended or modified in connection with such take private acquisition in a manner adverse to Executive without Executive's consent; provided, however, that the Board may provide for accelerated vesting (as to 100% of the Class A ordinary shares subject to the outstanding award, in the case of any time-based awards, and based on performance achievement through the date of the take private acquisition, in the case of any performance-based awards) and cancellation in exchange for a cash payment in respect of the vested shares subject to such equity awards (or the positive spread value, in the case of any option) without Executive's consent. To the extent that the performance equity grants described in Section 2(d) remain outstanding following a take private acquisition (without an accompanying Change in Control), the Company agrees to obtain independent third-party valuations on a periodic basis to assess whether the performance criteria applicable to such performance equity grants have been achieved.

(f) Paid Time Off. Executive shall be entitled to take Paid Time Off ("PTO"), which includes paid sick leave, in each full calendar year and taken in accordance with the Company's established policies, which may be subject to periodic review and modification by the Board.

(g) Business Expense Reimbursement. The Company shall reimburse the Executive for all reasonable and documented out-of-pocket expenses incurred by the Executive in the course of performing the Executive's duties and responsibilities under this Agreement. Expenses reimbursement shall be provided in accordance with the Company's policies in effect, which may be subject to periodic review and modification by the Board.

(h) Other Benefits. During the Term, the Executive and, to the extent permitted by the applicable Employee Benefit Plans, their spouse, and other dependents, shall be entitled to participate in the Company's Employee Benefit Plans as the Company may adopt or maintain from

participate in the Company's Employee Benefit Plans as the Company may adopt or maintain from time to time generally for all or most of its executives of the same status within the hierarchy of the Company. As used herein, the term "Employee Benefit Plans" means any 401(k) retirement plan, deferred compensation plan, savings and profit-sharing plan, life insurance plan, medical insurance plan, dental insurance plan, disability plan, and health and accident plan or arrangement as may be established or maintained by the Company generally for employees of the same status as Executive, any of which may be changed or eliminated by the Company at any time (subject to the applicable plan, arrangement, or law). Such participation shall be subject to the terms, conditions, and overall administration of such plan or arrangement. Nothing contained in this Agreement shall be construed to create any obligation on the part of the Company to establish or

maintain the effectiveness of any such or particular plan, program, or benefit, which may be subject to periodic review, modification, and/or termination by the Board.

3. Termination or Resignation. Executive's employment hereunder may be terminated under the following circumstances:

(a) Death. Executive's employment shall automatically terminate immediately upon the Executive's death.

(b) Disability. The Company may terminate the Executive's employment upon the Executive's Disability. For purpose of this Agreement, "Disability" shall mean the Executive's inability, due to physical or mental impairment or any other condition, to perform the essential functions of the Executive's job, with reasonable accommodation, for 180 days in total in any 365-day period, irrespective of whether such days are consecutive, as determined in good faith by the Board. The Parties agree that the Executive's inability to perform the essential functions of the Executive's job, with reasonable accommodation, for 180 days in a 365-day period would constitute an undue hardship on the Company.

(c) Termination by Company for Any Reason and Without Cause. The Company may terminate the Executive's employment hereunder at any time for any reason. Any termination by the Company of the Executive's employment under this Agreement that does not constitute a termination by the Company for Cause under Section 3(d) shall be deemed a termination without Cause.

(d) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder at any time for Cause. For purposes of this section of the Agreement, "Cause" shall mean: (i) the Executive's commission of, or pleading guilty or nolo contendere to a crime constituting (A) a felony under the laws of the United States or any state thereof or (B) a misdemeanor involving moral turpitude, misappropriation, dishonesty, unethical business conduct, fraud, or breach of fiduciary duty, or (C) any crime in connection with the delivery of health care services; (ii) the Executive engaged in fraudulent or criminal activity (whether or not prosecuted); (iii) the Executive's conduct, even if not in conjunction with the Executive's duties hereunder, which could reasonably be expected to, or which does, cause the Company economic harm or which brings the Company into public disgrace or disrepute; (vi) the Executive obtaining any personal profit not previously and thoroughly disclosed to and approved by the Board in connection with any transaction entered into by, or on behalf of, or in relation to, the Company.

(e) Performance Related Reasons for Termination for Cause. In addition section (d) above, for purposes of this section of the Agreement, the Company may terminate the Executive's employment for performance reasons such as: (i) the Executive's failure to perform duties hereunder as reasonably directed by the Board (other than any such failure resulting from incapacity due to physical or mental illness), which is not immediately cured following written notice thereof to the Executive; (ii) the Executive's gross negligence or willful misconduct with respect to the Company in the performance of the Executive's duties hereunder; (iii) the Executive's violation of any of the terms of the Company's established rules or policies (including, but not limited to, policies concerning insider trading or sexual harassment, code of

ethics, and business conduct) which, if curable, is not cured to the Board's reasonable satisfaction within thirty (30) days after written notice thereof to the Executive; (iv) any other material breach of this Agreement by the Executive, which, if curable, is not cured within thirty (30) days after written notice thereof. With respect to items (i), (ii) and (iii), above, the Company will have no obligation to provide an opportunity to cure in the event the failure, violation, or breach is not reasonably susceptible to cure, and, in such event, the Company may terminate the employment for Cause with immediate effect

(f) Resignation for Good Reason. The Executive may terminate his employment hereunder at any time for Good Reason. For purposes of this Agreement, "Good Reason" means the occurrence of one or more of the following events effected without providing the Executive's prior notice of the changes: (i) the assignment to Executive of substantial new duties or a substantial reduction of Executive's duties, either of which results in a material diminution in Executive's position or responsibilities with the Company; (ii) a change in the Executive's title or reporting structure so that he is no longer the Chief Operating Officer of Babylon; (iii) a reduction by the Company in the base salary of Executive by fifteen percent (15%) or more unless similar such reductions occur concurrently with and apply to other members of the Company's senior management; (iv) a move in the Executive's normal place of work which is greater than fifty (50) miles from San Francisco, California; or (v) any material breach by the Company of any material provision of this Agreement.

Executive will not terminate his employment for Good Reason without first providing the Company with written notice of the acts or omissions constituting the grounds for "Good Reason" within ninety (90) days of the initial existence of such grounds and allowing the Company thirty (30) days following the date of such notice ("Cure Period") to cure such grounds. If the Company has not cured within the Cure Period, the Executive's employment shall terminate.

(g) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written notice to the other party hereto specifying the specific termination provision in this Agreement relied upon to affect such termination.

(h) Date of Termination. The date on which the Executive's employment with the Company terminates shall be referred to herein as the "Date of Termination."

4. Compensation Upon Termination or Resignation

(a) Accrued Benefit. If the Executive's employment with the Company is terminated by the Company without Cause, or terminated by the Executive for Good Reason, the Company shall pay or provide to the Executive (or to the Executive's authorized representative or estate): (i) any Base Salary earned through the Date of Termination; (ii) any unpaid expense reimbursements; and (iii) any vested benefits the Executive may have under any Employee Benefit Plan through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such Employee Benefit Plan (collectively, the "Accrued Benefit").

(b) Termination by the Company Without Cause or Resignation for Good Reason.

(i) If the Executive's employment is terminated by the Company without Cause, then the Company shall: (A) pay the Executive an amount equal to twelve (12) months of the Executive's Base Salary then in effect, paid in one lump sum no later than thirty (30) days after the Date of Termination. The benefit under Section 4(b)(i) shall not apply to a termination in connection with a Change in Control covered by Section 4(b)(iii).

(ii) All such payments shall be in addition to payment of the Accrued Benefit, and shall be subject to the Executive signing and returning an executed severance agreement containing, among other provisions, a general release of claims in favor of the Company and related persons and entities, confidentiality, return of property, and non-disparagement, in form and substance satisfactory to the Company (the "Separation Agreement and Release"):

(iii) However, in the event that Executive's employment is terminated without Cause three months before or within twelve (12) months after a Change in Control, then the Company shall pay the Executive an amount equal to twelve (12) months' of the Executive's Base Salary then in effect in one lump sum no later than sixty (60) days after the Date of Termination and subject to receiving the signed Separation Agreement and Release; provided that, if the Date of Termination occurs within three months before a Change in Control, such lump sum payment shall instead be made no later than sixty (60) days after the date of the Change in Control. A "Change in Control" shall be deemed to have occurred if:

(A) any "person" or "group" (within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), but excluding any employee benefit plan of such person and its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of Class A ordinary shares, Class B ordinary shares and/or any other class or classes of capital stock of Parent (if any) representing in the aggregate more than fifty percent (50%) of the voting power of all of the outstanding shares of capital stock of Parent entitled to vote;

(B) there is consummated an agreement or series of related agreements for the sale or other disposition, directly or indirectly, by the Parent of all or substantially all of the Parent's assets; or

(C) there is consummated a merger or consolidation of Parent

(c) there is consummated a merger or consolidation of Parent with any other corporation or entity, and, immediately after the consummation of such merger or consolidation, the voting securities of Parent immediately prior to such merger or consolidation do not continue to represent, or are not converted into, more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of the person resulting from such merger or consolidation or, if the surviving company is a subsidiary, the ultimate parent thereof.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred (A) by virtue of the consummation of any transaction or series of integrated transactions the sole purpose of which is to change the jurisdiction of Parent's incorporation or to form a holding company that will be beneficially owned in substantially the same proportions by the persons who held Parent's voting securities immediately before such transaction or (B) by virtue of the consummation of any other transaction or series of integrated transactions immediately following which the record holders of the Class A ordinary shares, Class B ordinary shares and/or any other class or classes of capital stock of Parent immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in and voting control over, and own substantially all of the shares of, an entity which owns all or substantially all of the assets of Parent immediately following such transaction or series of transactions.

The Board shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto.

(iv) if the Executive was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company for at least six months. However, in the event that Executive's employment is terminated without Cause three months before or within twelve (12) months after a Change in Control, then the Company shall pay, or reimburse to, the Executive an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company for at least twelve (12) months.

(v) in the event that Executive's employment is terminated without Cause three months before or within twelve (12) months after a Change in Control, then (A) the Company shall also pay the prorated amount of Executive's target Bonus; and (B) any outstanding unvested equity awards granted to Executive under Parent equity plans that vest solely based on continued employment or service, if any, will automatically become 100% vested

5. Section 409A.

(a) General. It is the intention of both the Company and Executive that the benefits and rights to which Executive could be entitled pursuant to this Agreement are exempt from or comply with Internal Revenue Code (the "Code") Section 409A, to the extent that the requirements of Code Section 409A are applicable thereto, and the provisions of this Agreement shall be construed in a manner consistent with that intention. Nothing herein shall be construed as an entitlement to or guarantee of any particular tax treatment to the Executive.

(b) Distributions on Account of Separation from Service. If and to the extent required to comply with Code Section 409A, any payment or benefit required to be paid under this Agreement on account of termination of Executive's employment shall be made upon Executive incurring a "separation of service" within the meaning of Code Section 409A.

(c) Timing of Severance Payments. Notwithstanding anything in this Agreement to the contrary, if Executive is deemed to be a "specified employee" for purposes of Code Section 409A, no severance payment or other payments pursuant to, or contemplated by, this Agreement that are subject to Code Section 409A, if any, shall be made to Executive by the Company before the date that is six months after the Executive's "separation from service" (or, if earlier, the date of Executive's death) if and only to the extent that such payment or benefit constitutes a deferral of compensation under Code Section 409A. Any payment or benefit delayed by reason of the prior sentence shall be paid out or provided in a single lump sum at the end of such required delay period in order to catch up to the original payment schedule.

(d) Treatment of Each Installment as a Separate Payment. For purposes of applying the provisions of Code Section 409A to this Agreement, each separately identified amount to which Executive is entitled under this Agreement shall be treated as a separate payment. In addition, to the extent permissible under Code Section 409A, any series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

(e) Expenses. Notwithstanding anything in this Agreement to the contrary, except to the extent any expense or reimbursement hereunder does not constitute a deferral of compensation under Code Section 409A, any expense or reimbursement shall meet the following requirements: (i) the amount of expenses eligible for reimbursement provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year, (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred, (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit, and (iv) the reimbursements shall be made pursuant to objectively determinable and nondiscretionary Company policies and procedures regarding such reimbursement expenses.

6. At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement. Executive shall be required to execute the Company's At-Will Employment, Confidential Information, Invention Assignment and Arbitration Agreement as a condition of employment with the Company, which will be enclosed herein as Exhibit A. In addition, Executive acknowledges that they have read and must comply with the following policies of the Parent: (1) Insider Trading Policy; (2) Code of Ethics & Conduct; (3) External Communications Policy; and (4) Global Anti-Bribery and Anti-Corruption Policy.

7. Proprietary Information.

(a) Proprietary Information. The Company has spent extensive time and effort identifying and developing trade secrets, investor relationships, customer relationships, client relationships, supplier relationships, goodwill and economic advantage, other business initiatives, and other confidential information (as further defined below, the "Proprietary Information").

The Executive acknowledges and understands that the Executive will have access to such Proprietary Information solely as a byproduct of the Executive's employment with the Company. The Executive agrees that, at all times during Executive's employment with the Company, and at any time thereafter and without regard to when or for what reasons such employment terminates, the Executive shall not disclose any such Proprietary Information to any person outside the Company or utilize such Proprietary Information to compete against the Company unless such disclosure is (1) necessary for the Executive to perform the Executive's duties as an employee of (and only while employed by) the Company, (2) in response to a valid subpoena or order by a court or other governmental body, or (3) otherwise required by law or regulation. In the event that the Executive receives a subpoena or similar demand to disclose Proprietary Information, the Executive shall promptly notify the Company so that the Company shall have the ability to seek an appropriate protective order prior to the Executive making any disclosure in response to such subpoena or demand. For purposes of this Agreement, "Proprietary Information" shall include, without limitation:

(i) The identity of any current or prospective clients, patients, prospect lists, healthcare provider information, payor information, suppliers, or vendors.

(ii) Information relating to the business, products, affairs, and finances of the Company, for the time being confidential to it.

(iii) Technical data and know-how relating to the business of the Company.

(iv) Any information relating to the Company's technology, marketing, and business plans or strategies.

(v) Any management accounting and other similar financial information that would typically be included in the financial statements of the Company, including, without limitation, the amount of the assets, liabilities, net worth, revenues, or net income.

(vi) The identity of any current or prospective investors, technical data and know-how relating to the business of any of the Company's investors, and names and addresses of the Company's investors and their related individuals.

(vii) Non-public information concerning the Company's employees, including, by way of example only, compensation arrangements, performance information of the type that would typically be maintained in a personnel file, and information concerning such employees' abilities, skills, and relationships which the Company has acquired and/or developed through its investments in the recruitment and employment of such individuals.

(viii) The details of any independent contractor or agency arrangements

(ix) Non-public information relating to legal and professional dealings, real property, tangible property, finances, business, and investment activities, and other personal affairs of the Company.

(x) Any and all books, notes, memoranda, records, correspondence, documents, computer and other discs and tapes, data listings, codes, designs, drawings, and other documents and materials (whether made or created by the Executive or otherwise) relating to the business of the Company or any of its principals; and

(xi) Any other non-public information gained in the course of the Executive's employment with the Company that could reasonably be expected to prove harmful to the Company if disclosed to third parties, including without limitation, any information that could be reasonably expected to aid a competitor or potential competitor of the Company.

(xii) For purposes of this Agreement, "Proprietary Information" shall not include information that (1) was otherwise in the Executive's possession prior to disclosure by the Company as evidenced by Executive's written records; (2) is disclosed to the Executive by a third party who is lawfully in possession of such information and who is not in violation of any contractual, legal, or fiduciary obligation to the Company with respect to such information; or (3) is or becomes part of the public domain other than directly or indirectly, through the breach of this Agreement.

(xiii) Nothing in this Agreement shall be interpreted or applied to prohibit the Executive from making any good faith report to any governmental agency or other governmental entity concerning any act or omission that the Executive reasonably believes constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation. Pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(b) Documents and Records. The Executive agrees that Executive will not make or retain any originals, copies, or reproductions of, or excerpts from, any of the Proprietary Information for the Executive's use or the use of others, except for the Executive's use for the benefit of the Company in the course of and in connection with the Executive's employment with the Company during the Term. On request by the Company, or on termination of the Executive's employment with the Company, the Executive will immediately deliver to the Company all tangible property that embodies or contains any Proprietary Information, including books, notes, memoranda, records, correspondence, documents, computer and other discs and tapes, data

memoranda, records, correspondence, documents, computer and other discs and tapes, data listings, codes, designs, drawings, and other documents and materials relating to the business of the Company, whether prepared or developed by or with the assistance of the Executive or otherwise coming into the Executive's possession, custody, or control and shall certify that all such property has been handed over on request by the Company; provided, however, that the Executive may retain (and make copies of) the Executive's personal non-business-related correspondence files and documents relating to the Executive's personal compensation, benefits, and obligations.

8. Non-Disparagement. The Executive agrees that Executive will not, whether during or after the Executive's employment with the Company, (i) make or publish any derogatory or disparaging statement, orally or in writing, regarding the Company, or any its respective officers, executives, directors, managers, members, employees, or investors, or (ii) in any way, directly or indirectly, cause, encourage or condone the making of such statements by anyone else. Nothing herein shall be deemed to preclude the Executive from testifying truthfully under oath if the Executive is required or compelled by law to testify in any judicial action or before any government authority or agency, from making any other legally required truthful statements or disclosures, or from facilitating or participating in employee performance reviews or disciplinary action.

9. Non-Competition. Executive agrees that during Executive's employment with the Company, and for a period of twelve (12) months following the Date of Termination or Date of Resignation, Executive shall not, without the prior written consent of the Company: (a) operate, conduct, or engage in, or prepare to operate, conduct, or engage in the Business; (b) take an active ownership, financial, or investment role in (except as the holder of not more than one percent of the outstanding stock of a publicly-held company) any Business, or (c) render services to any entity that engages in the Business (x) which involves the same or similar types of services Executive performed for the Company at any time during the last two years of his employment with the Company or (y) in which Executive could reasonably be expected to use or disclose Proprietary Information, in the case of each of (a), (b), or (c), in the Restricted Territory. The term "Business" means any business in the healthcare and related technology field or part thereof that develops, manufactures, markets, licenses, sells, or provides any product or service that competes with any product or service developed, manufactured, marketed, licensed, sold or provided, or planned to be developed, manufactured, marketed, licensed, sold or provided, by the Company, in each case at any time during Executive's employment with the Company. The term "Restricted Territory" means each city, county, state, territory, and country in which (i) Executive provided services or had a material presence or influence at any time during the last two years of his employment with the Company or (ii) the Company is engaged in or has plans to engage in the Business as of the Date of Termination.

10. Non-Solicitation of Customers, Patients, and Clients. Executive agrees that during the Executive's employment with the Company, and for a period of twelve (12) months following the Date of Termination or Date of Resignation, the Executive shall not, without the prior written consent of the Company, solicit or negotiate with any customer, patient, client, or other business relation of the Company of which Executive is aware, or knowingly request or advise any customer, patient, client, or other business relation of the Company to curtail or cancel its business

customer, patient, client, or other business relation of the Company to curtail or cancel its business relationship with the Company. The Executive further represents that the Executive's fulfillment of the obligations set forth in this Section 10 shall not cause the Executive any substantial economic hardship or render the Executive unemployable within the industry either during or after the non-solicitation period.

11. Non-Solicitation of Employees. The Executive agrees that while Executive is employed as an employee of the Company and for a period of twelve (12) months after the Date of Termination or Date of Resignation, the Executive shall not hire, solicit, recruit, induce, entice, or procure on the Executive's own account or on behalf of any third party, any officer, executive, director, partner, principal, member, employee, physician, health care provider, representative, agent, consultant or other independent contractor of the Company, its Parent and subsidiaries of

the Parent, or any person who was an officer, executive, director, partner, principal, member, employee, representative, agent, consultant or other independent contractor of the Company at any time during the final year of the Executive's employment with the Company, to invest with, or work for the Executive without the express written consent of the Company. The Executive further represents that the Executive's fulfillment of the obligations set forth in this Section 11 shall not cause the Executive any substantial economic hardship or render the Executive unemployable within the industry either during or after the non-solicitation period.

12. Corporate Opportunities. Executive will submit to the Company all business, commercial and investment opportunities or offers presented to Executive or of which Executive becomes aware which relate to the business of Parent, the Company, or other subsidiaries of Parent, as such businesses exist at any time during Executive's employment by the Company (collectively, "Corporate Opportunities"). Unless approved by the Board, Executive will not accept or pursue, directly or indirectly, any Corporate Opportunities on Executive's own behalf.

13. Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with Parent, the Company, or other subsidiaries of Parent in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of Parent, the Company, or other subsidiaries of Parent which relate to events or occurrences that transpired while the Executive was employed by the Company. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state, or local regulatory authority, or internal investigation by Parent, the Company, or other subsidiaries of Parent, in each case as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 13.

14. Injunctive Relief. The Executive acknowledges that the Proprietary Information was and, in the future, may be acquired and/or developed by the Company at great expense, constitutes a special, valuable, and unique asset of the Company, and is owned exclusively by the Company. The Executive acknowledges that the restrictions contained in this Agreement are reasonable and necessary to protecting the Company's Proprietary Information and other legitimate business interests. Therefore, the Executive acknowledges and agrees that the Executive's failure to perform any of the covenants in Sections 7-11 of this Agreement would cause irreparable injury to the Company and cause damages to the Company that would be difficult or impossible to ascertain or quantify. Accordingly, without limiting any remedies that may be available with respect to any breach of this Agreement, the Executive consents to the entry of a temporary restraining order and/or an injunction to restrain any breach or threatened breach of this Agreement without showing or proving any actual damage to the Company and without the posting of a bond or other security. Further, the Company shall be entitled to recover its reasonable attorneys' fees, costs, and expenses related to such breach or threatened breach.

15. Extension of Restrictions. In the event of a violation of the covenants contained herein and a proceeding instituted by the Company to prevent and enjoin such violation, then the period of time during which the Executive's business activities shall be restricted, as provided in this Agreement, shall be lengthened by a time period equal to the period between the date of the

breach of the terms or covenants contained in this Agreement and the date on which the decision disposing of the issues upon the merits shall become final or not subject to further appeal.

16. Choice of Law; Venue; Consent to Jurisdiction. This Agreement and all matters or disputes relating to the validity, construction, performance, or enforcement hereof and Executive's employment with Company, shall be governed, construed, and controlled by and under the laws of the State of Texas, without regard to principles of conflicts of laws. To the extent not prohibited by applicable law, each party waives and agrees not to assert, by way of motion, as a defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the courts in Williamson County, Texas, that its property is exempt or immune from attachment or execution, that any such action brought in Williamson County, Texas should be dismissed on grounds of forum non conveniens, should be transferred or removed to any court other than one in Williamson County, Texas, or should be stayed by reason of the pendency of some other proceeding in any other court other than a court in Williamson County, Texas, or that this Agreement or the subject matter hereof may not be enforced in or by any court in Williamson County, Texas, and each party agrees not to commence any such action other than before a court in Williamson County, Texas. Notwithstanding the previous sentence, a party may commence any action in a court other than a court in Williamson County, Texas solely for the purpose of enforcing an order or judgment issued by a court in Williamson County, Texas. Each party agrees that for any action between the Parties arising in whole or in part under or in connection with this Agreement, such Party will bring actions only in Williamson County, Texas. Each party further waives any claim and will not assert that venue should properly lie in any other location within the selected jurisdiction. The Parties consent irrevocably to the jurisdiction over them of any of the aforementioned courts in any such action or proceeding. The Parties agree that the venue provided above is the most convenient forum for both Parties. Executive and Company permanently and irrevocably waive any objection to venue or jurisdiction and any objection based on a more convenient forum in any action under this Agreement. Executive, by and through Executive's legal counsel, participated in the negotiation of all terms in this Agreement including without limitation this Section 16. By signing this Agreement, Executive and Executive's legal counsel each represent and affirm that Executive is individually represented by legal counsel in negotiating the terms of this Agreement, including without limitation the choice of law and forum of this Section 16.

17. Withholding; Authorized Deductions; 280G. All payments made by the Company to the Executive under this Agreement shall subject to withholdings and deductions as required by applicable law and as authorized by the Executive. Notwithstanding anything contained in this Agreement or Parent's applicable equity plan to the contrary, to the extent that any of the payments or benefits by the Company or otherwise to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (collectively, the "Payments") would constitute a "parachute payment" within the meaning of Section 280G of the Code and would, but for this Section 17, be subject (in whole or in part) to the excise tax imposed pursuant to Section 4999 of the Code (the "Excise Tax"), then the amount of such Payments shall be reduced (in the order provided in the following sentence) to the

minimum extent necessary to avoid the imposition of the Excise Tax on the Payments, but only if (i) the net amount of such Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced

Payments), is greater than or equal to (ii) the net amount of such Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Payments and the amount of the Excise Tax to which the Executive would be subject in respect of such unreduced Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Payments). The Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Code Section 409A, (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Code Section 409A, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Code Section 409A and (iv) reduction of any payments or benefits otherwise payable to the Executive on a pro-rata basis or such other manner that complies with Code Section 409A; provided, in the case of clauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Parent equity awards shall be first applied to Parent equity awards that would otherwise vest last in time.

18. Assignment; Successors and Assigns. Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other party. Notwithstanding the foregoing, the Company may assign its rights under this Agreement without any such further consent of the Executive to any successor in interest to the Company including in the event that the Company shall effect a reorganization, consolidate with, or merge into any other corporation, limited liability company, partnership, organization, or other entity, or transfer all or substantially all of its properties or assets to any other corporation, limited liability company, partnership, organization, or other entity, in which event all references to the "Company" shall be deemed to mean the assignee or a designated affiliate of the assignee. In addition, the Company may assign this Agreement to another direct or indirect wholly owned subsidiary of the Parent. The Executive hereby consents to such assignment as set forth in the immediately preceding sentence and further acknowledges and agrees that no further consent by the Executive is necessary to make such assignment. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs, and permitted assigns.

19. Entire Agreement. This Agreement constitutes the entire agreement between the Executive and the Company regarding the subject matter hereof and supersedes any prior written or oral agreements between the Parties concerning such subject matter. There are no representations, agreements, arrangements, or understandings, oral or written, between the Parties to this Agreement relating to the subject matter contained in this Agreement that are not fully expressed herein.

20. Enforceability; Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court or arbitrator of competent jurisdiction,

then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. In the event that any portion or provision of this Agreement is determined by a court or arbitrator of competent jurisdiction to be unenforceable by reason of excessive scope as to geographic, temporal, or functional coverage, such provision will be deemed to extend only over the maximum geographic, temporal, and functional scope as to which it may be enforceable.

21. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment with the Company to the extent necessary to effectuate the terms contained herein.

22. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

23. Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given (a) upon personal delivery; (b) one (1) business day following the date sent when sent by reputable overnight courier for next business day delivery, charges prepaid; (c) three (3) business days after being sent by registered or certified U.S. mail, return receipt requested and postage prepaid; or (d) the business day sent (or next business day if not sent on a business day or not sent during normal business hours of the recipient) if sent electronically with delivery confirmation, in each case to the appropriate address and email address set forth below (or to such other addresses and email address as a party may designate by written notice to the other parties:

Notices to Employee:

On file with the Company

Notices to the Company:

Babylon Healthcare, Inc.
2500 Bee Cave Road
Austin TX 78746
Attn: General Counsel

Any party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth. Notices hereunder shall be effective on the date of delivery in person or by courier or three (3) days after the date mailed.

24. No Strict Construction; Representation by Counsel. The Parties have participated jointly in the negotiation and drafting of this Agreement, including without limitation that each of the Executive and the Company has negotiated the restrictive covenants set forth in Sections 6-12 of this Agreement and the choice of law and choice of forum clauses herein with and through their respective independent legal counsel. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any law shall be deemed also to refer to all rules and regulations promulgated thereunder unless the context requires otherwise. The word “including” or “includes” shall mean including without limitation.

25. Amendment; Modification. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company (that is not the Executive).

26. Counterparts. This Agreement may be executed in any number of counterparts (including by means of facsimile or electronic mail in .pdf format), each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

27. Consent on the Part of the Company. For purposes of this Agreement, consent on the part of the Company means the written, signed consent of the Parent's Board of Directors.

28. Disclosure to Future Employers. The Executive agrees that, for 24 months following the Date of Termination, the Executive will provide to any prospective employer, partner, or co-venturer (prior to entering into an employment or other business relationship with such entity or person) a copy of the provisions of this Agreement containing post-employment obligations or, alternatively, an accurate, written description of the post-employment obligations contained in Sections 6-12 of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective on the date and year first above written.

BABYLON HEALTHCARE, INC.

DocuSigned by:
Samira Lowman
Signer Name: Samira Lowman
Signing Reason: I approve this document
Signing Time: 7/29/2022 | 00:56 BST
45BF6D99DA8C456AA14B537CAE03D583

By: _____
Its: Chief People Officer

EXECUTIVE

DocuSigned by:
Paul-Henri Ferrand
Signer Name: Paul-Henri Ferrand
Signing Reason: I approve this document
Signing Time: 7/29/2022 | 00:53 BST
68536265B6E24D51888135E3CBEE0049

Paul-Henri Ferrand

EXHIBIT A

At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement

CONFIDENTIALITY AND BUSINESS PROTECTION AGREEMENT

As a condition of my employment or continued employment (as applicable) with Babylon Inc. (the “Company”), a subsidiary of Babylon Holdings Limited (together with any sister corporations, subsidiaries, parents, or affiliates of the Company, the “Company Group”), and in consideration of my employment or continued employment (as applicable) with the Company, my access or continued access (as applicable) to confidential information and trade secrets, my eligibility to earn a performance bonus and my eligibility to receive a grant of equity, that I shall receive conditional upon signing this Agreement, which shall be consideration for my agreement to fulfill my obligations under Section 7, and my receipt of the compensation now and hereafter paid to me by the Company, I agree to the following provisions of this agreement (“Agreement”). This Agreement shall be effective as of the date on which it has been signed by both the Company and me (the “Effective Date”).

1. AT-WILL EMPLOYMENT

I understand and acknowledge that my employment with the Company is for no specified term and constitutes “at-will” employment. I also understand that any representation to the contrary is unauthorized and not valid unless in writing and signed by the CEO of the Company. Accordingly, I acknowledge that my employment relationship may be terminated at any time, with or without good cause or for any or no cause, at my option or at the option of the Company, with or without notice. I further acknowledge that the Company may modify job titles, reporting lines, salaries and benefits from time to time as it deems necessary.

2. CONFIDENTIALITY

A. Definition of Company Confidential Information. I understand that “Company Confidential Information” means information (including any and all combinations of individual items of information) that the Company Group has or will develop, acquire, create, compile, discover or own, that has value in or to the Company Group’s business which is not generally known and which the Company Group wishes to maintain as confidential. Company Confidential Information includes both information disclosed by the Company Group to me, and information developed or learned by me during the course of my employment with the Company. Company Confidential Information also includes all information of which the unauthorized disclosure could be detrimental to the interests of the Company Group, whether or not such information is identified as Company Confidential Information. By example, and without limitation, Company Confidential Information includes any and all non-public information that relates to the actual or anticipated business and/or products, research or development of the Company Group, or to the Company Group’s technical data, trade secrets, personally identifiable information, protected health information, or know-how, including, but not limited to, research, product plans, or other information regarding the Company Group’s products or services and markets therefor, customer lists and customers (including, but not limited to, customers of the Company Group on which I called or with which I may become acquainted during the term of my employment), software,

Group on which I relied or with which I may become acquainted during the term of my employment), software, developments, inventions, discoveries, ideas, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances, and other business information disclosed by the Company Group either directly or indirectly in writing, orally or by drawings or inspection of premises, parts, equipment, or other Company Group property. Notwithstanding the foregoing, Company Confidential Information shall not include any such information which I can establish (i) was publicly known or made generally available prior to the time of disclosure by the Company Group to me; (ii) becomes publicly known or made generally available after disclosure by the Company Group to me through no wrongful action or omission by me; or (iii) is in my rightful possession, without confidentiality obligations, at the time of disclosure by the Company Group as shown by my then-contemporaneous written records; provided that any combination of individual items of information shall not be deemed to be within any of the foregoing exceptions merely because one or more of the individual items are within such exception, unless the combination as a whole is within such exception. I understand that nothing in this Agreement limits employees' rights to discuss the terms, wages, and working conditions of their employment, as protected by applicable law.

B. Nonuse and Nondisclosure. I agree that during and after my employment with the Company, I will hold in the strictest confidence, and take all reasonable precautions to prevent any unauthorized use or disclosure of Company Confidential Information. I will not (i) use Company Confidential Information for any purpose whatsoever other than for the benefit of the Company Group in the course of my employment, or (ii) disclose Company Confidential Information to any third party without the prior written authorization of the CEO, or the Board of Directors of the Company. Prior to disclosure, when compelled by applicable law, I shall provide prior written notice to the CEO, and General Counsel of the Company (as applicable). I agree that I obtain no title to any Company Confidential Information, and that the Company Group retains all Confidential Information as the sole property of the Company Group. I understand that my unauthorized use or disclosure of Company Confidential Information during my employment may lead to disciplinary action, up to and including, immediate termination and legal action by the Company Group. I understand that my obligations under this Section 2.B shall continue after termination of my employment and also that nothing in this Agreement prevents me from engaging in protected activity, as described in Section 14 below.

C. Former Employer Confidential Information. I agree that during my employment with the Company, I will not improperly use, disclose, or induce the Company Group to use any proprietary information or trade secrets of any former employer or other person or entity with which I have an obligation to keep such proprietary information or trade secrets in confidence. I further agree that I will not bring onto the Company Group's premises or transfer onto the Company Group's technology systems any unpublished document, proprietary information, or trade secrets belonging to any such third party unless disclosure to, and use by, the Company Group has been consented to in writing by such third party and the Company.

D. Third Party Information. I recognize that the Company Group has received, and in the future may receive, from third parties (for example, customers, suppliers, licensors, licensees, partners, and collaborators) ("Associated Third Parties"), information which the Company Group is required to maintain and treat as confidential or proprietary information of such Associated Third Parties ("Associated Third Party Confidential Information"), and I agree to use such Associated Third Party Confidential Information only as directed by the Company and to not use or disclose such Associated Third Party Confidential Information in a manner that would violate the Company Group's obligations to such Associated Third Parties. By way of example, Associated Third Party Confidential Information may include the habits or practices of Associated Third Parties, the technology of Associated Third Parties, requirements of Associated Third Parties, and information related to the business conducted between the Company Group and such Associated Third Parties. I agree at all times during my employment with the Company and thereafter, that I owe the Company Group and its Associated Third Parties a duty to hold all such Associated Third Party Confidential Information in the strictest confidence, and not to use it or to disclose it to any person, firm, corporation, or other third party except as necessary in carrying out my work for the Company consistent with the Company Group's agreement with such Associated Third Parties. I further agree to comply with any and all Company Group policies and guidelines that may be adopted from time to time regarding Associated Third Parties and Associated Third Party Confidential Information. I understand that my unauthorized use or disclosure of Associated Third Party Confidential Information or violation of any Company policies during my employment may lead to disciplinary action, up to and including immediate termination and legal action by the Company.

3. OWNERSHIP

A. Assignment of Inventions. As between the Company and myself, I agree that all right, title, and interest in and to any and all copyrightable material, notes, records, ideas, drawings, designs, logos, inventions, improvements, developments, discoveries and trade secrets conceived, discovered, authored, invented, developed or reduced to practice by me, solely or in collaboration with others, during the period of time I am in the employ of the Company (including during my off-duty hours), or with the use of the Company's equipment, supplies, facilities, or Company Confidential Information, and any copyrights, patents, trade secrets, mask work rights or other intellectual property rights relating to the foregoing, except as provided in Section 3.G below (collectively, "Inventions"), are the sole property of the Company. I also agree to promptly make full written disclosure to the Company of any Inventions, and to deliver and assign and hereby irrevocably assign fully to the

Company all of my right, title and interest in and to Inventions. I agree that this assignment includes a present conveyance to the Company of ownership of Inventions that are not yet in existence. I further acknowledge that all original works of authorship that are made by me (solely or jointly with others) within the scope of and during the period of my employment with the Company and that are protectable by copyright are “works made for hire,” as that term is defined in the United States Copyright Act. I understand and agree that the decision whether or not to commercialize or market any Inventions is within the Company’s sole discretion and for the Company’s sole benefit, and that no royalty or other consideration will be due to me as a result of the Company’s efforts to commercialize or market any such Inventions.

B. Pre-Existing Materials. I will inform the Company in writing before incorporating any inventions, discoveries, ideas, original works of authorship, developments, improvements, trade secrets and other proprietary information or intellectual property rights owned by me or in which I have an interest prior to, or separate from, my employment with the Company, including without limitation, any such inventions that meet the criteria set forth herein under Section 3.G (“Prior Inventions”) into any Invention or otherwise utilizing any such Prior Invention in the course of my employment with the Company, and the Company is hereby granted a nonexclusive, royalty-free, perpetual, irrevocable, transferable worldwide license (with the right to grant and authorize sublicenses) to make, have made, use, import, offer for sale, sell, reproduce, distribute, modify, adapt, prepare derivative works of, display, perform, and otherwise exploit such Prior Inventions, without restriction, including, without limitation, as part of or in connection with such Invention, and to practice any method related thereto. I will not incorporate any inventions, discoveries, ideas, original works of authorship, developments, improvements, trade secrets and other proprietary information or intellectual property rights owned by any third party into any Invention without the Company’s prior written permission. I have attached hereto as Exhibit A, a list describing all Prior Inventions that relate to the Company’s current or anticipated business, products, or research and development or, if no such list is attached, I represent and warrant that there are no such Prior Inventions. Furthermore, I represent and warrant that if any Prior Inventions are included on Exhibit A, they will not materially affect my ability to perform all obligations under this Agreement.

C. Moral Rights. Any assignment to the Company of Inventions includes all rights of attribution, paternity, integrity, modification, disclosure and withdrawal, and any other rights throughout the world that may be known as or referred to as “moral rights,” “artist’s rights,” “droit moral,” or the like (collectively, “Moral Rights”). To the extent that Moral Rights cannot be assigned under applicable law, I hereby waive and agree not to enforce any and all Moral Rights, including, without limitation, any limitation on subsequent modification, to the extent permitted under applicable law.

D. Maintenance of Records. I agree to keep and maintain adequate, current, accurate, and authentic written records of all Inventions made by me (solely or jointly with others) during the term of my employment with the Company. The records will be in the form of notes, sketches, drawings, electronic files, reports, or any other format that may be specified by the Company. As between the Company and myself, the records are and will be available to and remain the sole property of the Company at all times.

E. Further Assurances. I agree to assist the Company, or its designee, at the Company’s expense, in every proper way to secure the Company’s rights in the Inventions in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, and all other instruments that the Company shall deem proper or necessary in order to apply for, register, obtain, maintain, defend, and enforce such rights, and in order to deliver, assign and convey to the Company, its successors, assigns, and nominees the sole and exclusive rights, title, and interest in and to all Inventions, and testifying in a suit or other proceeding relating to such Inventions. I further agree that my obligations under this Section 3.E shall continue after the termination of this Agreement.

F. Attorney-in-Fact. I agree that, if the Company is unable because of my unavailability, mental or physical incapacity, or for any other reason to secure my signature with respect to any Inventions, including, without limitation, for the purpose of applying for or pursuing any application for any United States or foreign patents or mask work or copyright registrations covering the Inventions assigned to the Company in Section 3.A, then I hereby irrevocably designate and appoint the Company and its duly authorized officers and

Page 3 of 16

agents as my agent and attorney-in-fact, to act for and on my behalf to execute and file any papers and oaths, and to do all other lawfully permitted acts with respect to such Inventions to further the prosecution and issuance of patents, copyright and mask work registrations with the same legal force and effect as if executed by me. This power of attorney shall be deemed coupled with an interest, and shall be irrevocable.

G. Exception to Assignments. I understand that the provisions of this Agreement requiring assignment of Inventions to the Company do not apply to any Invention that I have developed entirely on my own time without using the Company's equipment, supplies, facilities, trade secret information or Company Confidential Information (an "Other Invention") except for those Other Inventions that either (i) relate at the time of conception or reduction to practice of such Other Invention to the Company's business, or actual or anticipated research or development of the Company or (ii) result from or relate to any work that I performed for the Company or to any Company Confidential Information or Inventions, or if I work for the Company in a state covered by one of the state-specific statutes in Exhibit E at the time such Other Invention is conceived or reduced to practice, except for those Other Inventions that qualify fully under the provisions of the applicable state-specific statute in Exhibit E. I will not incorporate, or permit to be incorporated, any Other Invention owned by me or in which I have an interest into a Company product, process or service without the Company's prior written consent. Notwithstanding the foregoing sentence, if, in the course of my employment with the Company, I incorporate into a Company product, process, or service an Other Invention owned by me or in which I have an interest, I hereby grant to the Company a nonexclusive, royalty-free, fully paid-up, irrevocable, perpetual, transferable, sublicensable, worldwide license to reproduce, make derivative works of, distribute, perform, display, import, make, have made, modify, use, sell, offer to sell, and exploit in any other way such Other Invention, and to practice any method related thereto. I agree to advise the Company promptly in writing of any Inventions that I believe meet the criteria of this Section 3.G., and are not otherwise disclosed on Exhibit A, to permit a determination of ownership by the Company. Any such disclosure will be received in confidence.

4. CONFLICTING OBLIGATIONS

A. Current Obligations. I agree that during the term of my employment with the Company, I will not engage in or undertake any other employment, occupation, consulting relationship, or commitment that competes with or is directly related to the business in which the Company Group is now involved or becomes involved or has plans to become involved, nor will I engage in any other activities that in the reasonable opinion of the Company conflict with my obligations to the Company.

B. Prior Relationships. Without limiting Section 4.A., I represent and warrant that I have no other agreements, relationships, or commitments to any other person or entity that conflict with the provisions of this Agreement, my obligations to the Company under this Agreement, or my ability to become employed and perform the services for which I am being hired by the Company. I further agree that if I have signed a confidentiality agreement or similar type of agreement with any former employer or other entity, I will comply with the terms of any such agreement to the extent that its terms are lawful under applicable law. I represent and warrant that after undertaking a careful search (including searches of my computers, cell phones, electronic devices, and documents), I have returned all property and confidential information belonging to all prior employers (and/or other third parties I have performed services for in accordance with the terms of my applicable agreement). Moreover, I agree to fully indemnify the Company, its directors, officers, agents, employees, investors, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assignors for all verdicts, judgments, settlements, and other losses incurred by any of them resulting from my

and assigns for all verdicts, judgments, settlements, and other losses incurred by any of them resulting from my breach of my obligations under any agreement with a third party to which I am a party or obligation to which I am bound, as well as any reasonable attorneys' fees and costs if the plaintiff is the prevailing party in such an action, except as prohibited by law.

5. COMPANY PROPERTY AND MATERIALS

A. Definition of Electronic Media Equipment and Electronic Media Systems. I understand that "Electronic Media Equipment" includes, but is not limited to, computers, external storage devices, thumb drives, mobile devices (including, but not limited to smart phones, tablets, and e-readers), telephone equipment,

Page 4 of 16

and other electronic media devices. I understand that "Electronic Media Systems" includes, but is not limited to, computer servers, messaging and email systems or accounts, applications for computers or mobile devices, and web-based services (including cloud-based information storage accounts).

B. Return of Company Property. I understand that anything that I created or worked on for the Company Group while working for the Company belongs solely to the Company and that I cannot remove, retain, or use such information without the Company's express written permission. Accordingly, upon separation from employment with the Company or upon the Company's request at any other time, I will immediately deliver to the Company, and will not keep in my possession, recreate, or deliver to anyone else, any and all Company property, including, but not limited to, Company Confidential Information, Associated Third Party Confidential Information, all Company equipment including all Company Electronic Media Equipment, all tangible embodiments of the Inventions, all electronically stored information and passwords to access such information, Company credit cards, records, data, notes, notebooks, reports, files, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, photographs, charts, any other documents and property, and reproductions of any of the foregoing items, including, without limitation, those records maintained pursuant to Section 3.D. Notwithstanding the foregoing, I understand that I am allowed to keep a copy of the Company's employee handbook and personnel records relating to my employment.

C. Return of Company Information on Company Electronic Media Equipment. In connection with my obligation to return information to the Company, I agree that I will not copy, delete, or alter any information, including personal information voluntarily created or stored, contained in Company Electronic Media Equipment before I return the information to the Company.

D. Return of Company Information on Personal Electronic Media Equipment. In addition, if I have used any personal Electronic Media Equipment or personal Electronic Media Systems to create, receive, store, review, prepare or transmit any Company information, including but not limited to, Company Confidential Information, I agree to make a prompt and reasonable search for such information in good faith, including reviewing any personal Electronic Media Equipment or personal Electronic Media Systems to locate such information and if I locate such information I agree to notify the Company of that fact and then provide the Company with a computer-useable copy of all such Company information from those equipment and systems. I agree to cooperate reasonably with the Company to verify that the necessary copying is completed (including upon request providing a sworn declaration confirming the return of property and deletion of information), and, upon confirmation of compliance by the Company, I agree to delete and expunge all Company information.

E. No Expectation of Privacy in Company Property. I understand that I have no expectation of privacy in Company property, and I agree that any Company property is subject to inspection by Company Group personnel at any time with or without further notice. As to any personal Electronic Media Equipment or personal Electronic Media Systems that I have used for Company purposes, I agree that the Company, at its sole discretion, may have reasonable access, as determined by the Company in good faith, to such personal Electronic Media Equipment or personal Electronic Media Systems to review, retrieve, destroy, or ensure the permanent deletion of Company information from such equipment or systems or to take such other actions necessary to

deletion of Company information from such equipment or systems or to take such other actions necessary to protect the Company Group or Company property, as determined by the Company Group reasonably and in good faith. I also consent to an exit interview and an audit to confirm my compliance with this Section 5, and I will certify in writing that I have complied with the requirements of this Section 5.

6. TERMINATION OBLIGATIONS

A. Upon separation from employment with the Company, I agree to: (i) immediately update all of my social media accounts, including but not limited to Facebook, LinkedIn, and Twitter, to delete any information, assertions, or suggestions to the effect that I am a current employee of the Company or am otherwise currently affiliated with the Company in any way; and (ii) immediately sign and deliver to the Company the "Termination Certification" attached hereto as Exhibit B.

7. NOTIFICATION OF NEW EMPLOYER

A. In the event that I leave the employ of the Company, I hereby grant consent to notification by the Company to my new employer about my obligations under this Agreement.

8. CONFLICT OF INTEREST GUIDELINES

A. I agree to diligently adhere to all policies of the Company Group, including the Company's insider trading policies and the Company's Conflict of Interest Guidelines. A copy of the Company's current Conflict of Interest Guidelines is attached as Exhibit C hereto, but I understand that these Conflict of Interest Guidelines may be revised from time to time during my employment.

9. REPRESENTATIONS

A. Without limiting my obligations under Section 3.E above, I agree to execute any proper oath or verify any proper document required to carry out the terms of this Agreement. I represent and warrant that my performance of all the terms of this Agreement will not breach any agreement to keep in confidence information acquired by me in confidence or in trust prior to my employment by the Company. I hereby represent and warrant that I have not entered into, and I will not enter into, any oral or written agreement in conflict herewith.

10. AUDIT

A. I acknowledge that I have no reasonable expectation of privacy in any Company Electronic Media Equipment or Company Electronic Media Systems. All information, data, and messages created, received, sent, or stored in Company Electronic Media Equipment or Company Electronic Media Systems are, at all times, the property of the Company. As such, the Company Group has the right to audit and search all such items and systems, without further notice to me, to ensure that the Company Group is licensed to use the software on the Company Group's devices in compliance with the Company Group's software licensing policies, to ensure compliance with the Company Group's policies, and for any other business-related purposes in the Company Group's sole discretion. I understand that I am not permitted to add any unlicensed, unauthorized, or non-compliant applications to the Company Group's technology systems, including, without limitation, open source or free software not authorized by the Company Group, and that I shall refrain from copying unlicensed software onto the Company Group's technology systems or using non-licensed software or websites. I understand that it is my responsibility to comply with the Company Group's policies governing use of the Company Group's documents and the internet, email, telephone, and technology systems to which I will have access in connection with my employment. In addition, as to any personal Electronic Media Equipment or personal Electronic Media Systems or other personal property that I have used for Company purposes, I agree that the Company Group may have reasonable access to such personal Electronic Media Equipment or personal Electronic Media Systems or other personal property to review, retrieve, destroy, or ensure the permanent deletion of Company Group information from such equipment or systems or property or take such other actions that are needed to protect the Company Group or Company property, as determined by the Company Group reasonably and in good faith.

B. I am aware that the Company Group has or may acquire software and systems that are capable of monitoring and recording all Company Group network traffic to and from any Company Electronic Media Equipment or Company Electronic Media Systems. The Company Group reserves the right to access, review, copy, and delete any of the information, data, or messages accessed through Company Electronic Media Equipment or Company Electronic Media Systems, with or without notice to me and/or in my absence. This includes, but is not limited to, all e-mail messages sent or received, all website visits, all chat sessions, all news group activity (including groups visited, messages read, and postings by me), and all file transfers into and out of the Company Group's internal networks. The Company Group further reserves the right to retrieve previously deleted messages from e-mail or voicemail and monitor usage of the Internet, including websites visited and any information I have downloaded. In addition, the Company Group may review Internet and technology systems

activity and analyze usage patterns, and may choose to share this data to assure that technology systems are devoted to legitimate business purposes.

11. ARBITRATION AND EQUITABLE RELIEF

A. Arbitration. In consideration of my employment or continued employment with the Company (as applicable), its promise to arbitrate all employment-related disputes with me, and my receipt of the compensation, pay raises and other benefits paid to me by the Company, at present and in the future, I agree that, except as set forth in Sections 12.A.(1), 12.A.(2), and 12.A.(3), below, any and all controversies, claims, or disputes that I may have with the (including any Company Group employee, officer, director, trustee, shareholder or benefit plan of the Company, in their capacity as such or otherwise), arising out of, relating to, or resulting from my employment or relationship with the Company or the termination of my employment or relationship with the Company, including any breach of this Agreement, shall be subject to binding arbitration under the Federal Arbitration Act (the "FAA"). The FAA's substantive and procedural provisions shall exclusively govern and apply with full force and effect to this arbitration agreement, including its enforcement, and any state court of competent jurisdiction shall compel arbitration in the same manner as a federal court under the FAA. I agree that I may only commence an action in arbitration, or assert counterclaims in an arbitration, pursuant to this Section 12.A., on an individual basis and, thus, I hereby waive my right to commence or participate in any class or collective action(s) against the Company. Disputes that I agree to arbitrate, and thereby agree to waive any right to a trial by jury, include any statutory claims under local, state, or federal law, including, but not limited to, claims under Title VII Of The Civil Rights Act of 1964, the Civil Rights Act of 1991, the Fair Labor Standards Act, the Americans With Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the worker Adjustment And Retraining Notification Act, the Fair Credit Reporting Act, the Employee Retirement Income Security Act of 1974, the Family And Medical Leave Act, the laws of the state in which I work for the Company as of the Effective Date, claims relating to employment status, classification and relationship with the Company, claims of harassment, discrimination, wrongful termination, breach of contract, and any statutory or common law claims. I also agree to arbitrate any and all disputes arising out of or relating to the interpretation or application of this agreement to arbitrate, but not disputes about the enforceability, revocability or validity of this agreement to arbitrate or any portion hereof or the class, collective and representative proceeding waiver herein. With respect to all such claims and disputes that I agree to arbitrate, I hereby expressly agree to waive, and do waive, any right to a trial by jury. I further understand that this agreement to arbitrate also applies to any disputes that the company may have with me. I understand that nothing in this agreement requires me to arbitrate claims that cannot be arbitrated under applicable law, including the Sarbanes-Oxley Act.

(1) Exception for New Jersey Employees. Without otherwise limiting my obligations to the Company and the Company Group as set forth in this Agreement and notwithstanding Section 12.A., I acknowledge that if I work for the company in the State of New Jersey as of the later of my first day of employment with the Company and the Effective Date, then this Agreement's arbitration provision will not apply to any controversies, claims, or disputes alleging or asserting claims of discrimination, harassment, and retaliation pursuant to the New Jersey Law Against Discrimination or other anti-discrimination statutes.

(2) Exception for New York Employees. Without otherwise limiting my obligations to the Company and the Company Group as set forth in this Agreement and notwithstanding Section 12.A., I acknowledge that if I work for the Company in the State of New York as of the later of my first day of employment with the Company and the Effective Date, then this Agreement's arbitration provision will not apply to any controversies, claims, or disputes alleging or asserting claims of discrimination.

(3) Exception for Illinois Employees. Without otherwise limiting my obligations to

(c) Exception for Illinois Employees. Without otherwise limiting my obligations to the Company and the Company Group as set forth in this Agreement and notwithstanding Section 12.A., I acknowledge that if I work for the Company in the State of Illinois as of the later of my first day of employment with the Company and the Effective Date, then this Agreement's arbitration provision will not apply to any claims of unlawful discrimination, harassment, or retaliation. For the avoidance of doubt, I acknowledge that I may pursue such claims through either arbitral or judicial forums.

Page 7 of 16

B. Procedure. I agree that any arbitration will be administered by JAMS pursuant to its Employment Arbitration Rules & Procedures (the "JAMS Rules"), which are available at <http://www.jamsadr.com/rules-employment-arbitration/> and from human resources, provided, however, that the JAMS Rules shall not contradict or otherwise alter the terms of this agreement, including, but not limited to, the below cost sharing provision and Section 13.B. below, as applicable. The arbitration shall be before a single arbitrator who shall be a former federal or state court judge. The arbitration shall apply the federal rules of civil procedure, except to the extent such rules conflict with the JAMS Rules. I understand that the parties to the arbitration shall each pay an equal share of the costs and expenses of such arbitration, except as prohibited by law, and understand that each party shall separately pay its respective attorneys' fees and costs. In the event that JAMS fails, refuses, or otherwise does not enforce the aforementioned arbitration costs sharing provision, either party may commence an action to recover such amounts against the non-paying party in court and the non-paying party shall reimburse the moving party for the attorneys' fees and costs incurred in connection with such action. I agree that the arbitrator shall consider and shall have the power to decide any motions brought by any party to the arbitration, including motions for summary judgment and/or adjudication, and motions to dismiss, prior to any arbitration hearing. I agree that the arbitrator shall issue a written decision on the merits. I also agree that the arbitrator shall have the power to award any remedies available under applicable law. I agree that the decree or award rendered by the arbitrator may be entered as a final and binding judgment in any court having jurisdiction thereof. Subject to the FAA's exclusive applicability to the enforcement of this agreement to arbitrate, I agree that the arbitrator shall apply the substantive law of the state in which I work for the company as of the Effective Date to any dispute or claim, without reference to rules of conflict of law. To the extent that the JAMS Rules conflict with the substantive law of that state, the law of that state shall take precedence. I agree that arbitration under this Agreement shall be conducted in Travis County, Texas, or in a location mutually agreed upon by the Company and me.

C. Remedy. Except as prohibited by law or provided by this Agreement, arbitration shall be the sole, exclusive and final remedy for any dispute between me and the Company. Accordingly, neither I nor the Company will be permitted to pursue or participate in a court action regarding claims that are subject to arbitration.

D. Availability of Injunctive Relief. I agree that any party may also petition the court for injunctive relief where either party alleges or claims a violation of this Agreement or any other agreement between me and the Company regarding trade secrets, confidential information, assignment of intellectual property, noncompetition or nonsolicitation. I understand that any breach or threatened breach of any of the aforementioned agreements will cause irreparable injury and that money damages will not provide an adequate remedy therefore and both parties to this Agreement hereby consent to the issuance of an injunction without posting of a bond. In the event either party seeks injunctive relief, the prevailing party shall be entitled to recover reasonable costs and attorneys' fees without regard for the prevailing party in the final judgment, if any. Such attorneys' fees and costs shall be recoverable on written demand at any time, including, but not limited to, prior to entry of a final judgment, if any, by the court, and must be paid within thirty (30) days after demand or else such amounts shall be subject to the accrual of interest at a rate equal to the maximum statutory rate.

E. Administrative Relief. I understand that this Agreement does not prohibit me from pursuing an administrative claim with a local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, including, but not limited to, the Equal Employment Opportunity Commission (and any state or local equivalent agency), the National Labor Relations

Employment Opportunity Commission (and any state or local equivalent agency), the National Labor Relations Board, the Securities And Exchange Commission, or the Workers' Compensation Board. This Agreement does, however, preclude me from pursuing a court action regarding any such claim, except as permitted by law.

F. Voluntary Nature of Agreement. I acknowledge and agree that I am executing this Agreement, including its arbitration provisions, voluntarily and without any duress or undue influence by the Company or anyone else. I further acknowledge and agree that I have carefully read this Agreement, including its arbitration provisions, and that I have asked any questions needed for me to understand the terms, consequences, and binding effect of this Agreement and fully understand it, including that I am waiving my

Page 8 of 16

right to a jury trial. Finally, I agree that I have been provided an opportunity to seek the advice of an attorney of my choice before signing this Agreement.

Initial here:  DocuSigned by:
PF
Signer Name: Paul Henri Farnand
Signing Reason: I approve this document
Signing Time: 7/29/2022 10:55 BST
6853626586E24D51888135E3CBEE0049

12. MISCELLANEOUS

A. Governing Law; Consent to Personal Jurisdiction. With the exception of the arbitration requirements set forth herein, this Agreement will be governed by the laws of the state in which I work for the Company as of the Effective Date without regard to any state's conflicts of law rules that may result in the application of the laws of any jurisdiction other than that state. To the extent that any lawsuit is permitted under this Agreement and unless otherwise prohibited by law, I hereby expressly consent to the personal and exclusive jurisdiction and venue of the state and federal courts located in Travis County, Texas for any lawsuit filed against me by the Company.

B. Waiver of Trial by Jury. TO THE EXTENT THAT ANY LAWSUIT IS PERMITTED UNDER THIS AGREEMENT AND UNLESS OTHERWISE PROHIBITED BY LAW, I IRREVOCABLY AND UNCONDITIONALLY WAIVE MY RIGHT TO A TRIAL BY JURY IN ANY LAWSUIT DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR MY RELATIONSHIP WITH THE COMPANY GROUP AND ACKNOWLEDGE THAT I AM KNOWINGLY AND VOLUNTARILY WAIVING MY RIGHT TO A TRIAL BY JURY.

(1) Exception for North Carolina Employees. Without otherwise limiting my obligations to the Company and the Company Group as set forth in this Agreement, I acknowledge that Section 13.B. shall not apply to me if I work for the Company in the State of North Carolina as of the Effective Date.

C. Assignability. This Agreement will be binding upon my heirs, executors, assigns, administrators, and other legal representatives, and will be for the benefit of the Company, its successors, and its assigns. The Associated Third Parties are intended third-party beneficiaries to this Agreement with respect to my obligations in Section 2.D. Notwithstanding anything to the contrary herein, the Company may assign this Agreement and its rights and obligations under this Agreement to any successor to all or substantially all of the Company's relevant assets, whether by merger, consolidation, reorganization, reincorporation, sale of assets or stock, or otherwise. For the avoidance of doubt, the Company's successors and assigns are authorized to enforce the Company's rights under this Agreement.

D. Entire Agreement. This Agreement, together with the Exhibits herein and any executed written offer letter between me and the Company, to the extent such materials are not in conflict with this Agreement, sets forth the entire agreement and understanding between the Company and me with respect to the subject matter herein and supersedes all prior written and oral agreements, discussions, or representations between us, and any representations made during my interview(s) or relocation negotiations. I represent and warrant that I

us, and any representations made during my interview(s) or relocation negotiations. I represent and warrant that I am not relying on any statement or representation not contained in this Agreement. Any subsequent change or changes in my duties, salary, compensation, conditions or any other terms of my employment will not affect the validity or scope of this Agreement.

E. Headings. Headings are used in this Agreement for reference only and shall not be considered when interpreting this Agreement.

F. Severability. If a court or other body of competent jurisdiction finds, or the parties to this Agreement mutually believe, any provision of this Agreement, or portion thereof, to be invalid or unenforceable, such provision will be enforced to the maximum extent permissible so as to effect the intent of the parties, and the remainder of this Agreement will continue in full force and effect.

G. Modification, Waiver. No modification of or amendment to this Agreement, nor any

waiver of any rights under this Agreement, will be effective unless in a writing signed by the CEO of the Company and me. Waiver by the Company of a breach of any provision of this Agreement will not operate as a waiver of any other or subsequent breach.

H. Survivorship. The rights and obligations of the parties to this Agreement will survive termination of my employment with the Company.

13. PROTECTED ACTIVITY NOT PROHIBITED

A. I understand that nothing in this Agreement limits or prohibits me from filing a charge or complaint with, or otherwise communicating or cooperating with or participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("Government Agencies"), including disclosing documents or other information as permitted by law, without giving notice to, or receiving authorization from, the Company. Notwithstanding, in making any such disclosures or communications, I agree to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company Confidential Information to any parties other than the Government Agencies. I further understand that I am not permitted to disclose the Company's attorney-client privileged communications or attorney work product. In addition, I hereby acknowledge that the Company has provided me with notice in compliance with the Defend Trade Secrets Act of 2016 regarding immunity from liability for limited disclosures of trade secrets. The full text of the notice is attached in Exhibit D.

Date: 7/29/2022 | 00:55 BST

DocuSigned by:
Paul-Henri Ferrand
 Signer Name: Paul-Henri Ferrand
Signing Reason: I approve this document
Signing Time: 7/29/2022 | 00:54 BST
68536265B6E24D51888135E3CBEE0049
Signature

Paul-Henri Ferrand

Name of Employee (typed or printed)

ACKNOWLEDGED AND ACCEPTED BY THE COMPANY:

Date: 7/29/2022 | 00:57 BST

DocuSigned by:
Samira Lowman
 Signer Name: Samira Lowman
Signing Reason: I approve this document
Signing Time: 7/29/2022 | 00:57 BST
45BF6D99DA8C456AA14B537CAE03D583
By: Samira Lowman
Title: Chief People Officer

EXHIBIT A

LIST OF PRIOR INVENTIONS
AND ORIGINAL WORKS OF AUTHORSHIP

Title	Date	Identifying Number or Brief Description

___ No inventions or improvements

___ Additional Sheets Attached

7/29/2022 | 00:55 BST
Date: _____

DocuSigned by:

Paul-Henri Ferrand



Signer Name: Paul-Henri Ferrand
Signing Reason: I approve this document
Signing Time: 7/29/2022 | 00:54 BST

68536265B6E24D51888135E3CBEE0049

Signature

Paul-Henri Ferrand

Name of Employee (typed or printed)

EXHIBIT B

TERMINATION CERTIFICATION

This is to certify that I do not have in my possession, nor have I failed to return, any devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, any other documents or property, or reproductions of any and all aforementioned items belonging to the Company. Notwithstanding the foregoing, I understand that I may keep a copy of the Company's employee handbook and personnel records relating to me. I further certify that I have updated all of my social media accounts to delete any information, assertions, or suggestions to the effect that I am a current employee of the Company or am otherwise currently affiliated with the Company in any way.

I further certify that I have complied with all the terms of the Company's At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement (the "Agreement") signed by me, including the reporting of any inventions and original works of authorship (as defined therein) conceived or made by me (solely or jointly with others), as covered by that Agreement.

I understand that pursuant to the Agreement, and subject to its protected activity exclusion, I am obligated to preserve, as confidential, all Company Confidential Information and Associated Third Party Confidential Information, including trade secrets, confidential knowledge, data, or other proprietary information relating to products, processes, know-how, designs, formulas, developmental or experimental work, computer programs, databases, other original works of authorship, customer lists, business plans, financial information, or other subject matter pertaining to any business of the Company or any of its employees, clients, consultants, or licensees.

I also agree that for twelve (12) months from this date, I will comply with the restrictive covenants (as applicable), as set forth in the Agreement.

After leaving the Company's employment, I will be employed by _____ in the position of _____.

Date: _____

Signature

Name of Employee (typed or printed)

Address for Notifications: _____

EXHIBIT C

CONFLICT OF INTEREST GUIDELINES

It is the policy of the Company to conduct its affairs in strict compliance with the letter and spirit of the law and to adhere to the highest principles of business ethics. Accordingly, all officers, employees, and independent contractors must avoid activities that are in conflict, or give the appearance of being in conflict, with these principles and with the interests of the Company. The following are potentially compromising situations that must be avoided:

1. Revealing confidential information to outsiders or misusing confidential information. Unauthorized divulging of information is a violation of this policy whether or not for personal gain and whether or not harm to the Company is intended. (The At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement elaborates on this principle and is a binding agreement.)
2. Accepting or offering substantial gifts, excessive entertainment, favors, or payments that may be deemed to constitute undue influence or otherwise be improper or embarrassing to the Company.
3. Participating in civic or professional organizations that might involve divulging confidential information of the Company.
4. Initiating or approving personnel actions affecting reward or punishment of employees or applicants where there is a family relationship or is or appears to be a personal or social involvement.
5. Initiating or approving any form of personal or social harassment of employees.
6. Investing or holding outside directorship in suppliers, customers, or competing companies, including financial speculations, where such investment or directorship might influence in any manner a decision or course of action of the Company.
7. Borrowing from or lending to employees, customers, or suppliers.
8. Acquiring real estate of interest to the Company.
9. Improperly using or disclosing to the Company any proprietary information or trade secrets of any other employer or other person or entity with whom obligations of confidentiality exist.
10. Unlawfully discussing prices, costs, customers, sales, or markets with competing companies or their employees.
11. Making any unlawful agreement with distributors with respect to prices.
12. Improperly using or authorizing the use of any inventions that are the subject of patent claims of any other person or entity.
13. Engaging in any conduct that is not in the best interest of the Company.

Each officer, employee, and independent contractor must take every necessary action to ensure compliance with these guidelines and to bring problem areas to the attention of higher management for review. Violations of this conflict of interest policy may result in discharge without warning.

Nothing in these guidelines is intended to limit employees' rights to discuss the terms, wages, and working conditions of their employment, as protected by applicable law, including any rights an employee may have under Section 7 of the National Labor Relations Act. Also, nothing in these guidelines limits or prohibits employees from filing a charge or complaint with, or otherwise communicating or cooperating with or participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("Government Agencies"), including disclosing documents or other information as permitted by law, without giving notice to, or receiving authorization from, the Company. Notwithstanding, in making any such disclosures

or communications, employees must take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company Confidential Information to any parties other than the Government Agencies. Employees may not disclose the Company's attorney-client privileged communications or attorney work product.

EXHIBIT D

SECTION 7 OF THE DEFEND TRADE SECRETS ACT OF 2016

“IMMUNITY FROM LIABILITY FOR CONFIDENTIAL DISCLOSURE OF A TRADE SECRET TO THE GOVERNMENT OR IN A COURT FILING—

(1) IMMUNITY.—An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that—(A) is made—(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(2) USE OF TRADE SECRET INFORMATION IN ANTI-RETALIATION LAWSUIT.—An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual—(A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.”

Exhibit E

If you ("Assignor") are a resident of Delaware, Illinois, Kansas, New Jersey or North Carolina, then the following applies:

No provision in this Agreement requires Assignor to assign any of his or her rights to an invention for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on Assignor's own time, unless (a) the invention relates (i) to the business of the Company or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by Assignor for the Company. Delaware Code Title 19 Section 805; Illinois 765 ILCS 1060/1-3, "Employees Patent Act"; Kansas Statutes Section 44-130; New Jersey Revised Statutes Section 34:1B-265; North Carolina General Statutes Article 10A, Chapter 66, Commerce and Business, Section 66-57.1.

If Assignor is a resident of Minnesota, then the following applies:

No provision in this Agreement requires Assignor to assign any of his or her rights to an invention for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on Assignor's own time, and (a) which does not relate (i) directly to the business of the Company, or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) does not result from any work performed by Assignor for the Company. Minnesota Statutes 13A Section 181.78.

If Assignor is a resident of Utah, then the following applies:

No provision in this Agreement requires Assignor to assign any of his or her rights to an invention which was created entirely on Assignor's own time, and which is not (a) conceived, developed, reduced to practice, or created by Assignor (i) within the scope of Assignor's employment with the Company, (ii) on the Company's time, or (iii) with the aid, assistance, or use of any of the Company's property, equipment, facilities, supplies, resources, or patents, trade secrets, know-how, technology, confidential information, ideas, copy rights, trademarks and service marks and any and all rights, applications and registrations relating to them, (b) the result of any work, services, or duties performed by Assignor for the Company, (c) related to the industry or trade of the Company, or (d) related to the current or demonstrably anticipated business, research, or development of the Company. Utah Code Sections 34-39-1 through 34-39-3, "Employee Inventions Act."



Certificate Of Completion

Envelope Id: 877B4CE69D1944979E2AC285D18DAA93	Status: Completed
Subject: Paul-Henri Ferrand - Executive Agreement July 2022	
Source Envelope:	
Document Pages: 35	Signatures: 5
Certificate Pages: 5	Initials: 1
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Disabled	US People Signatures
Time Zone: (UTC) Dublin, Edinburgh, Lisbon, London	1 Knightsbridge Green
	London, London SW1X 7QA
	uspeople.signatures@babylonhealth.com
	IP Address: 173.2.160.170

Record Tracking

Status: Original	Holder: US People Signatures	Location: DocuSign
7/27/2022 3:49:28 PM	uspeople.signatures@babylonhealth.com	

Signer Events

Signer Events	Signature	Timestamp
Paul-Henri Ferrand		Sent: 7/27/2022 3:49:29 PM
paulhenri.ferrand@babylonhealth.com		Viewed: 7/27/2022 10:51:13 PM
PRESIDENT		Signed: 7/29/2022 12:55:09 AM

Babylon

Security Level: Email, Account Authentication
(Required)

Signature Adoption: Pre-selected Style
Signature ID:
68536265-B6E2-4D51-8881-35E3CBEE0049
Using IP Address: 73.63.235.32

With Signing Authentication via DocuSign password

With Signing Reasons (on each tab):

I approve this document
I approve this document
I approve this document
I approve this document

Electronic Record and Signature Disclosure:
Accepted: 9/13/2021 7:43:32 PM
ID: 45cee64a-9c33-4680-a7c5-f9b727f485e2

Samira Lowman
samira.lowman@babylonhealth.com
Chief People Officer

Security Level: Email, Account Authentication
(Required)

Signature Adoption: Pre-selected Style
Signature ID:
45BF6D99-DA8C-456A-A14B-537CAE03D583

Sent: 7/29/2022 12:55:13 AM
Viewed: 7/29/2022 12:56:48 AM
Signed: 7/29/2022 12:57:14 AM

Using IP Address: 174.242.144.124

Signed using mobile

With Signing Authentication via DocuSign password

With Signing Reasons (on each tab):

I approve this document

I approve this document

Electronic Record and Signature Disclosure:

Accepted: 8/24/2021 1:56:08 PM

ID: 08110935-5080-454a-90eb-6dc1878d7ebc

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Mei Mei Chan meimei.chan@babylonhealth.com Head of People Experience Security Level: Email, Account Authentication (Required) Electronic Record and Signature Disclosure: Accepted: 7/1/2022 5:24:11 PM ID: 1df7e656-e56d-41c7-b85f-fa85e45618be	<div>COPIED</div>	Sent: 7/29/2022 12:57:17 AM
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	7/27/2022 3:49:29 PM
Certified Delivered	Security Checked	7/29/2022 12:56:48 AM
Signing Complete	Security Checked	7/29/2022 12:57:14 AM
Completed	Security Checked	7/29/2022 12:57:17 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Babylon Partners Limited (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Babylon Partners Limited:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: richard.grundy@babylonhealth.com

To advise Babylon Partners Limited of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at richard.grundy@babylonhealth.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Babylon Partners Limited

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to richard.grundy@babylonhealth.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that

time, if any.

To withdraw your consent with Babylon Partners Limited

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to richard.grundy@babylonhealth.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Babylon Partners Limited as described above, you consent to

receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Babylon Partners Limited during the course of your relationship with Babylon Partners Limited.

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is made as of the 27th day of July and shall be effective on August 1, 2022 (the “Effective Date”), between Babylon Inc., a Delaware corporation (the “Company”), and Darshak Sanghavi, an individual who is a resident of the state of Massachusetts (the “Executive” and, together with the Company, the “Parties” and each as a “Party”). In consideration of the mutual covenants and agreements set forth herein, the Parties, intending to become legally bound, hereby covenant and agree as follows:

RECITALS

A. The following recitals shall be considered as part of this Agreement and explain the general nature and purpose of the Company’s business and the Parties’ rights and obligations under this Agreement. Any interpretation and construction of this Agreement shall be considered in light of these recitals.

B. Company and Executive desire to enter into this Agreement, effective as of the Effective Date.

C. Company is engaged in the specialized, highly competitive, and highly regulated business of delivering health-related services and information via electronic information and telecommunication technologies.

D. Company desires to employ Executive and Executive desires to accept such employment, under the terms and conditions stated in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants, agreements, and obligations contained in this Agreement, the Executive’s at-will employment, the Executive’s access to confidential, proprietary, and/or trade secret information, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Employment.

(a) At-Will Employment with the Company. The Company hereby employs the Executive, and the Executive hereby accepts such employment, on the terms set forth herein. Executive’s employment relationship with the Company is at-will. As such, Executive and the Company are free to end the employment relationship at any time, for any reason, or for no reason.

(b) Position and Duties. Executive shall serve as the Chief Medical Officer of the Company (the “CMO”), and shall have responsibilities and duties consistent with such position, as well as such additional powers, responsibilities and duties as may from time to time be prescribed by the Board of Directors (the “Board”) of Babylon Holdings Limited (“Parent”), the Company’s ultimate parent company, provided that such duties are consistent with the level of the Executive’s position or other positions that Executive may hold from time to time. Executive’s normal place of work will be in Boston, Massachusetts, and Executive will travel on business as required. The Executive shall devote Executive’s full working time,

energies, and talents exclusively to the Executive's duties for the Company and to promote the interests of the Company. During the term of Executive's at-will employment pursuant to this Agreement (the "Term"), Executive shall not, without prior written consent from the Board, serve as or be a consultant to or an employee, officer, agent, representative, manager, or director of any other entity where such service creates a conflict of interest or in any manner interferes with or reduces his efficiency or effectiveness as an executive of the Company.

2. Compensation and Related Matters.

(a) Base Salary. During the Term, the Executive's initial base salary shall be at the gross annual rate of \$600,000. The Executive's base salary may be adjusted from time to time by the Board. The annual base salary rate in effect at any given time is referred to herein as the "Base Salary." The Base Salary shall be payable bi-weekly in accordance with the Company's normal payroll procedures for senior executives.

(b) Bonus. The Executive shall have an annual target bonus opportunity of 100% of Executive's Base Salary (the "Bonus"), as determined in the Board's sole discretion, based upon achievement of individual and Company performance objectives as set by the Board on an annual basis. Any Bonus that becomes payable shall be paid to the Executive on or before thirty (30) days following delivery to the Board of the audited financial statements of Parent for the year to which such Bonus relates and the opinion of Parent's registered independent public accounting firm thereon; provided that the Executive must be employed by the Company on the day such Bonus is to be paid in order to be eligible to receive such Bonus except as otherwise provided in Section 4 below.

(c) Equity Grant. Subject to Executive signing the Confidentiality and Business Protection Agreement before commencing employment and subject to approval of the Board at the date of grant and to the commencement and continuation of Executive's employment pursuant to this Agreement through the date of grant, on the Parent's next scheduled equity grant date following commencement of Executive's employment, Executive will be granted 1,250,000 restricted Class A ordinary shares in Parent (the "Equity Grant") that will vest as follows: 20%, 20%, 30% and 30% of the Class A ordinary shares subject to the award on each of the first, second, third and fourth anniversaries of the Effective Date, respectively, subject to Executive's continued employment through each applicable vesting date; provided that, the Equity Grant will become 100% vested if, prior to the fourth anniversary of the Effective Date, either (x) a Change in Control occurs, (y) the closing price of Parent's Class A ordinary shares on the New York Stock Exchange (or other applicable national securities exchange) (the "Share Price") equals or exceeds \$20.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30 trading-day period or (y) the Parent's market capitalization is equal to or greater than \$8,327,361,300 for at least 20 trading days during any 30 day trading period, subject to Executive's continued employment through the date on which such Change in Control occurs or such share price or market capitalization target is attained. At all times, the Equity Grant will be governed solely by the terms of Parent's applicable equity plan and award grant agreement. Executive will be eligible for future equity awards as determined by the Board in its sole discretion.

(d) Performance-Based Equity Grant. Subject to approval of the Board at the date of grant, and the continuation of Executive's employment pursuant to this Agreement through the date of grant, on the Parent's next scheduled equity grant date following the Effective Date, Executive will be granted 500,000 restricted stock units covering Class A

ordinary shares in Parent ("Performance Equity Grant") that will vest (i) as to 50% of the Performance Equity Grant, if, at any time following the date of grant either (x) the Share Price equals or exceeds \$10.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days during any 30 trading-day period, or (y) the Parent's market capitalization is equal to or greater than \$4,163,680,650 for at least 20 trading days during any 30 trading-day period and subject to Executive's continued employment through the date on which such Share Price or market capitalization target is attained; (ii) as to an additional 25% of the Performance Equity Grant, if, at any time following the date of grant, either (x) the Share Price equals or exceeds \$15.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days during any 30 trading-day period, or (y) the Parent's market capitalization is equal to or greater than \$6,245,520,975 for at least 20 trading days during any 30 trading-day period and subject to Executive's continued employment through the date on which such Share Price or market capitalization target is attained; and (iii) as to the remaining 25% of the Performance Equity Grant, if, at any time following the date of grant, either (x) the Share Price equals or exceeds \$20.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days during any 30 trading-day period, or (y) the Parent's market capitalization is equal to or greater than \$8,327,361,300 for at least 20 trading days during any 30 trading-day period and subject to Executive's continued employment through the date on which such Share Price or market capitalization target is attained. To the extent any portion of the Performance Equity Grant remains unvested as of the date of the Executive's termination of employment for any reason, such portion will be automatically forfeited as of the date of such termination. At all times, the Performance Equity Grant will be governed solely by the terms of Parent's applicable equity plan and the applicable award grant agreement.

(e) In the event of a Change in Control (as defined in Parent's 2021 Equity Incentive Plan), and provided that Executive remains in employment immediately prior to such Change in Control, the Equity Grant and the Performance Equity Grant, to the extent not yet vested, will automatically vest as of the date of the Change in Control. Notwithstanding anything herein or in the Parent equity plans to the contrary, in the event that the Company's Class A ordinary shares cease to be publicly traded in connection with a take private acquisition (without an accompanying Change in Control), any outstanding equity awards granted to Executive under Parent equity plans may not be amended or modified in connection with such take private acquisition in a manner adverse to Executive without Executive's consent; provided, however, that the Board may provide for accelerated vesting (as to 100% of the Class A ordinary shares subject to the outstanding award, in the case of any time-based awards, and based on performance achievement through the date of the take private acquisition, in the case of any performance-based awards) and cancellation in exchange for a cash payment in respect of the vested shares subject to such equity awards (or the positive spread value, in the case of any option) without Executive's consent.

(f) Paid Time Off. Executive shall be entitled to take Paid Time Off

("PTO"), which includes paid sick leave, in each full calendar year and taken in accordance with the Company's established policies, which may be subject to periodic review and modification by the Board.

(g) Business Expense Reimbursement. The Company shall reimburse the Executive for all reasonable and documented out-of-pocket expenses incurred by the Executive in the course of performing the Executive's duties and responsibilities under this Agreement.

Expenses reimbursement shall be provided in accordance with the Company's policies in effect, which may be subject to periodic review and modification by the Board.

(h) Other Benefits. During the Term, the Executive and, to the extent permitted by the applicable Employee Benefit Plans, their spouse, and other dependents, shall be entitled to participate in the Company's Employee Benefit Plans as the Company may adopt or maintain from time to time generally for all or most of its executives of the same status within the hierarchy of the Company. As used herein, the term "Employee Benefit Plans" means any 401(k) retirement plan, deferred compensation plan, savings and profit-sharing plan, life insurance plan, medical insurance plan, dental insurance plan, disability plan, and health and accident plan or arrangement as may be established or maintained by the Company generally for employees of the same status as Executive, any of which may be changed or eliminated by the Company at any time (subject to the applicable plan, arrangement, or law). Such participation shall be subject to the terms, conditions, and overall administration of such plan or arrangement. Nothing contained in this Agreement shall be construed to create any obligation on the part of the Company to establish or maintain the effectiveness of any such or particular plan, program, or benefit, which may be subject to periodic review, modification, and/or termination by the Board.

3. Termination or Resignation. Executive's employment hereunder may be terminated under the following circumstances:

(a) Death. Executive's employment shall automatically terminate immediately upon the Executive's death.

(b) Disability. The Company may terminate the Executive's employment upon the Executive's Disability. For purpose of this Agreement, "Disability" shall mean the Executive's inability, due to physical or mental impairment or any other condition, to perform the essential functions of the Executive's job, with reasonable accommodation, for 180 days in total in any 365-day period, irrespective of whether such days are consecutive, as determined in good faith by the Board. The Parties agree that the Executive's inability to perform the essential functions of the Executive's job, with reasonable accommodation, for 180 days in a 365-day period would constitute an undue hardship on the Company.

(c) Termination by Company for Any Reason and Without Cause. The Company may terminate the Executive's employment hereunder at any time for any reason. Any termination by the Company of the Executive's employment under this Agreement that

does not constitute a termination by the Company for Cause under Section 3(d) and (e) shall be deemed a termination without Cause.

(d) Termination by Company for Cause. For purposes of this section of the Agreement, "Cause" shall mean: (i) the Executive's commission of, or pleading guilty or nolo contendere to a crime constituting (A) a felony under the laws of the United States or any state thereof or (B) a misdemeanor involving moral turpitude, misappropriation, dishonesty, unethical business conduct, fraud, or breach of fiduciary duty , or (C) any crime in connection with the delivery of health care services; (ii) the Executive engaged in fraudulent or criminal activity (whether or not prosecuted); (iii) the Executive's conduct, even if not in conjunction with the Executive's duties hereunder, which could reasonably be expected to, or which does, cause the Company economic harm or which brings the Company into public disgrace or

disrepute; (vi) the Executive obtaining any personal profit not previously and thoroughly disclosed to and approved by the Board in connection with any transaction entered into by, or on behalf of, or in relation to, the Company; (vii) the Executive's failure to materially perform his lawful duties hereunder as reasonably directed by the Board (other than any such failure resulting from incapacity due to physical or mental illness), which is not immediately cured following written notice thereof to the Executive; (viii) the Executive's gross negligence or willful misconduct with respect to the Company in the performance of the Executive's duties hereunder; (ix) the Executive's violation of the terms of the Company's established rules or policies (including, but not limited to, policies concerning insider trading or sexual harassment, code of ethics, and business conduct), which, if curable, is not cured to the Board's reasonable satisfaction within thirty (30) days after written notice thereof to the Executive; (x) any other material breach of this Agreement by the Executive, which, if curable, is not cured within thirty (30) days after written notice thereof. With respect to items (vii), (viii) and (ix), above, the Company will have no obligation to provide an opportunity to cure in the event the failure, violation, or breach is not reasonably susceptible to cure, and, in such event, the Company may terminate the employment for Cause with immediate effect.

(e) Resignation for Good Reason. The Executive may terminate his employment hereunder at any time for Good Reason. For purposes of this Agreement, "Good Reason" means the occurrence of one or more of the following events effected without providing the Executive's prior notice of the changes: (i) the assignment to Executive of substantial new duties or a substantial reduction of Executive's duties, either of which results in a material diminution in Executive's position or responsibilities with the Company; (ii) a change in the Executive's title or reporting structure so that he is no longer the Chief Medical Officer of Babylon; (iii) a reduction by the Company in the base salary of Executive unless similar such reductions occur concurrently with and apply to other members of the Company's senior management; (iv) a move in the Executive's normal place of work which is greater than fifty (50) miles from Boston, Massachusetts; or (v) any material breach by the Company of any material provision of this Agreement.

Executive will not terminate his employment for Good Reason without first providing the Company with written notice of the acts or omissions constituting the grounds for "Good Reason" within ninety (90) days of the initial existence of such grounds and allowing the Company thirty (30) days following the date of such notice ("Cure Period") to cure such grounds. If the Company has not cured within the Cure Period, the Executive's employment shall terminate.

(f) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written notice to the other party hereto specifying the specific termination provision in this Agreement relied upon to affect such termination. It is the intention of the Parties that Executive shall not be required to serve as an owner, officer, or director of the Professional Corporations beyond 90 days after termination of Executive's Employment. However, this Agreement shall extend so long as Executive remains an owner, officer, or director of the Professional Corporation (as defined below) ("Transition Period") following its expiration or termination, with certain modifications, as described in this Section. During the Transition Period, Executive will advise the Company on a part-time basis regarding various clinical-administrative matters related to the operations of Babylon Healthcare, PLLC, Babylon Healthcare NJ, P.C., Babylon Healthcare, P.C. and Telemedicine Associates, P.C. (hereinafter "Professional Corporation") to the assist the Company in providing business support services to the Professional Corporation. During this Transition Period, it is the

expectation of the Parties that Executive will be still serving as the acting President of the Professional Corporation. In exchange for providing such consulting services, Executive shall be paid a fee of \$15,000 per month, for up to ninety (90) days, after which time, the compensation will increase to \$50,000 per month, which is the sole basis for compensation during the Transition Period, and Executive understands he is not entitled to any other compensation or benefits. The Company reserves the right to terminate this arrangement during the Transition Period if the Executive is no longer acting as an owner, officer, or director of the Professional Corporation. The Parties expressly agree that the Transition Period shall not serve to extend any non-competition or other restrictive covenant restriction tied to the termination of Executive's employment with the Company.

(g) Date of Termination. The date on which the Executive's employment with the Company terminates for any reason shall be referred to herein as the "Date of Termination."

4. Compensation Upon Termination or Resignation

(a) Accrued Benefit. If the Executive's employment with the Company is terminated the Company without Cause, or terminated by the Executive for Good Reason, the Company shall pay or provide to the Executive (or to the Executive's authorized representative or estate): (i) any Base Salary earned through the Date of Termination; (ii) any unpaid expense reimbursements; and (iii) any vested benefits the Executive may have under any Employee Benefit Plan through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such Employee Benefit Plan (collectively, the "Accrued Benefit").

(b) Termination by the Company Without Cause or Resignation for Good Reason.

(i) If the Executive's employment is terminated by the Company without Cause, then the Company shall: (A) pay the Executive an amount equal to twelve (12) months of the Executive's Base Salary then in effect, paid in one lump sum no later than thirty (30) days after the Date of Termination. The benefit under Section 4(b)(i) shall not apply to a termination in connection with a Change in Control covered by Section 4 (b)(iii).

(ii) All such payments shall be in addition to payment of the Accrued Benefit, and shall be subject to the Executive signing and returning an executed severance agreement containing, among other provisions, a general release of claims in favor of the Company and related persons and entities, confidentiality, return of property, and non-disparagement, in form and substance satisfactory to the Company (the "Separation Agreement and Release").

(iii) However, in the event that Executive's employment is terminated without Cause three months before or within twelve (12) months after a Change in Control, then the Company shall pay the Executive an amount equal to twelve (12) months of the Executive's Base Salary then in effect, in one lump sum

twelve (12) months of the Executive's Base Salary then in effect in one lump sum no later than sixty (60) days after the Date of Termination and subject to receiving the signed Separation Agreement and Release; provided that, if the Date of Termination occurs within three months before a Change in Control, such lump sum payment shall

instead be made no later than sixty (60) days after the date of the Change in Control. A "Change in Control" shall be deemed to have occurred if:

(A) any "person" or "group" (within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), but excluding any employee benefit plan of such person and its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of Class A ordinary shares, Class B ordinary shares and/or any other class or classes of capital stock of Parent (if any) representing in the aggregate more than fifty percent (50%) of the voting power of all of the outstanding shares of capital stock of Parent entitled to vote;

(B) there is consummated an agreement or series of related agreements for the sale or other disposition, directly or indirectly, by the Parent of all or substantially all of the Parent's assets; or

(C) there is consummated a merger or consolidation of Parent with any other corporation or entity, and, immediately after the consummation of such merger or consolidation, the voting securities of Parent immediately prior to such merger or consolidation do not continue to represent, or are not converted into, more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of the person resulting from such merger or consolidation or, if the surviving company is a subsidiary, the ultimate parent thereof.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred (A) by virtue of the consummation of any transaction or series of integrated transactions the sole purpose of which is to change the jurisdiction of Parent's incorporation or to form a holding company that will be beneficially owned in substantially the same proportions by the persons who held Parent's voting securities immediately before such transaction or (B) by virtue of the consummation of any other transaction or series of integrated transactions immediately following which the record holders of the Class A ordinary shares, Class B ordinary shares and/or any other class or classes of capital stock of Parent immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in and voting control over, and own substantially all of the shares of, an entity which owns all or substantially all of the assets of Parent immediately following such transaction or series of transactions.

The Board shall have full and final authority, which shall be exercised in its

the Board shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto.

(iv) If the Executive was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the

Executive if the Executive had remained employed by the Company for at least six months. However, in the event that Executive's employment is terminated without Cause three months before or within twelve (12) months after a Change in Control, then the Company shall pay, or reimburse to, the Executive an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company for at least twelve (12) months.

(v) In the event that Executive's employment is terminated without Cause three months before or within twelve (12) months after a Change in Control, then (A) the Company shall also pay the prorated amount of Executive's target Bonus; and (B) and any outstanding unvested equity awards granted to Executive under Parent equity plans that vest solely based on continued employment or service, (i.e. time based) if any, will automatically become 100% vested.

5. Section 409A.

(a) General. It is the intention of both the Company and Executive that the benefits and rights to which Executive could be entitled pursuant to this Agreement are exempt from or comply with Section 409A of the Code, to the extent that the requirements of Code Section 409A are applicable thereto, and the provisions of this Agreement shall be construed in a manner consistent with that intention. Nothing herein shall be construed as an entitlement to or guarantee of any particular tax treatment to the Executive.

(b) Distributions on Account of Separation from Service. If and to the extent required to comply with Code Section 409A, any payment or benefit required to be paid under this Agreement on account of termination of Executive's employment shall be made upon Executive incurring a "separation of service" within the meaning of Code Section 409A.

(c) Timing of Severance Payments. Notwithstanding anything in this Agreement to the contrary, if Executive is deemed to be a "specified employee" for purposes of Code Section 409A, no severance payment or other payments pursuant to, or contemplated by, this Agreement or any other agreement or arrangement that are subject to Code Section 409A, if any, shall be made to Executive by the Company before the date that is six months after the Executive's "separation from service" (or, if earlier, the date of Executive's death) if

and only to the extent that such payment or benefit constitutes a deferral of compensation under Code Section 409A. Any payment or benefit delayed by reason of the prior sentence shall be paid out or provided in a single lump sum at the end of such required delay period in order to catch up to the original payment schedule.

(d) Treatment of Each Installment as a Separate Payment. For purposes of applying the provisions of Code Section 409A to this Agreement, each separately identified amount to which Executive is entitled under this Agreement shall be treated as a separate payment. In addition, to the extent permissible under Code Section 409A, any series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

(e) Expenses. Notwithstanding anything in this Agreement to the contrary, except to the extent any expense or reimbursement hereunder does not constitute a deferral of compensation under Code Section 409A, any expense or reimbursement shall meet the following requirements: (i) the amount of expenses eligible for reimbursement provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year, (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred, (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit, and (iv) the reimbursements shall be made pursuant to objectively determinable and nondiscretionary Company policies and procedures regarding such reimbursement expenses.

6. At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement. Executive shall be required to execute the Company's At-Will Employment, Confidential Information, Invention Assignment and Arbitration Agreement as a condition of employment with the Company, which will be enclosed herein as Exhibit A. In addition, Executive acknowledges that they have read and must comply with the following policies of the Parent: (1) Insider Trading Policy; (2) Code of Ethics & Conduct; (3) External Communications Policy; and (4) Global Anti-Bribery and Anti-Corruption Policy.

7. Proprietary Information.

(a) Proprietary Information. The Company has spent extensive time and effort identifying and developing trade secrets, investor relationships, customer relationships, client relationships, supplier relationships, goodwill and economic advantage, other business initiatives, and other confidential information (as further defined below, the "Proprietary Information"). The Executive acknowledges and understands that the Executive will have access to such Proprietary Information solely as a byproduct of the Executive's employment with the Company. The Executive agrees that, at all times during Executive's employment with the Company, and at any time thereafter and without regard to when or for what reasons such employment terminates, the Executive shall not disclose any such Proprietary Information to any person outside the Company or utilize such Proprietary Information to compete against the Company unless such disclosure is (1) necessary for the Executive to perform the Executive's duties as an employee of (and only while employed by) the Company, (2) in response to a valid subpoena or order by a court or other governmental body, or (3) otherwise required by law or regulation. In the event that the Executive receives a subpoena or similar demand to disclose Proprietary Information, the Executive shall promptly notify the Company so that the Company shall have the ability to seek an appropriate protective order prior to the Executive making any disclosure in response to such subpoena or demand. For purposes of this Agreement, "Proprietary Information" shall include, without limitation:

(i) The identity of any current or prospective clients, patients, prospect lists, healthcare provider information, payor information, suppliers, or vendors.

(ii) Information relating to the business, products, affairs, and finances of the Company, for the time being confidential to it.

(iii) Technical data and know-how relating to the business of the

(iv) Any information relating to the Company's technology, marketing, and business plans or strategies.

(v) Any management accounting and other similar financial information that would typically be included in the financial statements of the Company, including, without limitation, the amount of the assets, liabilities, net worth, revenues, or net income.

(vi) The identity of any current or prospective investors, technical data and know-how relating to the business of any of the Company's investors, and names and addresses of the Company's investors and their related individuals.

(vii) Non-public information concerning the Company's employees, including, by way of example only, compensation arrangements, performance information of the type that would typically be maintained in a personnel file, and information concerning such employees' abilities, skills, and relationships which the Company has acquired and/or developed through its investments in the recruitment and employment of such individuals.

(viii) The details of any independent contractor or agency arrangements.

(ix) Non-public information relating to legal and professional dealings, real property, tangible property, finances, business, and investment activities, and other personal affairs of the Company.

(x) Any and all books, notes, memoranda, records, correspondence, documents, computer and other discs and tapes, data listings, codes, designs, drawings, and other documents and materials (whether made or created by the Executive or otherwise) relating to the business of the Company or any of its principals; and

(xi) Any other non-public information gained in the course of the Executive's employment with the Company that could reasonably be expected to prove harmful to the Company if disclosed to third parties, including without limitation, any information that could be reasonably expected to aid a competitor or potential competitor of the Company.

(xii) For purposes of this Agreement, "Proprietary Information" shall not include information that (1) was otherwise in the Executive's possession prior to disclosure by the Company as evidenced by Executive's written records; (2) is disclosed to the Executive by a third party who is lawfully in possession of such information and who is not in violation of any contractual, legal, or fiduciary obligation to the Company with respect to such information; or (3) is or becomes part of the public domain other than directly or indirectly, through the breach of this Agreement.

(XIII) Nothing in this Agreement shall be interpreted or applied to prohibit the Executive from making any good faith report to any governmental agency or other governmental entity concerning any act or omission that the Executive reasonably believes constitutes a possible violation of federal or state law or making

other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation. Pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(b) Documents and Records. The Executive agrees that Executive will not make or retain any originals, copies, or reproductions of, or excerpts from, any of the Proprietary Information for the Executive's use or the use of others, except for the Executive's use for the benefit of the Company in the course of and in connection with the Executive's employment with the Company during the Term. On request by the Company, or on termination of the Executive's employment with the Company, the Executive will immediately deliver to the Company all tangible property that embodies or contains any Proprietary Information, including books, notes, memoranda, records, correspondence, documents, computer and other discs and tapes, data listings, codes, designs, drawings, and other documents and materials relating to the business of the Company, whether prepared or developed by or with the assistance of the Executive or otherwise coming into the Executive's possession, custody, or control and shall certify that all such property has been handed over on request by the Company; provided, however, that the Executive may retain (and make copies of) the Executive's personal non-business-related correspondence files and documents relating to the Executive's personal compensation, benefits, and obligations.

8. Non-Disparagement. The Executive agrees that Executive will not, whether during or after the Executive's employment with the Company, (i) make or publish any derogatory or disparaging statement, orally or in writing, regarding the Company, or any its respective officers, executives, directors, managers, members, employees, or investors, or (ii) in any way, directly or indirectly, cause, encourage or condone the making of such statements by anyone else. Nothing herein shall be deemed to preclude the Executive from testifying truthfully under oath if the Executive is required or compelled by law to testify in any judicial action or before any government authority or agency, from making any other legally required truthful statements or disclosures, or from facilitating or participating in employee performance reviews or disciplinary action.

9. Non-Competition. Executive agrees that during Executive's employment with the Company, and for a period of twelve (12) months following the Date of Termination or Date of Resignation, Executive shall not, without the prior written consent of the Company: (a) operate, conduct, or engage in, or prepare to operate, conduct, or engage in the Business; (b) take an active ownership, financial, or investment role in (except as the holder of not more than one percent of the outstanding stock of a publicly-held company) any Business, or (c) render services to any entity that engages in the Business (a) which involves the same or similar business

services to any entity that engages in the Business (x) which involves the same or similar types of services Executive performed for the Company at any time during the last two years of his employment with the Company or (y) in which Executive could reasonably be expected to use or disclose Proprietary Information, in the case of each of (a), (b), or (c), in the Restricted Territory. The term "Business" means any business in the healthcare and related technology field or part thereof that develops, manufactures, markets, licenses, sells, or provides any product or service that competes with any product or service developed, manufactured, marketed, licensed, sold or provided, or planned to be developed, manufactured, marketed, licensed, sold or provided, by the Company, in each case at any time during Executive's

employment with the Company. The term "Restricted Territory" means each city, county, state, territory, and country in which (i) Executive provided services or had a material presence or influence at any time during the last two years of his employment with the Company or (ii) the Company is engaged in or has plans to engage in the Business as of the Date of Termination.

10. Non-Solicitation of Customers, Patients, and Clients. Executive agrees that during the Executive's employment with the Company, and for a period of twelve (12) months following the Date of Termination or Date of Resignation, the Executive shall not, without the prior written consent of the Company, solicit or negotiate with any customer, patient, client, or other business relation of the Company of which Executive is aware, or knowingly request or advise any customer, patient, client, or other business relation of the Company to curtail or cancel its business relationship with the Company. The Executive further represents that the Executive's fulfillment of the obligations set forth in this Section 10 shall not cause the Executive any substantial economic hardship or render the Executive unemployable within the industry either during or after the non-solicitation period.

11. Non-Solicitation of Employees. The Executive agrees that during the while Executive is employed as an employee of the Company and for a period of twelve (12) months after the Date of Termination or Date of Resignation, the Executive shall not hire, solicit, recruit, induce, entice, or procure on the Executive's own account or on behalf of any third party, any officer, executive, director, partner, principal, member, employee, physician, health care provider, representative, agent, consultant or other independent contractor of the Company, its Parent and subsidiaries of the Parent, or any person who was an officer, executive, director, partner, principal, member, employee, representative, agent, consultant or other independent contractor of the Company at any time during the final year of the Executive's employment with the Company, to invest with, or work for the Executive without the express written consent of the Company. The Executive further represents that the Executive's fulfillment of the obligations set forth in this Section 11 shall not cause the Executive any substantial economic hardship or render the Executive unemployable within the industry either during or after the non-solicitation period.

12. Corporate Opportunities. Executive will submit to the Company all business, commercial and investment opportunities or offers presented to Executive or of which Executive becomes aware which relate to the business of Parent, the Company, or other subsidiaries of Parent, as such businesses exist at any time during Executive's employment by the Company (collectively, "Corporate Opportunities"). Unless approved by the Board, Executive will not accept or pursue, directly or indirectly, any Corporate Opportunities on Executive's own behalf.

13. Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with Parent, the Company, or other subsidiaries of Parent in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of Parent, the Company, or other subsidiaries of Parent which relate to events or occurrences that transpired while the Executive was employed by the Company. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state, or local regulatory authority, or internal investigation by Parent, the Company, or other subsidiaries of Parent, in each case as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket

expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 13.

14. Injunctive Relief. The Executive acknowledges that the Proprietary Information was and, in the future, may be acquired and/or developed by the Company at great expense, constitutes a special, valuable, and unique asset of the Company, and is owned exclusively by the Company. The Executive acknowledges that the restrictions contained in this Agreement are reasonable and necessary to protecting the Company's Proprietary Information and other legitimate business interests. Therefore, the Executive acknowledges and agrees that the Executive's failure to perform any of the covenants in Sections 7-11 of this Agreement would cause irreparable injury to the Company and cause damages to the Company that would be difficult or impossible to ascertain or quantify. Accordingly, without limiting any remedies that may be available with respect to any breach of this Agreement, the Executive consents to the entry of a temporary restraining order and/or an injunction to restrain any breach or threatened breach of this Agreement without showing or proving any actual damage to the Company and without the posting of a bond or other security. Further, the Company shall be entitled to recover its reasonable attorneys' fees, costs, and expenses related to such breach or threatened breach.

15. Extension of Restrictions. In the event of a violation of the covenants contained herein and a proceeding instituted by the Company to prevent and enjoin such violation, then the period of time during which the Executive's business activities shall be restricted, as provided in this Agreement, shall be lengthened by a time period equal to the period between the date of the breach of the terms or covenants contained in this Agreement and the date on which the decision disposing of the issues upon the merits shall become final or not subject to further appeal.

16. Choice of Law; Venue; Consent to Jurisdiction. This Agreement and all matters or disputes relating to the validity, construction, performance, or enforcement hereof and Executive's employment with Company, shall be governed, construed, and controlled by and under the laws of the State of Texas, without regard to principles of conflicts of laws. To the extent not prohibited by applicable law, each party waives and agrees not to assert, by way of motion, as a defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the courts in Williamson County, Texas, that its property is exempt or immune from attachment or execution, that any such action brought in Williamson County, Texas should be dismissed on grounds of forum non conveniens, should be transferred or removed to any court other than one in Williamson County, Texas, or should be stayed by reason of the pendency of some other proceeding in any other court other than a court in Williamson County, Texas, or that this Agreement or the subject matter hereof may not be enforced in or by any court in Williamson County, Texas, and each party agrees not to commence any such action other than before a court in Williamson County, Texas. Notwithstanding the previous sentence, a party may commence any action in a court other than a court in Williamson County, Texas solely for the purpose of enforcing an order or judgment issued by a court in Williamson County, Texas. Each party agrees that for any action between the Parties arising in whole or in part under or in connection with this Agreement, such Party will bring actions only in Williamson County, Texas. Each party further waives any claim and will not assert that venue should properly lie in any other location within the selected jurisdiction. The Parties consent irrevocably to the jurisdiction over them of any of the aforementioned courts in any such action or proceeding. The Parties agree that the venue provided above is the most convenient forum for both Parties. Executive and Company permanently and irrevocably waive any objection to venue or jurisdiction and any objection

based on a more convenient forum in any action under this Agreement. Executive, by and through Executive's legal counsel, participated in the negotiation of all terms in this Agreement including without limitation this Section 16. By signing this Agreement, Executive and Executive's legal counsel each represent and affirm that Executive is individually represented by legal counsel in negotiating the terms of this Agreement, including without limitation the choice of law and forum of this Section 16.

17. Withholding; Authorized Deductions; 280G. All payments made by the Company to the Executive under this Agreement shall subject to withholdings and deductions as required by applicable law and as authorized by the Executive. Notwithstanding anything contained in this Agreement or Parent's applicable equity plan to the contrary, to the extent that any of the payments or benefits by the Company or otherwise to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (collectively, the "Payments") would constitute a "parachute payment" within the meaning of Section 280G of the Code and would, but for this Section 17, be subject (in whole or in part) to the excise tax imposed pursuant to Section 4999 of the Code (the "Excise Tax"), then the amount of such Payments shall be reduced (in the order provided in this Section 17) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Payments.

(a) Notwithstanding the foregoing, no reduction of the Payments will be applied unless (i) the net amount of such Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Payments), is greater than or equal to (ii) the net amount of such Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Payments and the amount of the Excise Tax to which the Executive would be subject in respect of such unreduced Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Payments).

(b) If reduction is applicable, the Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Code Section 409A, (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Code Section 409A, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Code Section 409A and (iv) reduction of any payments or benefits otherwise payable to the Executive on a pro-rata basis or such other manner that complies with Code Section 409A; provided, in the case of clauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Parent equity awards shall be first applied to Parent equity awards that would otherwise vest last in time.

(c) To the extent Section 280G(b)(5)(A)(ii) of the Code is available to exempt the Payments from being "parachute payments," then, in lieu of applying the Payment reductions described in this Section 17, and provided that the Executive has waived his right to receive or retain the portion of the Payments in excess of three times his "base amount" within the meaning of Section 280G and the related regulations, the Company shall prepare and

the meaning of Section 280G and the related regulations, the Company shall prepare and deliver to its stockholders a disclosure of such “parachute payments” in a manner intended to comply with the requirements of Section 280G(b)(5)(B) of the Code with respect to the Payments, and the Company shall use its commercially reasonable best efforts to obtain the approval of the Company’s stockholders in accordance with Section 280G(b)(5)(B) of the Code

and related regulations. To the extent Section 280G(b)(5)(A)(ii) of the Code is not available to exempt the Payments from being “parachute payments,” the Company shall engage a nationally recognized accounting or consulting firm to propose actions that may be taken by the Company, consistent with the rules and regulations under Section 280G, to mitigate adverse tax consequences to the Company and to the Executive under Sections 280G and 4999 of the Code, and the Company shall reasonably consider such proposals.

18. Assignment; Successors and Assigns. Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other party. Notwithstanding the foregoing, the Company may assign its rights under this Agreement without any such further consent of the Executive to any successor in interest to the Company including in the event that the Company shall effect a reorganization, consolidate with, or merge into any other corporation, limited liability company, partnership, organization, or other entity, or transfer all or substantially all of its properties or assets to any other corporation, limited liability company, partnership, organization, or other entity, in which event all references to the “Company” shall be deemed to mean the assignee or a designated affiliate of the assignee. In addition, the Company may assign this Agreement to another direct or indirect wholly owned subsidiary of the Parent. The Executive hereby consents to such assignment as set forth in the immediately preceding sentence and further acknowledges and agrees that no further consent by the Executive is necessary to make such assignment. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs, and permitted assigns.

19. Entire Agreement. This Agreement constitutes the entire agreement between the Executive and the Company regarding the subject matter hereof and supersedes any prior written or oral agreements between the Parties concerning such subject matter. There are no representations, agreements, arrangements, or understandings, oral or written, between the Parties to this Agreement relating to the subject matter contained in this Agreement that are not fully expressed herein.

20. Enforceability; Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court or arbitrator of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. In the event that any portion or provision of this Agreement is determined by a court or arbitrator of competent jurisdiction to be unenforceable by reason of excessive scope as to geographic, temporal, or functional coverage, such provision will be deemed to extend only over the maximum geographic, temporal, and functional scope as to which it may be enforceable.

21. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment with the Company to the extent necessary to effectuate the terms contained herein.

22. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

23. Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given (a) upon personal delivery; (b) one (1) business day following the date sent when sent by reputable overnight courier for next business day delivery, charges prepaid; (c) three (3) business days after being sent by registered or certified U.S. mail, return receipt requested and postage prepaid; or (d) the business day sent (or next business day if not sent on a business day or not sent during normal business hours of the recipient) if sent electronically with delivery confirmation, in each case to the appropriate address and email address set forth below (or to such other addresses and email address as a party may designate by written notice to the other parties:

Notices to Employee:

On file with the Company

Notices to the Company:

Babylon, Inc.
2500 Bee Cave Road
Austin TX 78746
Attn: General Counsel

Any party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth. Notices hereunder shall be effective on the date of delivery in person or by courier or three (3) days after the date mailed.

24. No Strict Construction; Representation by Counsel. The Parties have participated jointly in the negotiation and drafting of this Agreement, including without limitation that each of the Executive and the Company has negotiated the restrictive covenants set forth in Sections 6-12 of this Agreement and the choice of law and choice of forum clauses herein with and through their respective independent legal counsel. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any law shall be deemed also to refer to all rules and regulations promulgated thereunder unless the context requires otherwise. The word "including" or "includes" shall mean including without limitation.

25. Amendment; Modification. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company (that is not the Executive).

26. Counterparts. This Agreement may be executed in any number of counterparts (including by means of facsimile or electronic mail in .pdf format), each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

27. Consent on the Part of the Company. For purposes of this Agreement, consent on the part of the Company means the written, signed consent of the Parent's Board of Directors.

28. Disclosure to Future Employers. The Executive agrees that, for 24 months following the Date of Termination, the Executive will provide to any prospective employer, partner, or co-venturer (prior to entering into an employment or other business relationship with such entity or person) a copy of the provisions of this Agreement containing post-employment obligations or, alternatively, an accurate, written description of the post-employment obligations contained in Sections 6-12 of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective on the date and year first above written.

BABYLON, INC.

DocuSigned by:
Samira Lowman
Signer Name: Samira Lowman
Signing Reason: I approve this document
Signing Time: 7/30/2022 | 20:38 BST
45BF6D99DA8C456AA14B537CAE03D583

By: _____
Its: Chief People Officer

EXECUTIVE

DocuSigned by:
Darshak Sanghavi
Signer Name: Darshak Sanghavi
Signing Reason: I approve this document
Signing Time: 7/30/2022 | 20:36 BST
382C37FD44AE4B49A034284100DA3DFC

Darshak Sanghvi

EXHIBIT A

At will Employment, Confidential Information, Invention Assignment, and Arbitration
Agreement

CONFIDENTIALITY AND BUSINESS PROTECTION AGREEMENT

As a condition of my employment or continued employment (as applicable) with Babylon Inc. (the “Company”), a subsidiary of Babylon Holdings Limited (together with any sister corporations, subsidiaries, parents, or affiliates of the Company, the “Company Group”), and in consideration of my employment or continued employment (as applicable) with the Company, my access or continued access (as applicable) to confidential information and trade secrets, my eligibility to earn a performance bonus and my eligibility to receive a grant of equity, that I shall receive conditional upon signing this Agreement, which shall be consideration for my agreement to fulfill my obligations under Section 7, and my receipt of the compensation now and hereafter paid to me by the Company, I agree to the following provisions of this agreement (“Agreement”). This Agreement shall be effective as of the date on which it has been signed by both the Company and me (the “Effective Date”).

1. AT-WILL EMPLOYMENT

I understand and acknowledge that my employment with the Company is for no specified term and constitutes “at-will” employment. I also understand that any representation to the contrary is unauthorized and not valid unless in writing and signed by the CEO of the Company. Accordingly, I acknowledge that my employment relationship may be terminated at any time, with or without good cause or for any or no cause, at my option or at the option of the Company, with or without notice. I further acknowledge that the Company may modify job titles, reporting lines, salaries and benefits from time to time as it deems necessary.

2. CONFIDENTIALITY

A. Definition of Company Confidential Information. I understand that “Company Confidential Information” means information (including any and all combinations of individual items of information) that the Company Group has or will develop, acquire, create, compile, discover or own, that has value in or to the Company Group’s business which is not generally known and which the Company Group wishes to maintain as confidential. Company Confidential Information includes both information disclosed by the Company Group to me, and information developed or learned by me during the course of my employment with the Company. Company Confidential Information also includes all information of which the unauthorized disclosure could be detrimental to the interests of the Company Group, whether or not such information is identified as Company Confidential Information. By example, and without limitation, Company Confidential Information includes any and all non-public information that relates to the actual or anticipated business and/or products, research or development of the Company Group, or to the Company Group’s technical data, trade secrets, personally identifiable information, protected health information, or know-how, including, but not limited to, research, product plans, or other information regarding the Company Group’s products or services and markets therefor, customer lists and customers (including, but not limited to, customers of the Company Group on which I called or with which I may become acquainted during the term of my employment), software, developments, inventions, discoveries, ideas, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances, and other business information disclosed by the Company Group either directly or indirectly in writing, orally or by drawings or inspection of premises, parts, equipment, or other Company Group property. Notwithstanding the foregoing, Company Confidential

equipment, or other Company Group property. Notwithstanding the foregoing, Company Confidential Information shall not include any such information which I can establish (i) was publicly known or made generally available prior to the time of disclosure by the Company Group to me; (ii) becomes publicly known or made generally available after disclosure by the Company Group to me through no wrongful action or omission by me; or (iii) is in my rightful possession, without confidentiality obligations, at the time of disclosure by the Company Group as shown by my then-contemporaneous written records; provided that any combination of individual items of information shall not be deemed to be within any of the foregoing exceptions merely because one or more of the individual items are within such exception, unless the combination as a whole is within such exception. I understand that nothing in this Agreement limits employees' rights to discuss the terms, wages, and working conditions of their employment, as protected by applicable law.

B. Nonuse and Nondisclosure. I agree that during and after my employment with the Company, I will hold in the strictest confidence, and take all reasonable precautions to prevent any unauthorized use or disclosure of Company Confidential Information. I will not (i) use Company Confidential Information for any purpose whatsoever other than for the benefit of the Company Group in the course of my employment, or (ii) disclose Company Confidential Information to any third party without the prior written authorization of the CEO, or the Board of Directors of the Company. Prior to disclosure, when compelled by applicable law, I shall provide prior written notice to the CEO, and General Counsel of the Company (as applicable). I agree that I obtain no title to any Company Confidential Information, and that the Company Group retains all Confidential Information as the sole property of the Company Group. I understand that my unauthorized use or disclosure of Company Confidential Information during my employment may lead to disciplinary action, up to and including, immediate termination and legal action by the Company Group. I understand that my obligations under this Section 2.B shall continue after termination of my employment and also that nothing in this Agreement prevents me from engaging in protected activity, as described in Section 14 below.

C. Former Employer Confidential Information. I agree that during my employment with the Company, I will not improperly use, disclose, or induce the Company Group to use any proprietary information or trade secrets of any former employer or other person or entity with which I have an obligation to keep such proprietary information or trade secrets in confidence. I further agree that I will not bring onto the Company Group's premises or transfer onto the Company Group's technology systems any unpublished document, proprietary information, or trade secrets belonging to any such third party unless disclosure to, and use by, the Company Group has been consented to in writing by such third party and the Company.

D. Third Party Information. I recognize that the Company Group has received, and in the future may receive, from third parties (for example, customers, suppliers, licensors, licensees, partners, and collaborators) ("Associated Third Parties"), information which the Company Group is required to maintain and treat as confidential or proprietary information of such Associated Third Parties ("Associated Third Party Confidential Information"), and I agree to use such Associated Third Party Confidential Information only as directed by the Company and to not use or disclose such Associated Third Party Confidential Information in a manner that would violate the Company Group's obligations to such Associated Third Parties. By way of example, Associated Third Party Confidential Information may include the habits or practices of Associated Third Parties, the technology of Associated Third Parties, requirements of Associated Third Parties, and information related to the business conducted between the Company Group and such Associated Third Parties. I agree at all times during my employment with the Company and thereafter, that I owe the Company Group and its Associated Third Parties a duty to hold all such Associated Third Party Confidential Information in the strictest confidence, and not to use it or to disclose it to any person, firm, corporation, or other third party except as necessary in carrying out my work for the Company consistent with the Company Group's agreement with such Associated Third Parties. I further agree to comply with any and all Company Group policies and guidelines that may be adopted from time to time regarding Associated Third Parties and Associated Third Party Confidential Information. I understand that my unauthorized use or disclosure of Associated Third Party Confidential Information or violation of any Company policies during my employment may lead to disciplinary action, up to and including immediate termination and legal action by the Company Group.

and including immediate termination and legal action by the Company.

3. OWNERSHIP

A. Assignment of Inventions. As between the Company and myself, I agree that all right, title, and interest in and to any and all copyrightable material, notes, records, ideas, drawings, designs, logos, inventions, improvements, developments, discoveries and trade secrets conceived, discovered, authored, invented, developed or reduced to practice by me, solely or in collaboration with others, during the period of time I am in the employ of the Company (including during my off-duty hours), or with the use of the Company's equipment, supplies, facilities, or Company Confidential Information, and any copyrights, patents, trade secrets, mask work rights or other intellectual property rights relating to the foregoing, except as provided in Section 3.G below (collectively, "Inventions"), are the sole property of the Company. I also agree to promptly make full written disclosure to the Company of any Inventions, and to deliver and assign and hereby irrevocably assign fully to the

Company all of my right, title and interest in and to Inventions. I agree that this assignment includes a present conveyance to the Company of ownership of Inventions that are not yet in existence. I further acknowledge that all original works of authorship that are made by me (solely or jointly with others) within the scope of and during the period of my employment with the Company and that are protectable by copyright are “works made for hire,” as that term is defined in the United States Copyright Act. I understand and agree that the decision whether or not to commercialize or market any Inventions is within the Company’s sole discretion and for the Company’s sole benefit, and that no royalty or other consideration will be due to me as a result of the Company’s efforts to commercialize or market any such Inventions.

B. Pre-Existing Materials. I will inform the Company in writing before incorporating any inventions, discoveries, ideas, original works of authorship, developments, improvements, trade secrets and other proprietary information or intellectual property rights owned by me or in which I have an interest prior to, or separate from, my employment with the Company, including without limitation, any such inventions that meet the criteria set forth herein under Section 3.G (“Prior Inventions”) into any Invention or otherwise utilizing any such Prior Invention in the course of my employment with the Company, and the Company is hereby granted a nonexclusive, royalty-free, perpetual, irrevocable, transferable worldwide license (with the right to grant and authorize sublicenses) to make, have made, use, import, offer for sale, sell, reproduce, distribute, modify, adapt, prepare derivative works of, display, perform, and otherwise exploit such Prior Inventions, without restriction, including, without limitation, as part of or in connection with such Invention, and to practice any method related thereto. I will not incorporate any inventions, discoveries, ideas, original works of authorship, developments, improvements, trade secrets and other proprietary information or intellectual property rights owned by any third party into any Invention without the Company’s prior written permission. I have attached hereto as Exhibit A, a list describing all Prior Inventions that relate to the Company’s current or anticipated business, products, or research and development or, if no such list is attached, I represent and warrant that there are no such Prior Inventions. Furthermore, I represent and warrant that if any Prior Inventions are included on Exhibit A, they will not materially affect my ability to perform all obligations under this Agreement.

C. Moral Rights. Any assignment to the Company of Inventions includes all rights of attribution, paternity, integrity, modification, disclosure and withdrawal, and any other rights throughout the world that may be known as or referred to as “moral rights,” “artist’s rights,” “droit moral,” or the like (collectively, “Moral Rights”). To the extent that Moral Rights cannot be assigned under applicable law, I hereby waive and agree not to enforce any and all Moral Rights, including, without limitation, any limitation on subsequent modification, to the extent permitted under applicable law.

D. Maintenance of Records. I agree to keep and maintain adequate, current, accurate, and authentic written records of all Inventions made by me (solely or jointly with others) during the term of my employment with the Company. The records will be in the form of notes, sketches, drawings, electronic files, reports, or any other format that may be specified by the Company. As between the Company and myself, the records are and will be available to and remain the sole property of the Company at all times.

E. Further Assurances. I agree to assist the Company, or its designee, at the Company’s expense, in every proper way to secure the Company’s rights in the Inventions in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, and all other instruments that the Company shall deem proper or necessary in order to apply for, register, obtain, maintain, defend, and enforce such rights, and in order to deliver, assign and convey to the Company, its successors, assigns, and nominees the sole and exclusive rights, title, and interest in and to all Inventions, and testifying in a suit or other proceeding relating to such Inventions. I further agree that my obligations under this Section 3.E shall continue after the termination of this Agreement.

F. Attorney-in-Fact. I agree that, if the Company is unable because of my unavailability, mental or physical incapacity, or for any other reason to secure my signature with respect to any Inventions, including, without limitation, for the purpose of applying for or pursuing any application for any United States or foreign patents or mask work or copyright registrations covering the Inventions assigned to the Company in

agents as my agent and attorney-in-fact, to act for and on my behalf to execute and file any papers and oaths, and to do all other lawfully permitted acts with respect to such Inventions to further the prosecution and issuance of patents, copyright and mask work registrations with the same legal force and effect as if executed by me. This power of attorney shall be deemed coupled with an interest, and shall be irrevocable.

G. Exception to Assignments. I understand that the provisions of this Agreement requiring assignment of Inventions to the Company do not apply to any Invention that I have developed entirely on my own time without using the Company's equipment, supplies, facilities, trade secret information or Company Confidential Information (an "Other Invention") except for those Other Inventions that either (i) relate at the time of conception or reduction to practice of such Other Invention to the Company's business, or actual or anticipated research or development of the Company or (ii) result from or relate to any work that I performed for the Company or to any Company Confidential Information or Inventions, or if I work for the Company in a state covered by one of the state-specific statutes in Exhibit E at the time such Other Invention is conceived or reduced to practice, except for those Other Inventions that qualify fully under the provisions of the applicable state-specific statute in Exhibit E. I will not incorporate, or permit to be incorporated, any Other Invention owned by me or in which I have an interest into a Company product, process or service without the Company's prior written consent. Notwithstanding the foregoing sentence, if, in the course of my employment with the Company, I incorporate into a Company product, process, or service an Other Invention owned by me or in which I have an interest, I hereby grant to the Company a nonexclusive, royalty-free, fully paid-up, irrevocable, perpetual, transferable, sublicensable, worldwide license to reproduce, make derivative works of, distribute, perform, display, import, make, have made, modify, use, sell, offer to sell, and exploit in any other way such Other Invention, and to practice any method related thereto. I agree to advise the Company promptly in writing of any Inventions that I believe meet the criteria of this Section 3.G., and are not otherwise disclosed on Exhibit A, to permit a determination of ownership by the Company. Any such disclosure will be received in confidence.

4. CONFLICTING OBLIGATIONS

A. Current Obligations. I agree that during the term of my employment with the Company, I will not engage in or undertake any other employment, occupation, consulting relationship, or commitment that competes with or is directly related to the business in which the Company Group is now involved or becomes involved or has plans to become involved, nor will I engage in any other activities that in the reasonable opinion of the Company conflict with my obligations to the Company.

B. Prior Relationships. Without limiting Section 4.A., I represent and warrant that I have no other agreements, relationships, or commitments to any other person or entity that conflict with the provisions of this Agreement, my obligations to the Company under this Agreement, or my ability to become employed and perform the services for which I am being hired by the Company. I further agree that if I have signed a confidentiality agreement or similar type of agreement with any former employer or other entity, I will comply with the terms of any such agreement to the extent that its terms are lawful under applicable law. I represent and warrant that after undertaking a careful search (including searches of my computers, cell phones, electronic devices, and documents), I have returned all property and confidential information belonging to all prior employers (and/or other third parties I have performed services for in accordance with the terms of my applicable agreement). Moreover, I agree to fully indemnify the Company, its directors, officers, agents, employees, investors, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assigns for all verdicts, judgments, settlements, and other losses incurred by any of them resulting from my breach of my obligations under any agreement with a third party to which I am a party or obligation to which I am bound, as well as any reasonable attorneys' fees and costs if the plaintiff is the prevailing party in such an action, except as prohibited by law.

5. COMPANY PROPERTY AND MATERIALS

A. Definition of Electronic Media Equipment and Electronic Media Systems. I understand that "Electronic Media Equipment" includes, but is not limited to, computers, external storage devices, thumb drives, mobile devices (including, but not limited to smart phones, tablets, and e-readers), telephone equipment,

Page 4 of 16

and other electronic media devices. I understand that "Electronic Media Systems" includes, but is not limited to, computer servers, messaging and email systems or accounts, applications for computers or mobile devices, and web-based services (including cloud-based information storage accounts).

B. Return of Company Property. I understand that anything that I created or worked on for the Company Group while working for the Company belongs solely to the Company and that I cannot remove, retain, or use such information without the Company's express written permission. Accordingly, upon separation from employment with the Company or upon the Company's request at any other time, I will immediately deliver to the Company, and will not keep in my possession, recreate, or deliver to anyone else, any and all Company property, including, but not limited to, Company Confidential Information, Associated Third Party Confidential Information, all Company equipment including all Company Electronic Media Equipment, all tangible embodiments of the Inventions, all electronically stored information and passwords to access such information, Company credit cards, records, data, notes, notebooks, reports, files, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, photographs, charts, any other documents and property, and reproductions of any of the foregoing items, including, without limitation, those records maintained pursuant to Section 3.D. Notwithstanding the foregoing, I understand that I am allowed to keep a copy of the Company's employee handbook and personnel records relating to my employment.

C. Return of Company Information on Company Electronic Media Equipment. In connection with my obligation to return information to the Company, I agree that I will not copy, delete, or alter any information, including personal information voluntarily created or stored, contained in Company Electronic Media Equipment before I return the information to the Company.

D. Return of Company Information on Personal Electronic Media Equipment. In addition, if I have used any personal Electronic Media Equipment or personal Electronic Media Systems to create, receive, store, review, prepare or transmit any Company information, including but not limited to, Company Confidential Information, I agree to make a prompt and reasonable search for such information in good faith, including reviewing any personal Electronic Media Equipment or personal Electronic Media Systems to locate such information and if I locate such information I agree to notify the Company of that fact and then provide the Company with a computer-useable copy of all such Company information from those equipment and systems. I agree to cooperate reasonably with the Company to verify that the necessary copying is completed (including upon request providing a sworn declaration confirming the return of property and deletion of information), and, upon confirmation of compliance by the Company, I agree to delete and expunge all Company information.

E. No Expectation of Privacy in Company Property. I understand that I have no expectation of privacy in Company property, and I agree that any Company property is subject to inspection by Company Group personnel at any time with or without further notice. As to any personal Electronic Media Equipment or personal Electronic Media Systems that I have used for Company purposes, I agree that the Company, at its sole discretion, may have reasonable access, as determined by the Company in good faith, to such personal Electronic Media Equipment or personal Electronic Media Systems to review, retrieve, destroy, or ensure the permanent deletion of Company information from such equipment or systems or to take such other actions necessary to protect the Company Group or Company property, as determined by the Company Group reasonably and in good faith. I also consent to an exit interview and an audit to confirm my compliance with this Section 5, and I will certify in writing that I have complied with the requirements of this Section 5.

6. TERMINATION OBLIGATIONS

A. Upon separation from employment with the Company, I agree to: (i) immediately update all of my social media accounts, including but not limited to Facebook, LinkedIn, and Twitter, to delete any information, assertions, or suggestions to the effect that I am a current employee of the Company or am otherwise currently affiliated with the Company in any way; and (ii) immediately sign and deliver to the Company the "Termination Certification" attached hereto as Exhibit B.

Page 5 of 16

7. NOTIFICATION OF NEW EMPLOYER

A. In the event that I leave the employ of the Company, I hereby grant consent to notification by the Company to my new employer about my obligations under this Agreement.

8. CONFLICT OF INTEREST GUIDELINES

A. I agree to diligently adhere to all policies of the Company Group, including the Company's insider trading policies and the Company's Conflict of Interest Guidelines. A copy of the Company's current Conflict of Interest Guidelines is attached as Exhibit C hereto, but I understand that these Conflict of Interest Guidelines may be revised from time to time during my employment.

9. REPRESENTATIONS

A. Without limiting my obligations under Section 3.E above, I agree to execute any proper oath or verify any proper document required to carry out the terms of this Agreement. I represent and warrant that my performance of all the terms of this Agreement will not breach any agreement to keep in confidence information acquired by me in confidence or in trust prior to my employment by the Company. I hereby represent and warrant that I have not entered into, and I will not enter into, any oral or written agreement in conflict herewith.

10. AUDIT

A. I acknowledge that I have no reasonable expectation of privacy in any Company Electronic Media Equipment or Company Electronic Media Systems. All information, data, and messages created, received, sent, or stored in Company Electronic Media Equipment or Company Electronic Media Systems are, at all times, the property of the Company. As such, the Company Group has the right to audit and search all such items and systems, without further notice to me, to ensure that the Company Group is licensed to use the software on the Company Group's devices in compliance with the Company Group's software licensing policies, to ensure compliance with the Company Group's policies, and for any other business-related purposes in the Company Group's sole discretion. I understand that I am not permitted to add any unlicensed, unauthorized, or non-compliant applications to the Company Group's technology systems, including, without limitation, open source or free software not authorized by the Company Group, and that I shall refrain from copying unlicensed software onto the Company Group's technology systems or using non-licensed software or websites. I understand that it is my responsibility to comply with the Company Group's policies governing use of the Company Group's documents and the internet, email, telephone, and technology systems to which I will have access in connection with my employment. In addition, as to any personal Electronic Media Equipment or personal Electronic Media Systems or other personal property that I have used for Company purposes, I agree that the Company Group may have reasonable access to such personal Electronic Media Equipment or personal Electronic Media Systems or other personal property to review, retrieve, destroy, or ensure the permanent deletion of Company Group information from such equipment or systems or property or take such other actions that are needed to protect the

information from such equipment or systems or property or take such other actions that are needed to protect the Company Group or Company property, as determined by the Company Group reasonably and in good faith.

B. I am aware that the Company Group has or may acquire software and systems that are capable of monitoring and recording all Company Group network traffic to and from any Company Electronic Media Equipment or Company Electronic Media Systems. The Company Group reserves the right to access, review, copy, and delete any of the information, data, or messages accessed through Company Electronic Media Equipment or Company Electronic Media Systems, with or without notice to me and/or in my absence. This includes, but is not limited to, all e-mail messages sent or received, all website visits, all chat sessions, all news group activity (including groups visited, messages read, and postings by me), and all file transfers into and out of the Company Group's internal networks. The Company Group further reserves the right to retrieve previously deleted messages from e-mail or voicemail and monitor usage of the Internet, including websites visited and any information I have downloaded. In addition, the Company Group may review Internet and technology systems

activity and analyze usage patterns, and may choose to share this data to assure that technology systems are devoted to legitimate business purposes.

11. ARBITRATION AND EQUITABLE RELIEF

A. Arbitration. In consideration of my employment or continued employment with the Company (as applicable), its promise to arbitrate all employment-related disputes with me, and my receipt of the compensation, pay raises and other benefits paid to me by the Company, at present and in the future, I agree that, except as set forth in Sections 12.A.(1), 12.A.(2), and 12.A.(3), below, any and all controversies, claims, or disputes that I may have with the (including any Company Group employee, officer, director, trustee, shareholder or benefit plan of the Company, in their capacity as such or otherwise), arising out of, relating to, or resulting from my employment or relationship with the Company or the termination of my employment or relationship with the Company, including any breach of this Agreement, shall be subject to binding arbitration under the Federal Arbitration Act (the "FAA"). The FAA's substantive and procedural provisions shall exclusively govern and apply with full force and effect to this arbitration agreement, including its enforcement, and any state court of competent jurisdiction shall compel arbitration in the same manner as a federal court under the FAA. I agree that I may only commence an action in arbitration, or assert counterclaims in an arbitration, pursuant to this Section 12.A., on an individual basis and, thus, I hereby waive my right to commence or participate in any class or collective action(s) against the Company. Disputes that I agree to arbitrate, and thereby agree to waive any right to a trial by jury, include any statutory claims under local, state, or federal law, including, but not limited to, claims under Title VII Of The Civil Rights Act of 1964, the Civil Rights Act of 1991, the Fair Labor Standards Act, the Americans With Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the worker Adjustment And Retraining Notification Act, the Fair Credit Reporting Act, the Employee Retirement Income Security Act of 1974, the Family And Medical Leave Act, the laws of the state in which I work for the Company as of the Effective Date, claims relating to employment status, classification and relationship with the Company, claims of harassment, discrimination, wrongful termination, breach of contract, and any statutory or common law claims. I also agree to arbitrate any and all disputes arising out of or relating to the interpretation or application of this agreement to arbitrate, but not disputes about the enforceability, revocability or validity of this agreement to arbitrate or any portion hereof or the class, collective and representative proceeding waiver herein. With respect to all such claims and disputes that I agree to arbitrate, I hereby expressly agree to waive, and do waive, any right to a trial by jury. I further understand that this agreement to arbitrate also applies to any disputes that the company may have with me. I understand that nothing in this agreement requires me to arbitrate claims that cannot be arbitrated under applicable law, including the Sarbanes-Oxley Act.

(1) Exception for New Jersey Employees. Without otherwise limiting my obligations to the Company and the Company Group as set forth in this Agreement and notwithstanding Section 12.A., I acknowledge that if I work for the company in the State of New Jersey as of the later of my first day of employment with the Company and the Effective Date, then this Agreement's arbitration provision will not apply to any controversies, claims, or disputes alleging or asserting claims of discrimination, harassment, and retaliation pursuant to the New Jersey Law Against Discrimination or other anti-discrimination statutes.

(2) Exception for New York Employees. Without otherwise limiting my obligations to the Company and the Company Group as set forth in this Agreement and notwithstanding Section 12.A., I acknowledge that if I work for the Company in the State of New York as of the later of my first day of employment with the Company and the Effective Date, then this Agreement's arbitration provision will not apply to any controversies, claims, or disputes alleging or asserting claims of discrimination.

(3) Exception for Illinois Employees. Without otherwise limiting my obligations to the Company and the Company Group as set forth in this Agreement and notwithstanding Section 12.A., I acknowledge that if I work for the Company in the State of Illinois as of the later of my first day of employment with the Company and the Effective Date, then this Agreement's arbitration provision will not apply to any claims of unlawful discrimination, harassment, or retaliation. For the avoidance of doubt, I acknowledge that I may pursue

B. Procedure. I agree that any arbitration will be administered by JAMS pursuant to its Employment Arbitration Rules & Procedures (the "JAMS Rules"), which are available at <http://www.jamsadr.com/rules-employment-arbitration/> and from human resources, provided, however, that the JAMS Rules shall not contradict or otherwise alter the terms of this agreement, including, but not limited to, the below cost sharing provision and Section 13.B. below, as applicable. The arbitration shall be before a single arbitrator who shall be a former federal or state court judge. The arbitration shall apply the federal rules of civil procedure, except to the extent such rules conflict with the JAMS Rules. I understand that the parties to the arbitration shall each pay an equal share of the costs and expenses of such arbitration, except as prohibited by law, and understand that each party shall separately pay its respective attorneys' fees and costs. In the event that JAMS fails, refuses, or otherwise does not enforce the aforementioned arbitration costs sharing provision, either party may commence an action to recover such amounts against the non-paying party in court and the non-paying party shall reimburse the moving party for the attorneys' fees and costs incurred in connection with such action. I agree that the arbitrator shall consider and shall have the power to decide any motions brought by any party to the arbitration, including motions for summary judgment and/or adjudication, and motions to dismiss, prior to any arbitration hearing. I agree that the arbitrator shall issue a written decision on the merits. I also agree that the arbitrator shall have the power to award any remedies available under applicable law. I agree that the decree or award rendered by the arbitrator may be entered as a final and binding judgment in any court having jurisdiction thereof. Subject to the FAA's exclusive applicability to the enforcement of this agreement to arbitrate, I agree that the arbitrator shall apply the substantive law of the state in which I work for the company as of the Effective Date to any dispute or claim, without reference to rules of conflict of law. To the extent that the JAMS Rules conflict with the substantive law of that state, the law of that state shall take precedence. I agree that arbitration under this Agreement shall be conducted in Travis County, Texas, or in a location mutually agreed upon by the Company and me.

C. Remedy. Except as prohibited by law or provided by this Agreement, arbitration shall be the sole, exclusive and final remedy for any dispute between me and the Company. Accordingly, neither I nor the Company will be permitted to pursue or participate in a court action regarding claims that are subject to arbitration.

D. Availability of Injunctive Relief. I agree that any party may also petition the court for injunctive relief where either party alleges or claims a violation of this Agreement or any other agreement between me and the Company regarding trade secrets, confidential information, assignment of intellectual property, noncompetition or nonsolicitation. I understand that any breach or threatened breach of any of the aforementioned agreements will cause irreparable injury and that money damages will not provide an adequate remedy therefore and both parties to this Agreement hereby consent to the issuance of an injunction without posting of a bond. In the event either party seeks injunctive relief, the prevailing party shall be entitled to recover reasonable costs and attorneys' fees without regard for the prevailing party in the final judgment, if any. Such attorneys' fees and costs shall be recoverable on written demand at any time, including, but not limited to, prior to entry of a final judgment, if any, by the court, and must be paid within thirty (30) days after demand or else such amounts shall be subject to the accrual of interest at a rate equal to the maximum statutory rate.

E. Administrative Relief. I understand that this Agreement does not prohibit me from pursuing an administrative claim with a local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, including, but not limited to, the Equal Employment Opportunity Commission (and any state or local equivalent agency), the National Labor Relations Board, the Securities And Exchange Commission, or the Workers' Compensation Board. This Agreement does, however, preclude me from pursuing a court action regarding any such claim, except as permitted by law.

F. Voluntary Nature of Agreement. I acknowledge and agree that I am executing this

F. **Voluntary Nature of Agreement.** I acknowledge and agree that I am executing this Agreement, including its arbitration provisions, voluntarily and without any duress or undue influence by the Company or anyone else. I further acknowledge and agree that I have carefully read this Agreement, including its arbitration provisions, and that I have asked any questions needed for me to understand the terms, consequences, and binding effect of this Agreement and fully understand it, including that I am waiving my

Page 8 of 16

right to a jury trial. Finally, I agree that I have been provided an opportunity to seek the advice of an attorney of my choice before signing this Agreement.

Initial here: _____

DocuSigned by:
[Signature]
Signer Name: Dushali Sanghavi
Signing Reason: I approve this document
Signing Time: 7/30/2022 | 20:36 BST
382C37FD44AE4B49A0342B4100DA30FC

12. MISCELLANEOUS

A. **Governing Law; Consent to Personal Jurisdiction.** With the exception of the arbitration requirements set forth herein, this Agreement will be governed by the laws of the state in which I work for the Company as of the Effective Date without regard to any state's conflicts of law rules that may result in the application of the laws of any jurisdiction other than that state. To the extent that any lawsuit is permitted under this Agreement and unless otherwise prohibited by law, I hereby expressly consent to the personal and exclusive jurisdiction and venue of the state and federal courts located in Travis County, Texas for any lawsuit filed against me by the Company.

B. **Waiver of Trial by Jury.** TO THE EXTENT THAT ANY LAWSUIT IS PERMITTED UNDER THIS AGREEMENT AND UNLESS OTHERWISE PROHIBITED BY LAW, I IRREVOCABLY AND UNCONDITIONALLY WAIVE MY RIGHT TO A TRIAL BY JURY IN ANY LAWSUIT DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR MY RELATIONSHIP WITH THE COMPANY GROUP AND ACKNOWLEDGE THAT I AM KNOWINGLY AND VOLUNTARILY WAIVING MY RIGHT TO A TRIAL BY JURY.

(1) **Exception for North Carolina Employees.** Without otherwise limiting my obligations to the Company and the Company Group as set forth in this Agreement, I acknowledge that Section 13.B. shall not apply to me if I work for the Company in the State of North Carolina as of the Effective Date.

C. **Assignability.** This Agreement will be binding upon my heirs, executors, assigns, administrators, and other legal representatives, and will be for the benefit of the Company, its successors, and its assigns. The Associated Third Parties are intended third-party beneficiaries to this Agreement with respect to my obligations in Section 2.D. Notwithstanding anything to the contrary herein, the Company may assign this Agreement and its rights and obligations under this Agreement to any successor to all or substantially all of the Company's relevant assets, whether by merger, consolidation, reorganization, reincorporation, sale of assets or stock, or otherwise. For the avoidance of doubt, the Company's successors and assigns are authorized to enforce the Company's rights under this Agreement.

D. **Entire Agreement.** This Agreement, together with the Exhibits herein and any executed written offer letter between me and the Company, to the extent such materials are not in conflict with this Agreement, sets forth the entire agreement and understanding between the Company and me with respect to the subject matter herein and supersedes all prior written and oral agreements, discussions, or representations between us, and any representations made during my interview(s) or relocation negotiations. I represent and warrant that I am not relying on any statement or representation not contained in this Agreement. Any subsequent change or changes in my duties, salary, compensation, conditions or any other terms of my employment will not affect the validity or scope of this Agreement.

E. Headings. Headings are used in this Agreement for reference only and shall not be considered when interpreting this Agreement.

F. Severability. If a court or other body of competent jurisdiction finds, or the parties to this Agreement mutually believe, any provision of this Agreement, or portion thereof, to be invalid or unenforceable, such provision will be enforced to the maximum extent permissible so as to effect the intent of the parties, and the remainder of this Agreement will continue in full force and effect.

G. Modification, Waiver. No modification of or amendment to this Agreement, nor any

Page 9 of 16

waiver of any rights under this Agreement, will be effective unless in a writing signed by the CEO of the Company and me. Waiver by the Company of a breach of any provision of this Agreement will not operate as a waiver of any other or subsequent breach.

H. Survivorship. The rights and obligations of the parties to this Agreement will survive termination of my employment with the Company.

13. PROTECTED ACTIVITY NOT PROHIBITED

A. I understand that nothing in this Agreement limits or prohibits me from filing a charge or complaint with, or otherwise communicating or cooperating with or participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("Government Agencies"), including disclosing documents or other information as permitted by law, without giving notice to, or receiving authorization from, the Company. Notwithstanding, in making any such disclosures or communications, I agree to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company Confidential Information to any parties other than the Government Agencies. I further understand that I am not permitted to disclose the Company's attorney-client privileged communications or attorney work product. In addition, I hereby acknowledge that the Company has provided me with notice in compliance with the Defend Trade Secrets Act of 2016 regarding immunity from liability for limited disclosures of trade secrets. The full text of the notice is attached in Exhibit D.

Date: 7/30/2022 | 20:37 BST

DocuSigned by:
Darshak Sanghavi
Signer Name: Darshak Sanghavi
Signing Reason: I approve this document
Signing Time: 7/30/2022 | 20:37 BST
382C37FD44AE4B49A034284100DA3DFC
Signature

Darshak Sanghavi

Name of Employee (typed or printed)

ACKNOWLEDGED AND ACCEPTED BY THE COMPANY:

Date: 7/30/2022 | 20:38 BST

DocuSigned by:
Samira Lowman
Signer Name: Samira Lowman
Signing Reason: I approve this document
Signing Time: 7/30/2022 | 20:38 BST
458F6D99DA8C456AA14B537CAE03D583

By: Samira Lowman
Title: Chief People Officer

EXHIBIT A

LIST OF PRIOR INVENTIONS
AND ORIGINAL WORKS OF AUTHORSHIP

Title	Date	Identifying Number or Brief Description

___ No inventions or improvements

___ Additional Sheets Attached

7/30/2022 | 20:37 BST
Date: _____

DocuSigned by:

Darshak Sanghavi



Signer Name: Darshak Sanghavi
Signing Reason: I approve this document
Signing Time: 7/30/2022 | 20:37 BST

382C37FD44AE4B49A034284100DA3DFC

Signature

Darshak Sanghavi

Name of Employee (typed or printed)

EXHIBIT B

TERMINATION CERTIFICATION

This is to certify that I do not have in my possession, nor have I failed to return, any devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, any other documents or property, or reproductions of any and all aforementioned items belonging to the Company. Notwithstanding the foregoing, I understand that I may keep a copy of the Company's employee handbook and personnel records relating to me. I further certify that I have updated all of my social media accounts to delete any information, assertions, or suggestions to the effect that I am a current employee of the Company or am otherwise currently affiliated with the Company in any way.

I further certify that I have complied with all the terms of the Company's At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement (the "Agreement") signed by me, including the reporting of any inventions and original works of authorship (as defined therein) conceived or made by me (solely or jointly with others), as covered by that Agreement.

I understand that pursuant to the Agreement, and subject to its protected activity exclusion, I am obligated to preserve, as confidential, all Company Confidential Information and Associated Third Party Confidential Information, including trade secrets, confidential knowledge, data, or other proprietary information relating to products, processes, know-how, designs, formulas, developmental or experimental work, computer programs, databases, other original works of authorship, customer lists, business plans, financial information, or other subject matter pertaining to any business of the Company or any of its employees, clients, consultants, or licensees.

I also agree that for twelve (12) months from this date, I will comply with the restrictive covenants (as applicable), as set forth in the Agreement.

After leaving the Company's employment, I will be employed by _____ in the position of _____.

Date: _____

Signature

Name of Employee (typed or printed)

Address for Notifications:

EXHIBIT C

CONFLICT OF INTEREST GUIDELINES

It is the policy of the Company to conduct its affairs in strict compliance with the letter and spirit of the law and to adhere to the highest principles of business ethics. Accordingly, all officers, employees, and independent contractors must avoid activities that are in conflict, or give the appearance of being in conflict, with these principles and with the interests of the Company. The following are potentially compromising situations that must be avoided:

1. Revealing confidential information to outsiders or misusing confidential information. Unauthorized divulging of information is a violation of this policy whether or not for personal gain and whether or not harm to the Company is intended. (The At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement elaborates on this principle and is a binding agreement.)
2. Accepting or offering substantial gifts, excessive entertainment, favors, or payments that may be deemed to constitute undue influence or otherwise be improper or embarrassing to the Company.
3. Participating in civic or professional organizations that might involve divulging confidential information of the Company.
4. Initiating or approving personnel actions affecting reward or punishment of employees or applicants where there is a family relationship or is or appears to be a personal or social involvement.
5. Initiating or approving any form of personal or social harassment of employees.
6. Investing or holding outside directorship in suppliers, customers, or competing companies, including financial speculations, where such investment or directorship might influence in any manner a decision or course of action of the Company.
7. Borrowing from or lending to employees, customers, or suppliers.
8. Acquiring real estate of interest to the Company.
9. Improperly using or disclosing to the Company any proprietary information or trade secrets of any other employer or other person or entity with whom obligations of confidentiality exist.
10. Unlawfully discussing prices, costs, customers, sales, or markets with competing companies or their employees.
11. Making any unlawful agreement with distributors with respect to prices.
12. Improperly using or authorizing the use of any inventions that are the subject of patent claims of any other person or entity.
13. Engaging in any conduct that is not in the best interest of the Company.

Each officer, employee, and independent contractor must take every necessary action to ensure compliance with these guidelines and to bring problem areas to the attention of higher management for review. Violations of this conflict of interest policy may result in discharge without warning.

Nothing in these guidelines is intended to limit employees' rights to discuss the terms, wages, and working conditions of their employment, as protected by applicable law, including any rights an employee may have under Section 7 of the National Labor Relations Act. Also, nothing in these guidelines limits or prohibits employees from filing a charge or complaint with, or otherwise communicating or cooperating with or participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("Government Agencies"), including disclosing documents or other information as permitted by law, without giving notice to, or receiving authorization from, the Company. Notwithstanding, in making any such disclosures

Page 13 of 16

or communications, employees must take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company Confidential Information to any parties other than the Government Agencies. Employees may not disclose the Company's attorney-client privileged communications or attorney work product.

EXHIBIT D

SECTION 7 OF THE DEFEND TRADE SECRETS ACT OF 2016

“IMMUNITY FROM LIABILITY FOR CONFIDENTIAL DISCLOSURE OF A TRADE SECRET TO THE GOVERNMENT OR IN A COURT FILING—

(1) IMMUNITY.—An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that—(A) is made—(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(2) USE OF TRADE SECRET INFORMATION IN ANTI-RETALIATION LAWSUIT.—An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual—(A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.”

Exhibit E

If you ("Assignor") are a resident of Delaware, Illinois, Kansas, New Jersey or North Carolina, then the following applies:

No provision in this Agreement requires Assignor to assign any of his or her rights to an invention for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on Assignor's own time, unless (a) the invention relates (i) to the business of the Company or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by Assignor for the Company. Delaware Code Title 19 Section 805; Illinois 765 ILCS 1060/1-3, "Employees Patent Act"; Kansas Statutes Section 44-130; New Jersey Revised Statutes Section 34:1B-265; North Carolina General Statutes Article 10A, Chapter 66, Commerce and Business, Section 66-57.1.

If Assignor is a resident of Minnesota, then the following applies:

No provision in this Agreement requires Assignor to assign any of his or her rights to an invention for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on Assignor's own time, and (a) which does not relate (i) directly to the business of the Company, or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) does not result from any work performed by Assignor for the Company. Minnesota Statutes 13A Section 181.78.

If Assignor is a resident of Utah, then the following applies:

No provision in this Agreement requires Assignor to assign any of his or her rights to an invention which was created entirely on Assignor's own time, and which is not (a) conceived, developed, reduced to practice, or created by Assignor (i) within the scope of Assignor's employment with the Company, (ii) on the Company's time, or (iii) with the aid, assistance, or use of any of the Company's property, equipment, facilities, supplies, resources, or patents, trade secrets, know-how, technology, confidential information, ideas, copy rights, trademarks and service marks and any and all rights, applications and registrations relating to them, (b) the result of any work, services, or duties performed by Assignor for the Company, (c) related to the industry or trade of the Company, or (d) related to the current or demonstrably anticipated business, research, or development of the Company. Utah Code Sections 34-39-1 through 34-39-3, "Employee Inventions Act."

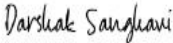



Certificate Of Completion

Envelope Id: 31EA7EABBCC04D6A9A78D5B681E2EF05	Status: Completed
Subject: Darshak Sanghavi - Executive Agreement July 2022	
Source Envelope:	
Document Pages: 34	Signatures: 5
Certificate Pages: 5	Initials: 1
AutoNav: Enabled	Envelope Originator:
EnvelopeId Stamping: Disabled	US People Signatures
Time Zone: (UTC) Dublin, Edinburgh, Lisbon, London	1 Knightsbridge Green
	London, London SW1X 7QA
	uspeople.signatures@babylonhealth.com
	IP Address: 173.2.160.170

Record Tracking

Status: Original	Holder: US People Signatures	Location: DocuSign
7/27/2022 5:13:01 PM	uspeople.signatures@babylonhealth.com	

Signer Events	Signature	Timestamp
Darshak Sanghavi darshak.sanghavi@babylonhealth.com Chief Medical Officer Security Level: Email, Account Authentication (Required)	 Signature Adoption: Pre-selected Style Signature ID: 382C37FD-44AE-4B49-A034-284100DA3DFC Using IP Address: 209.6.212.105 With Signing Authentication via DocuSign password With Signing Reasons (on each tab): I approve this document I approve this document I approve this document I approve this document	Sent: 7/27/2022 5:13:01 PM Viewed: 7/30/2022 8:36:46 PM Signed: 7/30/2022 8:37:14 PM
Electronic Record and Signature Disclosure: Accepted: 9/10/2021 5:07:10 PM ID: 791b940a-8d72-472a-9396-5898fa117e03		
Samira Lowman samira.lowman@babylonhealth.com Chief People Officer Security Level: Email, Account Authentication (Required)	 Signature Adoption: Pre-selected Style Signature ID: 45BF6D99-DA8C-456A-A14B-537CAE03D583 Using IP Address: 24.228.193.211 Signed using mobile With Signing Authentication via DocuSign password With Signing Reasons (on each tab): I approve this document	Sent: 7/30/2022 8:37:17 PM Viewed: 7/30/2022 8:38:20 PM Signed: 7/30/2022 8:38:44 PM

I approve this document
I approve this document

Electronic Record and Signature Disclosure:
Accepted: 8/24/2021 1:56:08 PM
ID: 08110935-5080-454a-90eb-6dc1878d7ebc

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp

Mei Mei Chan
meimei.chan@babylonhealth.com
Head of People Experience

Security Level: Email, Account Authentication
(Required)

Electronic Record and Signature Disclosure:
Accepted: 7/1/2022 5:24:11 PM
ID: 1df7e656-e56d-41c7-b85f-fa85e45618be

COPIED

Sent: 7/30/2022 8:38:48 PM

Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	7/27/2022 5:13:02 PM
Certified Delivered	Security Checked	7/30/2022 8:38:20 PM
Signing Complete	Security Checked	7/30/2022 8:38:44 PM
Completed	Security Checked	7/30/2022 8:38:48 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Babylon Partners Limited (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Babylon Partners Limited:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: richard.grundy@babylonhealth.com

To advise Babylon Partners Limited of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at richard.grundy@babylonhealth.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Babylon Partners Limited

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to richard.grundy@babylonhealth.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Babylon Partners Limited

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to richard.grundy@babylonhealth.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Babylon Partners Limited as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Babylon Partners Limited during the course of your relationship with Babylon Partners Limited.



Babylon Holdings Limited Subsidiaries

Babylon Partners Limited, a U.K. company
Babylon Healthcare Services Limited, a U.K. company
Babylon Rwanda Limited, a Rwandan company
Babylon Inc., a U.S. company incorporated in DE
Babylon Liberty Corp., a U.S. company incorporated in DE
Babylon Malaysia SDN BHD, a Malaysian company
Babylon International Limited, a U.K. company
Babylon Health Ireland Limited, an Irish company
Babylon Singapore PTE Ltd, a Singaporean company
Health Innovators Inc., a U.S. company incorporated in DE
Babylon Technology LTDA, a Brazilian company
Higi SH Holdings Inc., a U.S. company incorporated in DE
Babylon Group Holdings Limited, a U.K. company

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (No. 333-261806 and No. 333-263632) on Form S-8 of our report dated March 16, 2023, with respect to the consolidated financial statements of Babylon Holdings Limited.

/s/ KPMG LLP

London, United Kingdom
March 16, 2023

Certification of Chief Executive Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Ali Parsadoust, certify that:

1. I have reviewed this Annual Report on Form 10-K of Babylon Holdings Limited;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
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(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2023

/s/ Ali Parsadoust

Name: Ali Parsadoust

Title: Chief Executive Officer

Certification of Chief Financial Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David Humphreys, certify that:

1. I have reviewed this Annual Report on Form 10-K of Babylon Holdings Limited;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
-

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2023

/s/ David Humphreys

Name: David Humphreys

Title: Chief Financial Officer

Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Ali Parsadoust, the Chief Executive Officer of Babylon Holdings Limited (the “Company”), hereby certify, that, to my knowledge:

1. The Annual Report on Form 10-K for the year ended December 31, 2022 (the “Report”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 16, 2023

/s/ Ali Parsadoust

Name: Ali Parsadoust

Title: Chief Executive Officer

Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, David Humphreys, the Chief Financial Officer of Babylon Holdings Limited (the “Company”), hereby certify, that, to my knowledge:

1. The Annual Report on Form 10-K for the year ended December 31, 2022 (the “Report”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
 2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.
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Date: March 16, 2023

/s/ David Humphreys

Name: David Humphreys

Title: Chief Financial Officer