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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2023

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)

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 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

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 the definitions 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 type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

As of May 1, 2023, 25,614,074 shares of Class A ordinary shares, par value \$0.001056433113 per share, were issued and outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

Babylon Holdings Limited **Condensed Consolidated Balance Sheets** (Dollars, in thousands, except share and per share data)

	As of March 31, 2023 (Unaudited)	As of December 31, 2022
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	25,582	43,475
Trade receivables, net	15,404	15,524
Other receivables	14,897	17,502
Prepayments and contract assets	18,404	18,349
Assets held for sale	108,797	125,275
Total current assets	183,084	220,125
Property, plant and equipment, net	12,039	12,658
Operating lease right-of-use assets	12,870	13,327
Total assets	207,993	246,110
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current liabilities		
Trade payables	5,893	9,600
Other payables	4,046	4,839
Accruals and other liabilities	40,000	30,029
Due to related parties	4,791	4,791
Claims payable	9,280	8,475
Contract liabilities	19,094	18,710
Lease liabilities	5,023	5,102
Liabilities held for sale	70,351	74,717
Premium deficiency reserve	13,103	6,124
Total current liabilities	171,581	162,387
Loans and borrowings, net of current position	295,449	278,028
Contract liabilities, net of current position	42,790	46,160
Lease liabilities, net of current portion	12,983	14,056
Warrant liability	—	711
Earnout liability	252	667
Total liabilities	523,055	502,009
SHAREHOLDERS' EQUITY		
Class A ordinary shares, \$ 0.001056433113 par value; 260,000,000 shares authorized at March 31, 2023 and December 31, 2022; 25,584,711 and 24,858,717 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively	17	16
Class B ordinary shares, \$ 0.001056433113 par value; 124,000,000 shares authorized at March 31, 2023 and December 31, 2022; zero shares issued and outstanding as of March 31, 2023 and December 31, 2022.	—	—
Additional paid-in capital	581,215	576,585
Accumulated deficit	(900,001)	(836,772)
Accumulated other comprehensive income	3,707	4,272
Total shareholders' equity	(315,062)	(255,899)
Total liabilities and shareholders' equity	207,993	246,110

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements.

Babylon Holdings Limited
Condensed Consolidated Statements of Operations and Other Comprehensive Loss
(Dollars, in thousands, except share and per share data)
(Unaudited)

	For the Three Months Ended March 31,	
	2023	2022
	\$	\$
Revenue	311,120	266,446
Claims expense	(283,906)	(247,552)
Clinical care delivery expense	(16,416)	(23,927)
Platform & application expenses	(8,594)	(13,748)
Research & development expenses	(4,476)	(17,314)
Sales, general & administrative expenses	(48,393)	(55,649)
Premium deficiency reserve expense	(2,494)	(6,868)
Depreciation and amortization expenses	(1,237)	(3,078)
Loss from operations	(54,396)	(101,690)
Interest expense	(8,819)	(5,982)
Interest income	161	255
Gain on fair value remeasurement	336	78,773
Gain on settlement of warrants	155	—
Exchange loss	(27)	(447)
Loss on sale of subsidiary	(646)	—
Net loss from operations before income taxes	(63,236)	(29,091)
Tax benefit / (provision)	7	(9)
Net loss	(63,229)	(29,100)
Other comprehensive loss		
Currency translation differences	(565)	(3,639)
Other comprehensive (loss), net of income tax	(565)	(3,639)
Total comprehensive loss	(63,794)	(32,739)
Net loss per share		
Net loss per share, basic and diluted, from operations	(2.53)	(1.71)
Weighted average shares outstanding, basic and diluted	25,025,645	17,038,663

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements.

Babylon Holdings Limited
Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficit)
(Dollars, in thousands)
(Unaudited)

	Class A ordinary shares	Class B ordinary shares	Additional paid- in capital	Accumulated deficit	Accumulated other comprehensive income / (loss)	Total shareholders' equity (deficit)
	\$	\$	\$	\$	\$	\$
Balance at December 31, 2021	13	3	456,748	(615,323)	(2,808)	(161,367)
Net loss	—	—	—	(29,100)	—	(29,100)
Foreign exchange movement	—	—	—	—	(3,639)	(3,639)
Equity issuance costs	—	—	541	—	—	541
Other	—	—	(345)	—	—	(345)
Equity-settled stock-based payment transactions	—	—	9,174	—	—	9,174
Balance at March 31, 2022	13	3	466,118	(644,423)	(6,447)	(184,736)
Balance at December 31, 2022	16	—	576,585	(836,772)	4,272	(255,899)
Net loss	—	—	—	(63,229)	—	(63,229)
Foreign exchange movement	—	—	—	—	(565)	(565)
Issuance of shares in bridge financing	1	—	1,804	—	—	1,805
Issuance of shares in warrant exchange	—	—	617	—	—	617
Other	—	—	42	—	—	42
Equity-settled stock-based payment transactions	—	—	2,167	—	—	2,167
Balance at March 31, 2023	17	—	581,215	(900,001)	3,707	(315,062)

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements.

Babylon Holdings Limited
Condensed Consolidated Statements of Cash Flows
(Dollars, in thousands)
(Unaudited)

	For the Three Months Ended March 31,	
	2023	2022
	\$	\$
Cash flows from operating activities		
Net loss	(63,229)	(29,100)
<i>Adjustments to reconcile Net loss to net cash used in operating activities:</i>		
Non-cash interest expense, net	8,658	5,727
Stock-based compensation	2,167	9,174
Depreciation and amortization	1,237	3,078
Exchange loss	27	447
Gain on fair value remeasurement	(336)	(78,773)
Premium deficiency reserve expense	2,494	6,868
Gain on settlement of warrants	(155)	—
Loss on sale of subsidiary	646	—
Taxation	—	9
<i>Working capital adjustments</i>		
Decrease / (Increase) in trade and other receivables	2,886	(3,648)
(Increase) / Decrease in prepayments and contract assets	(55)	4,029
(Decrease) / Increase in trade, other and claims payables	(3,746)	17,640
Increase / (Decrease) in accruals and other liabilities and due to related parties	1,992	(5,264)
(Decrease) in contract liabilities	(2,011)	(9,941)
Decrease in assets and liabilities held for sale	11,436	—
(Decrease) / Increase in operating lease liabilities	(417)	1,272
Net cash used in operating activities	(38,406)	(78,482)
Cash flows from investing activities		
Capital expenditure	(372)	(2,613)
Proceeds from sale of investment in subsidiary	516	—
Net cash provided / (used) in investing activities	144	(2,613)
Cash flows from financing activities		
Proceeds from issuance of notes and warrants	22,000	100,000
Payment of debt issuance costs	(3,153)	(4,000)
Payment of equity issuance costs	—	(1,002)
Other financing activities, net	42	(1,538)
Net cash provided by financing activities	18,889	93,460
Net (decrease) / increase in cash and cash equivalents	(19,373)	12,365
Cash and cash equivalents at January 1,	43,475	262,581
Effect of movements in exchange rate on cash held	1,480	32
Cash and cash equivalents at March 31,	25,582	274,978

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements.

The supplemental disclosure requirements for the Unaudited Condensed Consolidated Statements of Cash Flows are as follows:

	For the Three Months Ended March 31,	
	2023	2022
	\$	\$
Non-cash financing and investing activities:		
Shares issued upon settlement of warrants	772	—
Accrued and unpaid interest within Accruals and other liabilities	6,413	3,978
Receivable from sale of investment in subsidiary	250	—
Fair value of warrants issued	—	(3,418)
Equity and debt issuance costs in Accruals and other liabilities	(1,403)	—
Equity issued related to loans and borrowings	(1,804)	—

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements.

Babylon Holdings Limited
Notes to the Unaudited Condensed Consolidated Financial Statements

1. Corporate Information

Babylon Holdings Limited (the “Company,” “Babylon,” “we” or “our”) is incorporated, registered and domiciled in Jersey. Our principal executive offices are located at 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 supports healthcare facilities from small local practices to large hospitals.

2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Operations and Other Comprehensive Loss, Condensed Consolidated Statements of Changes in Stockholders’ Equity (Deficit) and the Condensed Consolidated Statements of Cash Flows, all of which are unaudited, along with the Notes to the Unaudited Condensed Consolidated Financial Statements, are collectively referred to as the “Unaudited Condensed Consolidated Financial Statements” throughout “*Item 1. Financial Statements*” in this Quarterly Report on Form 10-Q (this “Form 10-Q”).

The accompanying Unaudited Condensed Consolidated Financial Statements of Babylon Holdings Limited (collectively with its subsidiaries, referred to as the “Company” or the “Group”) for the three months ended March 31, 2023 and 2022, in the opinion of management, have been prepared with all necessary adjustments, including normal recurring adjustments, for the fair presentation of its condensed consolidated financial position, results of operations and cash flows of the Company for the periods presented. However, these financial results over the interim periods presented are not necessarily indicative of the financial results that may be expected for the full fiscal year or any other subsequent periods.

Certain information contained in the Notes to the Unaudited Condensed Consolidated Financial Statements normally included in financial statements prepared in conformity with the Generally Accepted Accounting Principles of the United States (“U.S. GAAP”), have been omitted or condensed pursuant to the rules and regulations of the United States (“U.S.”) Securities and Exchange Commission (“SEC”). The information contained in this report should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 16, 2023 (the “2022 Form 10-K”), which includes a complete set of footnote disclosures in conformity with U.S. GAAP, including our significant accounting policies.

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.

Variable Interest Entities

The Company evaluates its ownership, contractual and other interests in entities to determine if it has any variable interest in a VIE. These evaluations are complex, and involve judgment and the use of estimates and assumptions based on available 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

Babylon Holdings Limited
Notes to the Unaudited Condensed Consolidated Financial Statements

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 7).

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 Unaudited Condensed 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 ("IBNR") 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 in our 2022 Form 10-K.

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 March 31, 2023 and December 31, 2022, the Group had restricted cash of \$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.

Going Concern

The Group incurred a Net loss of \$63.2 million and of \$29.1 million for the three months ended March 31, 2023, and the three months ended March 31, 2022, respectively. As of March 31, 2023, and December 31, 2022, the Group had a net liability position of \$315.1 million and \$255.9 million, respectively. As of March 31, 2023, and December 31, 2022 the Group had cash and cash equivalents of \$77.7 million and \$104.5 million, including \$52.1 million, and \$61.0 million of cash and cash equivalents included in assets held for sale as of March 31, 2023, and December 31, 2022, respectively. 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 (each as defined below) on October 21, 2021 receiving proceeds of \$229.3 million, entering into a note subscription agreement for \$200.0 million on October 8, 2021 (Note 12), entering an additional unsecured note on March 31, 2022 for \$100.0 million (Note 12), and entering into subscription agreements with several investors for a private placement of our Class A ordinary shares for \$80.0 million in November 2022. 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 Unaudited Condensed 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 with certain affiliates of our existing counterparty for our note subscription agreement (Note 12). On May 10, 2023, we entered into the Additional Bridge Facility for a further amount up to \$34.5 million (Note 12) on terms substantially similar to the Bridge Facility and

Babylon Holdings Limited
Notes to the Unaudited Condensed Consolidated Financial Statements

the Framework Agreement (Note 19). Please refer to Note 12 and Note 19 of the unaudited condensed consolidated financial statements for further discussion of the Additional Bridge Facility and the Framework Agreement.

While there is no assurance that the Additional Bridge Facility and the Framework Agreement will be implemented in a manner that will provide us with the funding that we need, management believes it remains appropriate to prepare our financial statements on a going concern basis.

However, the above indicates that there are material uncertainties relating to these potential events, including our ability to raise further capital through the successful implementation of the Additional Bridge Facility and the Framework Agreement and other strategic alternatives, and there is substantial doubt about the Group's ability to continue as a going concern within one year after the date the Unaudited Condensed Consolidated Financial Statements have been issued.

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

Income Taxes

The Company determines the tax (provision) or benefit in interim periods using an estimate of the Company's annual effective tax rate applied to the Company's operating results during the interim period presented, adjusted for the potential tax impact of discrete events or transactions occurring during the period, as applicable.

New Standards and Interpretations Not Yet Adopted

In June 2022, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions ("ASU 2022-03"), which clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value and that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. ASU 2022-03 also requires the disclosure of the fair value, as reflected in the statement of financial condition, of equity securities subject to contractual sale restrictions and the nature and the disclosure of the remaining duration of those restrictions. ASU 2022-03 is effective for the Company beginning on January 1, 2024 and early adoption is permitted for both interim and annual financial statements that have not yet been issued. The ASU is to be applied prospectively, with any adjustments from the adoption recognized in earnings on the date of adoption. We are currently evaluating the impact of ASU 2022-03 on our Unaudited Condensed Consolidated Financial Statements.

Recently Adopted Accounting Pronouncements

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. As no business combinations were consummated during the periods presented, this new standard has no impact on these Unaudited Condensed Consolidated Financial Statements.

3. Assets Held for Sale

2022 Disposal Group Held for Sale

During the fourth quarter of 2022, the IPA reporting unit was classified as held for sale in the Consolidated Balance Sheet within our 2022 Form 10-K as of December 31, 2022. The reporting unit continues to be classified as held for sale for the reporting period ended March 31, 2023. 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 continues to explore the sale of the IPA Business in 2023. Accordingly, the assets and liabilities of the IPA Business

Babylon Holdings Limited
Notes to the Unaudited Condensed Consolidated Financial Statements

continued to be classified within the current section of the Unaudited Condensed Consolidated Balance Sheet as of March 31, 2023.

The following presents the major classes of assets and liabilities for the IPA reporting unit held for sale:

	As of March 31, 2023	As of December 31, 2022
(in thousands)	\$	\$
Cash and cash equivalents	52,131	60,745
Prepayments and contract assets	413	396
Right of use assets - Non-current	1,277	1,319
Trade and other receivables	7,371	9,529
Property, plant and equipment	201	221
Goodwill	32,444	32,444
Other intangible assets	14,960	14,960
Assets held for sale	108,797	119,614
Trade and other payables	10,241	8,493
Accruals and other liabilities	3,071	3,479
Claims payable	45,317	41,650
Lease liabilities - Non-current	1,470	1,374
Premium Deficiency Reserve - Current	10,252	14,736
Liabilities held for sale	70,351	69,732

The IPA Business had the following pre-tax losses for each three months ended March 31:

(in thousands)	\$
IPA Business Net loss from operations before income taxes	
2023	(7,989)
2022	(443)

Babylon Holdings Limited
Notes to the Unaudited Condensed Consolidated Financial Statements

4. Disposals**2023 Disposal**

On March 29, 2023, the Company entered into a Stock Purchase Agreement (“SPA”) with an unrelated third party (the “Buyer”) for the sale of the reporting unit Higi SH Holdings, Inc. (“Higi”), which was classified as held for sale in the Company’s Consolidated Balance Sheets as of December 31, 2022 included in our 2022 Form 10-K. As a result of the sale, which closed on March 29, 2023, the entire issued share capital of Higi was transferred to the Buyer for \$0.8 million of cash consideration, of which \$0.5 million was received on execution of the SPA and \$0.3 million is to be paid 90 days after the closing, resulting in the recognition of a Loss on sale of subsidiary of \$0.6 million in the Unaudited Condensed Statements of Operations and Other Comprehensive Loss for the three months ended March 31, 2023.

Effect of disposal:

	As of March 29, 2023
(in thousands)	\$
Cash and cash equivalents	(158)
Prepayments and contract assets	(996)
Right of use assets - Non-current	(1,466)
Trade and other receivables	(3,461)
Accruals and other liabilities	2,476
Contract liabilities – Current	686
Lease liabilities - Current	190
Lease liabilities - Non-current	1,317
Net assets and liabilities derecognized	(1,412)
Consideration received	766
Loss on disposal	(646)

Babylon Holdings Limited
Notes to the Unaudited Condensed Consolidated Financial Statements

5. Revenue

i) Disaggregation of Revenue

Revenue is primarily derived from the following sources: (1) capitation revenue from value-based care services, (2) patient revenues from the provision of clinical services, and (3) software license fees for the provision of AI services.

The following table presents revenue by sources:

	For the Three Months Ended March 31,	
	2023	2022
(in thousands)	\$	\$
Value-based care	287,465	246,575
Clinical services	17,108	12,115
Software licensing	6,547	7,756
Revenue	311,120	266,446

The following table presents revenue by healthcare services provided under our value-based care arrangements:

	For the Three Months Ended March 31,	
	2023	2022
(in thousands)	\$	\$
Medicaid	118,060	149,045
Medicare	111,277	87,564
Other	58,128	9,966
Value-based care	287,465	246,575

ii) Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	As of March 31, 2023	As of December 31, 2022
	\$	\$
(in thousands)		
Trade receivables, net (Note 9)	15,404	15,524
Contract assets (Note 9)	8,533	6,112
Contract liabilities (Note 5 iii)	61,884	64,870

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:

	Remainder of 2023	2024	2025	2026	2027 and beyond	Total
	\$	\$	\$	\$	\$	\$
(in thousands)						
As of March 31, 2023	14,713	17,731	16,358	7,207	5,874	61,884

Babylon Holdings Limited
Notes to the Unaudited Condensed Consolidated Financial Statements

The table below shows significant changes in contract liabilities:

(in thousands)	For the Three Months Ended March 31, 2023	For the Year Ended December 31, 2022
	\$	\$
Balance on January 1	64,870	94,182
Amounts billed but not recognized	271	2,696
Revenue recognized	(4,674)	(21,503)
Effect of movement in foreign exchange	1,460	(9,774)
Transferred to liability held for sale	(43)	(731)
Contract liabilities	61,884	64,870

No revenue was recognized from performance obligations satisfied (or partially satisfied) in previous periods.

6. Segment Information

The Company disclosed our accounting policy for segment reporting in our 2022 Form 10-K as of December 31, 2022, including the determination that that the Company has one reportable segment. While there is only 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:

(in thousands)	For the Three Months Ended March 31,			
	2023		2022	
	\$	% of revenue	\$	% of revenue
Customer 1	161,721	52.0 %	145,043	54.4 %
Customer 2	82,936	26.7 %	61,446	23.1 %

Geographical Information

Revenue from external customers attributed to individual countries is summarized as follows:

(in thousands)	For the Three Months Ended March 31,	
	2023	2022
	\$	\$
U.S.	292,783	250,597
U.K.	12,497	9,435
Rest of World	5,840	6,414
Total	311,120	266,446

Non-current assets attributed to individual countries is summarized as follows:

(in thousands)	As of March 31, 2023	As of December 31, 2022
	\$	\$
U.K.	20,278	21,055
U.S.	4,470	4,752
Rest of World	161	178
Total	24,909	25,985

Babylon Holdings Limited
Notes to the Unaudited Condensed Consolidated Financial Statements

7. 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 following illustrate the assets, liabilities and performance of the PCs during the periods presented:

	<u>As of March 31, 2023</u>	<u>As of December 31, 2022</u>
(in thousands)	\$	\$
Total assets	128,196	137,675
Total liabilities	231,374	228,283

	<u>For the Three Months Ended March 31, 2023</u>	<u>For the Three Months Ended March 31, 2022</u>
(in thousands)	\$	\$
Total revenues	130,761	127,138
<i>Operating expenses:</i>		
Claims expense	(127,680)	(118,985)
Clinical care delivery expense	(7,932)	(8,912)
Sales, general and administrative expenses	(8,668)	(14,352)
Depreciation and amortization expenses	—	(659)
Premium deficiency reserve income	4,484	14,028

8. Property, Plant and Equipment, net

Property, plant and equipment, net consisted of the following:

	<u>As of March 31, 2023</u>	<u>As of December 31, 2022</u>
(in thousands)	\$	\$
Computer equipment	2,210	2,195
Fixtures and fittings	9,829	10,463
Total	12,039	12,658

Depreciation expense for the three months ended March 31, 2023 and March 31, 2022 is \$1.2 million and \$1.7 million, respectively. For the three months ended March 31, 2023, we had additions of \$0.4 million, and recognized a foreign currency gain of \$0.2 million.

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9. Trade and Other Receivables, Prepayments and Contract Assets

The components of Trade receivables, net, Other receivables and Prepayments and contract assets reflected in the Unaudited Condensed Consolidated Balance Sheets are disaggregated, as applicable, in the table below:

(in thousands)	As of March 31, 2023	As of December 31, 2022
	\$	\$
Trade receivables, gross	15,519	17,635
Allowance for doubtful accounts	(115)	(2,111)
Trade receivables, net (Note 5)	15,404	15,524
Other receivables	4,523	7,205
Security deposit	8,510	8,481
VAT receivable	1,864	1,816
Other receivables	14,897	17,502
Prepayments	9,871	12,237
Contract assets	8,533	6,112
Prepayments and contract assets	18,404	18,349

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 receivables at the reporting date and concluded that the expected credit loss as of March 31, 2023 and December 31, 2022 is immaterial.

The table below shows significant changes in contract assets for the periods presented:

(in thousands)	As of March 31, 2023	As of December 31, 2022
	\$	\$
Balance at January 1	6,112	4,484
Revenues recognized but not billed	7,376	4,478
Amounts reclassified to trade receivable	(5,068)	(1,914)
Amounts transferred to assets held for sale	(21)	(936)
Effect of movement in foreign exchange	134	—
Contract assets	8,533	6,112

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10. Trade and Other Payables, Accruals and Other Liabilities

The components of Trade payables, Other payables and Accruals and other liabilities reflected in the Condensed Consolidated Balance Sheets are disaggregated, as applicable, in the table below:

(in thousands)	As of March 31, 2023	As of December 31, 2022
	\$	\$
Trade payables	5,893	9,600
Taxation and social security	2,379	4,839
Other	1,667	—
Other payables	4,046	4,839
Accruals	39,299	28,878
Other liabilities	701	1,151
Accruals and other liabilities	40,000	30,029

11. Claims Payable

The following table is a summary of claims activity:

(in thousands)	As of March 31, 2023	As of December 31, 2022
	\$	\$
Balance at January 1	8,475	24,628
Claims incurred, net	283,906	1,017,003
Claims settled	(279,434)	(991,506)
Claims payable transferred to liabilities held for sale	(3,667)	(41,650)
Claims payable	9,280	8,475

12. Loans and Borrowings

The following table is a summary of the non-current liabilities:

(in thousands)	As of March 31, 2023	As of December 31, 2022
	\$	\$
Non-current liabilities		
Loan notes	338,650	310,466
Unamortized fair value adjustment, discount, and debt issuance costs	(43,201)	(32,438)
Total	295,449	278,028

Bridge Facility

On March 9, 2023, the Company 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 agreed to provide Babylon with secured debt financing in the form of a senior secured term loan notes (“Bridge Notes”) facility (the “Bridge Facility”) for an aggregate principal amount of up to \$34.5 million of Bridge Notes. Upon satisfaction of the applicable conditions described in the Bridge Facility Agreement, including the receipt of certain security documents and other transaction documentation, funding under the Bridge Facility was completed in three tranches of Bridge Notes in the aggregate

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principal amounts of \$13.8 million, \$11.5 million, and \$9.2 million, respectively. On April 17, 2023, Babylon and AlbaCore agreed to a waiver of the conditions for the utilization of tranche three of the Bridge Facility pursuant to the terms of the Tranche Three Waiver (as defined in Note 19). The Bridge Facility was subject to an original issue discount (calculated on the basis of an aggregate principal amount of \$30.0 million). Prior to the amendments made pursuant to the Amendment and Restatement Agreement (as defined below), the maturity date of the Bridge Facility was November 4, 2026. The Bridge Facility bears payment-in-kind ("PIK") interest at a rate of the term Secured Overnight Financing Rate ("SOFR") plus credit adjustment spread plus a 12% margin. All PIK interest is capitalized and added to the principal of the Bridge Facility on the interest payment date of each month.

On May 10, 2023, the Company, the Guarantors, and the AlbaCore Bridge Notes Subscribers entered into an amendment and restatement agreement (the "Amendment and Restatement Agreement") pursuant to which the Bridge Facility agreement was amended and restated (as amended and restated, the "Amended Bridge Facility Agreement") and certain of the noteholders of the Bridge Facility (the "Bridge Noteholders") agreed to provide further secured debt financing in the form of the Additional Bridge Facility in an aggregate principal amount of up to \$34.5 million, to be funded in three additional tranches (such loan notes to be issued thereunder, the "Additional Bridge Notes"). The Additional Bridge Facility is subject to an original issue discount (calculated on the basis of an aggregate principal amount of \$30.0 million).

The Additional Bridge Notes will be issued by the Parent Guarantor, are on economic terms substantially similar to the Bridge Notes and will rank *pari passu* with the Bridge Notes. The issuance of the Additional Bridge Notes is subject to the satisfaction of certain conditions precedent, including the receipt of certain supplemental security agreements and other transaction documentation, and with respect to the third tranche, approvals by Bridge Noteholders.

Each member of the Group which granted security to secure the obligations in respect of the Bridge Notes and the Existing Notes is required to grant supplementary security on substantially the same terms to secure the obligations in respect of the Additional Bridge Notes. The Additional Bridge Notes are guaranteed by the Company and the Guarantors substantially on the same terms as the guarantees granted in respect of the Bridge Notes.

The Amended Bridge Facility Agreement provides that proceeds from the Additional Bridge Facility must be used for working capital purposes and payments of fees, costs and expenses in connection with the Additional Bridge Facility and related transaction documentation. Pursuant to the terms of the Amended Bridge Facility Agreement, the Group is subject to certain additional restrictive covenants in relation to cash management, intra-group lending and certain other transactions, certain permitted exclusions to the restrictive covenants under the Bridge Facility Agreement have been removed or limited, certain events of default have been expanded to cover all members of the Group, certain additional events of default in relation to restrictions on transfer of the Bridge Notes and/or the Additional Bridge Notes have been added to the Bridge Facility Agreement, and the operational milestones in relation to a recapitalization of the Group and/or 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 have been removed.

The Bridge Notes and the Additional Bridge Notes shall be repayable on demand by written notice delivered by the trustee appointed under the Bridge Facility Agreement (the "Note Trustee"), on a date at least five business days following the date of such written notice, provided that such date may not occur before June 16, 2023 (the delivery of such notice, the "Trigger Event").

There are both mandatory and voluntary redemption features under the Amended Bridge Facility Agreement. Mandatory redemption is triggered in the event of a change in control of the Company. That includes when a person or group is or becomes the beneficial owner directly or indirectly of more than 50% of the total voting power of the Company. Mandatory redemption is also triggered in the event that the Company or any other member of the Group raises debt or equity financing. In such cases, all of the net financing proceeds will be applied in redemption of the Bridge Notes and the Additional Bridge Notes (together, the "Notes"). Mandatory redemption is also triggered in the event that the Company or any other member of the Group completes a disposal of its assets other than certain excluded disposals including ordinary course trading. In such cases, all of the net disposal proceeds will be applied in redemption of the Notes. Mandatory redemption is also triggered in the event that the Company or any member of the Group receives proceeds under an insurance claim other than certain excluded insurance claims proceeds. In such cases, the amounts received as insurance proceeds will be applied in redemption of the Notes. Voluntary redemption may be made by the Company or the Parent Guarantor to redeem or repurchase the relevant Notes on the last day of an interest period in whole or in part. This voluntary redemption must be an amount that reduces the amount of the relevant Notes by a minimum amount of \$1.0

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million or such lesser amount as agreed by the Note Trustee. Any redemption of the Notes shall be applied *pro rata* to the face value of the Notes held by each of the noteholders at such time.

Following execution of the Bridge Facility Agreement in March 2023, the AlbaCore Bridge Notes Subscribers had 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. In accordance with this right, the AlbaCore Bridge Notes Subscribers nominated and the Company completed the appointment of Eugene I. Davis to the board of directors effective March 30, 2023. In addition, the Company agreed, pursuant to the Tranche Three Waiver, that the Bridge Noteholders would be entitled to nominate a candidate for appointment by the Company as an independent, non-executive director to the board of directors of the Company and that, following such appointment, the board of the Company shall at all times comprise a maximum of five directors, a majority of which must be independent non-executive directors and two of which must be nominated by the Bridge Noteholders. See Note 19 for further details on the Tranche Three Waiver.

On March 15, 2023, as a condition subsequent to the execution of the Bridge Facility Agreement, the Company entered into subscription agreements with the AlbaCore Bridge Notes Subscribers for the private placement of 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 (the “Private Placement Shares”), as consideration for the agreement by the AlbaCore Bridge Notes Subscribers to provide secured debt financing to the Company pursuant to the Bridge Facility Agreement. The Private Placement Shares were issued on March 27, 2023.

In addition, on March 15, 2023, as a condition subsequent to the execution of the Bridge Facility Agreement, the Company amended and restated the warrant instrument dated November 4, 2021, as previously amended and restated on March 31, 2022 (the “Warrant Instrument”), evidencing the issuance of warrants (the “AlbaCore Warrants”) to subscribe for Class A ordinary shares to the AlbaCore Existing Notes Subscribers (as defined below), such that their subscription entitlement to receive Class A ordinary shares pursuant to the terms of the Warrant Instrument was deemed automatically and irrevocably exercised. The Company issued 105,431 Class A ordinary shares (the “Warrant Shares”) to the AlbaCore Existing Notes Subscribers, pursuant to such deemed exercise of the AlbaCore Warrants, on March 27, 2023.

In addition, the Company agreed to file a registration statement on Form S-3 with the SEC to register resales from time to time of the Private Placement Shares and the Warrant Shares within 10 business days after receiving a written request therefor from the AlbaCore Bridge Notes Subscribers.

AlbaCore Existing Notes

On October 8, 2021, Babylon entered into a note subscription agreement (the “Note Subscription Agreement”) that provided for the issuance of up to \$200.0 million in unsecured notes due 2026 (the “Existing Notes”) to affiliates of, or funds managed or controlled by, AlbaCore Capital LLP (the “AlbaCore Existing Notes Subscribers”). On November 4, 2021 (“Note Closing Date”), Babylon issued the full \$200.0 million (the “Principal Amount”) of Existing Notes under the Note Subscription Agreement at a discount of 95.5% of the Principal Amount. The Existing 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. The Existing Notes will mature five years from the Note Closing Date on November 4, 2026.

The terms of the Existing Notes included 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

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investments from certain shareholders other than through Babylon; and sell, lease, transfer or otherwise dispose of assets. The terms of the Existing Notes also included customary events of default. However, as a condition to the funding of the Bridge Facility, the Company and the AlbaCore Existing Notes Subscribers agreed to certain amendments to the Existing Notes and the deed poll governing the Existing Notes. In addition, the Company and the Parent Guarantor agreed to grant security in favor of the AlbaCore Existing Notes Subscribers (on a junior basis to the AlbaCore Bridge Notes Subscribers), and the Company agreed to pay a consent fee of \$1,500,000 to be capitalized into the principal amount of the Existing Notes. These amendments to the Existing Notes aligned certain of the covenants of the Existing Notes to the covenants of the Bridge Facility, including the minimum liquidity covenant, the prohibition on distribution to or dividends to shareholders, the governance undertakings and milestones and provided for the capitalization of accrued interest on the Existing Notes in respect of the interest period ending May 4, 2023 at a rate equal to the interest rate of the Existing Notes plus 2% per year.

The Company and AlbaCore Existing Notes Subscribers are expected to enter into a second supplemental deed poll to amend the relevant terms and conditions of the Existing Notes to align with the amendments made to the Bridge Facility Agreement pursuant to the Amendment and Restatement Agreement.

On the Note Closing Date, Babylon issued AlbaCore Warrants to subscribe for an aggregate of 70,299 Class A ordinary shares to the AlbaCore Existing Notes Subscribers on a *pro rata* basis by reference to the relevant proportion of the Principal Amount of Existing Notes subscribed for by each AlbaCore Existing Notes Subscribers. As noted above, all AlbaCore Warrants were amended and deemed automatically and irrevocably exercised as of March 15, 2023.

We capitalized debt issuance costs of \$3.4 million in connection with the issuance of the Existing Notes. Please refer to Note 15 for further discussion of 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 Existing 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 Existing 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 Existing Notes to be immediately consolidated and form a single series with the outstanding Existing 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 were exercisable in full and not in part only. The exercise events applicable to the Additional AlbaCore Warrants were the same as the AlbaCore Warrants. As noted above, all AlbaCore Warrants were subsequently amended and deemed automatically and irrevocably exercised as of March 15, 2023.

We capitalized debt issuance costs of \$4.0 million in connection with the issuance of the Additional Notes. Please refer to Note 15 for further discussion of the Additional AlbaCore Warrants.

Under the original terms of the AlbaCore Warrants, upon any exercise event Babylon had 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 in its absolute discretion determined). The cash redemption payment per Note Warrant would have been determined by reference to the closing price for the Class A ordinary shares on such date as specified in the Amended and Restated Warrant Instrument in respect of each exercise event, provided that if the closing price was in excess of \$ 375.00 per Class A ordinary share (subject to customary adjustments), the cash redemption payment would have been capped at \$375.00 per Note Warrant.

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Under the terms of the AlbaCore Warrants, 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 was 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 was specified in the Amended and Restated Warrant Instrument in respect of each exercise event was in excess of \$375.00 per Class A ordinary share.

Accrued Interest

Interest is payable on the Existing 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 Existing 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 on such dates of \$4.4 million and \$6.1 million through the issuance of further Existing Notes, which were immediately consolidated and formed into a single series with the outstanding Existing 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 Increase / (Decrease) in accruals and other liabilities and due to related parties in the year-ended December 31, 2022. In accordance with the terms of the Bridge Facility, 100.0% of the interest payable on May 4, 2023 was satisfied through the issuance of further Existing Notes, rather than being paid in cash.

Changes in Loans and Borrowings from Financing Activities

	AlbaCore Notes	Total Loans and Borrowings
Balance at January 1, 2023	278,028	278,028
Changes from financing cash flows		
Proceeds from issuance of notes and warrants	22,000	22,000
Payment of debt issuance costs	(3,153)	(3,153)
Total changes from financing cash flows	18,847	18,847
Other changes		
Unpaid debt issuance costs	(1,403)	(1,403)
Amortization of fair value adjustment, discount, and debt issuance costs	1,781	1,781
Fair value of equity issued	(1,804)	(1,804)
Total other changes	(1,426)	(1,426)
Balance at March 31, 2023	295,449	295,449

During the three months ended March 31, 2023 and three months ended March 31, 2022 there was no interest paid on Loans and borrowings. As of March 31, 2023, and December 31, 2022 the unpaid portion of interest on Loans and borrowings, recognized within Accruals and other liabilities, was \$10.2 million, and \$3.9 million, respectively.

13. Employee Benefits

Equity Incentive Plans

The Company disclosed details of the 2021 Equity Incentive Plan (the "2021 Plan") pursuant to which new awards can and past awards have been made, and concerning the Company Share Option Plan and Long-Term Incentive Plan pursuant to which past awards have been, but new awards may not be made, in our 2022 Form 10-K as of December 31, 2022. There have been no changes to these plans during the three months ended March 31, 2023. As of March 31, 2023, there are 1,023,938 Class A ordinary shares available for issuance pursuant to future awards under the 2021 Plan.

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Stock-based Payments

Stock-based compensation expense is recognized using the graded vesting method. Stock-based payments are recognized as expense for restricted stock units (“RSUs”), Restricted Stock Awards (“RSAs”), Performance Stock Units (“PSUs”) and options, net of estimated forfeitures, as follows:

	For the Three Months Ended March 31,	
	2023	2022
(in thousands)	\$	\$
Total stock-based compensation expense	2,167	9,174

Restricted Stock Awards

The following table displays RSA activity and weighted average grant date fair values for the three months ended March 31, 2023:

	RSAs	Weighted average grant date fair value per RSA
Balance at January 1, 2023	570,314	\$ 19.50
Granted	—	\$ —
Vested and issued	(68,048)	\$ 33.76
Forfeited	(39,952)	\$ 7.95
Balance at March 31, 2023	462,314	\$ 21.03
Vested and unissued at March 31, 2023	116,874	\$ 12.47
Unvested at March 31, 2023	345,440	\$ 23.93

No RSAs were granted during the three months ended March 31, 2023.

The Company recorded stock-based compensation expense related to RSAs of \$1.5 million during the three months ended March 31, 2023. No stock-based compensation expense related to RSAs was recognized during the three months ended March 31, 2022.

As of March 31, 2023, the unrecognized compensation cost related to unvested RSAs is \$5.5 million, which is expected to be recognized over a weighted average period of 2.8 years.

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Restricted Stock Units

The following table displays RSU activity and weighted average grant date fair values for the three months ended March 31, 2023:

	RSUs	Weighted average grant date fair value per RSU ⁽¹⁾
Balance at January 1, 2023	702,823	\$ 82.85
Granted	19,400	\$ 8.46
Vested and issued	(11,812)	\$ 132.61
Forfeited	(148,867)	\$ 87.26
Balance at March 31, 2023	561,544	\$ 77.83
Vested and unissued at March 31, 2023	23,933	\$ 76.19
Unvested at March 31, 2023	537,611	\$ 113.73

(1) The calculation of weighted average grant date fair value excludes RSUs issued to Higi employees upon the acquisition of Higi during the period ended March 31, 2023.

The total grant-date fair value of RSUs granted during the three months ended March 31, 2023 and 2022 was \$0.2 million and \$1.7 million, respectively.

The Company recorded stock-based compensation expense related to RSUs during the three months ended March 31, 2023 and three months ended March 31, 2022 of \$0.02 million and \$6.9 million, respectively.

As of March 31, 2023, the Company had \$28.4 million in unrecognized compensation cost related to unvested RSUs which is expected to be recognized over a weighted average period of 2.6 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, 2023	624,000	\$ 11.23
Granted	—	\$ —
Vested and issued	—	\$ —
Forfeited / cancelled during the period	(32,000)	\$ 8.58
Balance at March 31, 2023	592,000	\$ 11.73
Vested and unissued at March 31, 2023	—	
Unvested at March 31, 2023	592,000	\$ 11.73

No PSUs were granted during the three months ended March 31, 2023

The Company recorded stock-based compensation expense related to PSUs of \$0.2 million during the three months ended March 31, 2023. No stock-based compensation expense related to PSUs was recognized during the three months ended March 31, 2022.

As of March 31, 2023, the Company had \$6.3 million in unrecognized compensation cost related to unvested PSUs, which is expected to be recognized over a weighted average period of 2.1 years.

Options

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There were no options granted during the three months ended March 31, 2023. 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 the Class A ordinary shares, which are traded on the NYSE. Prior to the Merger described in the 2022 Form 10-K, 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.

The following table displays option activity, aggregate intrinsic values, and weighted average exercise prices and remaining contractual lives for the three months ended March 31, 2023:

	Weighted average exercise price	Number of options	Weighted average remaining contractual life in years	Aggregate intrinsic value
	\$			\$'000
Outstanding at the beginning of the period	19.76	368,069	8.32	\$ (4,723)
Granted during the period	—	—	N/A	
Exercised during the period	0.01	(5,792)	N/A	\$ (40)
Forfeited / cancelled during the period	21.04	(43,388)	N/A	
Outstanding at the end of the period	19.96	318,889	9.18	\$ (4,846)
Exercisable at the end of the period	19.43	302,031	8.67	\$ (4,427)

No options were granted during the three months ended March 31, 2023.

Babylon Holdings Limited
Notes to the Unaudited Condensed Consolidated Financial Statements

The Company recorded stock-based compensation expense related to Options during the three months ended March 31, 2023 and three months ended March 31, 2022 of \$0.5 million and \$2.3 million, respectively.

As of March 31, 2023, the Company had \$1.5 million in unrecognized compensation cost related to unvested options, which is expected to be recognized over a weighted average period of 0.7 years.

14. Equity

Equity Following the Conversion and Reverse Share Split

On March 9, 2023, we entered into a Bridge Facility Agreement (Note 12) that provided that subsequent to closing, the Company was required to issue 534,911 Class A ordinary shares in total. This consisted of (i) 534,911 Class A ordinary shares representing 2.3% of the outstanding Class A ordinary shares outstanding on the date of closing, excluding earnout shares and employee awards, and (ii) 105,431 shares associated with the deemed and irrevocable exercise of all the AlbaCore Warrants as of March 27, 2023 (Note 15).

The following tables display the number of shares of Babylon Holdings Limited, 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 period presented, including the shares issued pursuant to closing conditions in the Bridge Facility, to the shares issued and outstanding as of March 31, 2023:

(In thousands of shares)	Class A ordinary shares	Class B ordinary shares
Authorized	260,000	124,000
On issue at January 1, 2023	24,859	—
Issued during the period prior to Bridge Facility	86	—
Issued as part of Warrant Settlement	105	—
Issued as part of Bridge Facility	535	—
Issued during the period subsequent to Bridge Facility	—	—
On issue at March 31, 2023—fully paid	25,585	—

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.

Other Comprehensive Income (“OCI”) Accumulated in Reserves, Net of Tax

(in thousands)	For the Three Months Ended March 31, 2023	For the Year Ended December 31, 2022
	\$	\$
January 1,	4,272	(2,808)
Foreign operations – foreign currency translation differences	(565)	7,080
March 31,	3,707	4,272

Retained Earnings

The retained earnings account represents retained profits or losses less amounts distributed to shareholders.

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15. Warrant and Earnout Liabilities

The Company's warrant and earnout shares 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 earnout shares in issue as of March 31, 2023:

(In thousands of shares)	Tradeable No. of warrants	Non-tradeable No. of warrants	Total No. of warrants
In issue at January 1, 2023	—	105	105
Exchange of AlbaCore Warrants	—	(105)	(105)
In issue at March 31, 2023	—	—	—

(In thousands of shares)	Total No. of earnouts
In issue at January 1, 2023	1,604
Release of Stockholder Earnout Shares	—
Release of Sponsor Earnout Shares	—
In issue at March 31, 2023	1,604

AlbaCore Warrants and Additional AlbaCore Warrants

As a condition to closing the Bridge Facility (Note 12), all of the outstanding AlbaCore Warrants, consisting of 70,299 initial AlbaCore Warrants and 35,150 Additional AlbaCore Warrants, were deemed automatically and irrevocably exercised on March 15, 2023. These AlbaCore Warrants were exercised by means of a cashless exercise, reducing the number of shares issued upon exercise to cover the aggregate subscription price owed to the Company, and resulted in the distribution of 105,431 Class A ordinary shares ("Warrant Shares") associated with this exercise. The aggregate fair value of Warrant Shares issued upon exercise was \$0.8 million. As a result of this transaction, there are no warrants outstanding as of March 31, 2023.

Earnout Shares

As of March 31, 2023, there were 1,603,750 Earnout Shares outstanding, consisting of 1,552,000 Class A ordinary shares owned by the Company's Founder and Chief Executive Officer ("Stockholder Earnout") and 51,750 Class A ordinary shares owned by Alkuri's sponsor (the "Sponsor Earnout Shares"). The Earnout Shares are classified as a liability and recognized at fair value and each reporting period end date. The initial and subsequent measurements of fair value are derived using a Monte Carlo simulation. Refer to Note 17 for the fair value movements of this instrument through the period resulting with an ending liability balance of \$0.3 million in the aggregate for both Stockholder and Sponsor Earnout Shares, as of March 31, 2023.

16. Related Parties

Transactions with Management

As of March 31, 2023, Babylon had accrued \$4.8 million within the Due to related parties account in the Condensed Consolidated Balance Sheets for costs incurred during the year ended December 31, 2022 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 to 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.

Babylon Holdings Limited
Notes to the Unaudited Condensed Consolidated Financial Statements

17. 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 March 31, 2023 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
(in thousands)	\$	\$	\$	\$
AlbaCore Warrants	—	—	—	—
Stockholder earnouts	—	—	244	244
Sponsor earnouts	—	—	8	8
	—	—	252	252

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
(in thousands)	\$	\$	\$	\$	\$	\$	\$
Balance of Warrant and Earnout liabilities at December 31, 2022	—	—			1,378		1,378
Fair value remeasurement of Warrant liabilities prior to settlement of AlbaCore warrants	—	—			60		60
Settlement of AlbaCore warrants upon issuance of shares	—	—			(771)		(771)
Fair value remeasurement of Earnout liabilities	—	—			(415)		(415)
Balance of Earnout liabilities at March 31, 2023	—	—			252		252

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 Earnout Shares 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 41.9% to 111.8%. 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 exercise and as of March 31, 2023:

Babylon Holdings Limited
Notes to the Unaudited Condensed Consolidated Financial Statements

	As of March 15, 2023	As of December 31, 2022
Underlying stock price (USD)	\$ 6.86	\$ 6.75
Exercise price (USD)	\$ 0.00106	\$ 0.00106
Volatility	81.2 %	75.7 %
Remaining term (years)	3.65	3.85
Risk-free rate	3.9 %	4.0 %

The key inputs into the Monte Carlo simulation model for the Earnout Shares were as follows as of March 31, 2023 and December 31, 2022:

	As of March 31, 2023	As of December 31, 2022
Underlying stock price (USD)	\$ 5.09	\$ 6.75
Exercise price (USD)	N/A	N/A
Volatility	74.5 %	75.2 %
Remaining term (years)	4.31	4.56
Risk-free rate	3.6 %	4.0 %

The Gain / (loss) on fair value remeasurement of Warrant liabilities for the three months ended March 31, 2023 is \$0.1) million. The Gain / (loss) on fair value remeasurement of Earnout liabilities for the three months ended March 31, 2023 is \$0.4 million.

18. 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)	2023	2022
Net loss attributable to ordinary shareholders	(63,229)	(29,100)
Weighted average shares outstanding – Basic and Diluted	25,025,645	17,038,663
Net loss per share – Basic and Diluted	(2.53)	(1.71)

19. Subsequent Events

On April 17, 2023, Babylon and AlbaCore agreed to a waiver of the conditions for the utilization of tranche three of the Bridge Facility (the “Tranche Three Waiver”). In connection with the Tranche Three Waiver, among other things, (i) certain operational milestones under the Bridge Facility Agreement were extended, (ii) the governance regime agreed under the Bridge Facility Agreement was simplified to provide a right for the Bridge Noteholders to nominate a candidate for appointment by the Company as an independent, non-executive director to the board of directors of the Company and that, following such appointment, the board of directors of the Company shall at all times comprise a maximum of five directors, a majority of which must be independent non-executive directors and two of which must be nominated by the Bridge Noteholders and (iii) the Company agreed to provide the Bridge Noteholders with additional information in relation to the Group to facilitate their financial, operational and legal due diligence of the Group.

On May 10, 2023, the Company amended the Bridge Facility and entered into the Additional Bridge Facility with AlbaCore for an additional amount up to \$4.5 million on terms substantially similar to the original Bridge Facility. At the same time, the Group and AlbaCore entered into a framework implementation agreement (the “Framework Agreement”) to facilitate, upon the Trigger Event, a restructuring and recapitalization of the Group. Upon satisfaction of the applicable terms and conditions, the Additional Bridge Facility will be made available to the Company in three additional tranches.

Babylon Holdings Limited
Notes to the Unaudited Condensed Consolidated Financial Statements

The proceeds from the Additional Bridge Facility are expected to support the Company's on-going operations and facilitate any necessary preparatory work to ensure that the Take Private Proposal (as defined below) can be ready for implementation between June 16, 2023 and June 30, 2023, in the absence of other acceptable transaction proposals from third parties in the interim period.

The Framework Agreement contemplates that, upon the Trigger Event, core direct and indirect subsidiaries of the Company (the "Go-Forward Business") will return to private ownership (the "Take Private Proposal") and provides, subject to specified terms and conditions and definitive documentation, a structure for the following to be implemented: (i) additional funding for the Go-Forward Business; (ii) an amendment of the existing debt under the Existing Notes, the Bridge Facility and the Additional Bridge Facility (collectively, the "Debt"), including an extension of the maturity of the Debt; and (iii) a new long-term employee incentive plan.

The Framework Agreement contemplates the implementation of the Take Private Proposal through the appointment of administrators by the English courts to the Company (but not to any other member of the Group) and a series of steps to be described in a steps plan, pursuant to which the Take Private Proposal will involve (i) the transfer of assets and investments in subsidiaries from the Company to Babylon Group Holdings Limited, (ii) a request by the board of directors of the Company to the High Court in London for the appointment of administrators to the Company; (iii) those administrators' sale of Babylon Group Holdings Limited and certain other assets of the Company (together representing substantially all of the business of the Group) to an entity formed by the Investor Group (the "NewCo"); and (iv) the subsequent dissolution of the Company and any subsidiaries in the Group that are not transferred to the NewCo. This transaction would be implemented without the approval of Babylon's shareholders because AlbaCore will be exercising rights under its debt agreements with Babylon, and the Take Private Proposal will be implemented through the appointment of administrators by the English courts to Babylon Holdings Limited. It is not expected that the Take Private Proposal would involve any financial consideration being provided to Babylon's Class A ordinary shareholders and holders of equity instruments exercisable for the Class A ordinary shares.

The Bridge Notes and the Additional Bridge Notes shall be repayable on demand after five days' notice from the Note Trustee following the Trigger Event. Upon the Trigger Event, the Existing Notes could also become due as a result of the cross-default provision. Such a demand for repayment would have a material adverse effect on our liquidity, our business and results of operations.

While there is no assurance that the Additional Bridge Facility and the Framework Agreement will be implemented in a manner that will provide us with the funding that we need, management believes it remains appropriate to prepare our financial statements on a going concern basis.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Special Note Regarding Forward-Looking Statements

This Form 10-Q 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 Form 10-Q, 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: our ability to continue as a going concern over the next twelve months; our ability to receive available funding from the Additional Bridge Facility in full and our ability to successfully implement the Framework Agreement to provide sufficient funding for our operations; that we may require additional financing and our ability to obtain additional financing on favorable terms; our ability to timely identify and execute strategic alternatives on favorable terms, including, a liquidation, a restructuring, a refinancing, an asset sale such as the proposed sale of the IPA Business, a take private transaction, and/or putting the Company into administration under UK law; and 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, those discussed in Part I, Item 2., “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Part II, Item 1A., “Risk Factors” of this Form 10-Q, the section entitled “Risk Factors” in the 2022 Form 10-K, and in our other reports and SEC filings. 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 Form 10-Q and the 2022 Form 10-K. 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 Form 10-Q.

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. To this end, we are building an integrated digital-first primary care service that can manage population health at scale. 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 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 three months ended March 31, 2023 and 2022, 92.4% and 92.6%, 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 three months ended March 31, 2023 and 2022, 5.5%, and 4.5%, 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 three months ended March 31, 2023 and 2022, 2.1% and 2.9%, respectively, of our revenue was derived from software licensing.

We have scaled our VBC offering rapidly over the last year to become one of the largest VBC networks in the U.S., with 260 thousand U.S. VBC members as of March 31, 2023, and we expect to remain focused on U.S. growth. Our Total revenue for the three months ended March 31, 2023 and 2022 was \$311.1 million and \$266.4 million, our Claims expense was \$283.9 million and \$247.6 million, our Clinical care delivery expense was \$16.4 million and \$23.9 million, our Platform & application expenses were \$8.6 million and \$13.7 million, our Research & development expenses were \$4.5 million and \$17.3 million, our Sales, general & administrative expenses were \$48.4 million and \$55.6 million, our

Premium deficiency reserve expense was \$2.5 million and \$6.9 million, our Depreciation and amortization expenses were \$1.2 million and \$3.1 million, and our Loss from Operations was \$54.4 million and \$101.7 million, respectively.

Our Net loss was \$63.2 million and \$29.1 million, our EBITDA was \$(53.3) million and \$(20.3) million, and our Adjusted EBITDA was \$(45.8) million and \$(82.6) million for the three months ended March 31, 2023 and 2022, respectively. EBITDA and Adjusted EBITDA are non-GAAP financial 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.

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” in our 2022 Form 10-K.

	For the Three Months Ended March 31,	
	2023	2022
(in thousands)	\$	\$
Revenue:		
Value-based care	287,465	246,575
Clinical services	17,108	12,115
Software licensing revenue	6,547	7,756
Total revenue	311,120	266,446
Claims expense	(283,906)	(247,552)
Clinical care delivery expense	(16,416)	(23,927)
Platform & application expenses	(8,594)	(13,748)
Research & development expenses	(4,476)	(17,314)
Sales, general & administrative expenses	(48,393)	(55,649)
Premium deficiency reserve expense	(2,494)	(6,868)
Depreciation and amortization expenses	(1,237)	(3,078)
Loss from operations	(54,396)	(101,690)
EBITDA	(53,341)	(20,286)
Adjusted EBITDA	(45,780)	(82,570)

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 Three Months Ended March 31,			
	2023		2022	
Medicaid	68	%	83	%
Medicare	13	%	11	%
Commercial	20	%	6	%
Total U.S. VBC Members⁽¹⁾	260,000		271,000	

(1) Rounded to the nearest thousand.

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 three months ended March 31, 2023 and March 31, 2022, revenue related to VBC arrangements totaling \$287.5 million and \$246.6 million, respectively, 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 decline due to 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 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.

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 Business.

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 certain assumptions for revenue recognition, the accounting for premium deficiency reserves, and IBNR within claims expense (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 2022 Form 10-K. For details of our critical accounting estimates, refer to the "—

Use of Estimates” sub-section within “—Premium Deficiency Reserve Income / (Expense)”, “—Claims Expense”, and “—Revenues” above for details.

Non-GAAP Measures

EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Medical Loss Ratio, Medical Margin and Cost of Care Delivery Margin are non-GAAP financial measures (collectively, the “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, (gains) losses on settlement of warrants, (gains) losses on fair value remeasurement, premium deficiency reserve (income) expenses and gains (losses) on sale of subsidiaries and related transaction costs. 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 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.

The Non-GAAP Measures 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 three months ended March 31, 2023 and 2022:

(in thousands)	For the Three Months Ended March 31,	
	2023	2022
	\$	\$
Net loss	(63,229)	(29,100)
<i>Adjustments to EBITDA:</i>		
Depreciation and amortization expenses	1,237	3,078
Interest expense and income	8,658	5,727
Tax (benefit) / provision	(7)	9
EBITDA	(53,341)	(20,286)
<i>Adjustments to Adjusted EBITDA:</i>		
Stock-based compensation	2,167	9,174
Exchange loss	27	447
Restructuring and other termination benefits	1,216	—
Gain on settlement of warrants	(155)	—
Gain on fair value remeasurement	(336)	(78,773)
Premium deficiency reserve expense	2,494	6,868
Loss on sale of subsidiary and related transaction costs	2,148	—
Adjusted EBITDA	(45,780)	(82,570)
Total revenue	311,120	266,446
Value-based-care revenue	287,465	246,575
Claims expense	(283,906)	(247,552)
Clinical care delivery expense	(16,416)	(23,927)
Net loss Margin	(20.3)%	(10.9)%
Adjusted EBITDA Margin	(14.7)%	(31.0)%
Medical Loss Ratio	98.8 %	100.4 %
Medical Margin	1.2 %	(0.4)%
Cost of Care Delivery Margin	3.5 %	(1.9)%

Results of Operations - Three Months Ended March 31, 2023 Compared to the Three Months Ended March 31, 2022

The results of operations presented below should be reviewed in conjunction with “Item 1. Financial Statements”. The following table presents data derived from our Unaudited Condensed Consolidated Statement of Operations and Other Comprehensive Loss for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,		Variance		
	2023	2022	\$	%	
(in thousands)	\$	\$			
Revenue:					
Value-based care	287,465	246,575	40,890	16.6	%
Clinical services	17,108	12,115	4,993	41.2	%
Software licensing revenue	6,547	7,756	(1,209)	(15.6)	%
Total revenue	311,120	266,446	44,674	16.8	%
Claims expense	(283,906)	(247,552)	(36,354)	14.7	%
Clinical care delivery expense	(16,416)	(23,927)	7,511	(31.4)	%
Platform & application expenses	(8,594)	(13,748)	5,154	(37.5)	%
Research & development expenses	(4,476)	(17,314)	12,838	(74.1)	%
Sales, general & administrative expenses	(48,393)	(55,649)	7,256	(13.0)	%
Premium deficiency reserve expense	(2,494)	(6,868)	4,374	(63.7)	%
Depreciation and amortization expenses	(1,237)	(3,078)	1,841	(59.8)	%
Loss from operations	(54,396)	(101,690)	47,294	(46.5)	%
Interest expense	(8,819)	(5,982)	(2,837)	47.4	%
Interest income	161	255	(94)	(36.9)	%
Gain on fair value remeasurement	336	78,773	(78,437)	(99.6)	%
Gain on settlement of warrants	155	—	155		NM
Loss on sale of subsidiary	(646)	—	(646)		NM
Exchange loss	(27)	(447)	420	(94.0)	%
Net loss from operations before income taxes	(63,236)	(29,091)	(34,145)	117.4	%
Tax benefit / (provision)	7	(9)	16	(177.8)	%
Net loss	(63,229)	(29,100)	(34,129)	117.3	%

NM = not meaningful

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

(in thousands)	Three Months Ended March 31,	
	2023	2022
	\$	\$
Revenue:		
Value-based care	92.4 %	92.6 %
Clinical services	5.5 %	4.5 %
Software licensing revenue	2.1 %	2.9 %
Total revenue	100.0 %	100.0 %
Claims expense	(91.3)%	(92.9)%
Clinical care delivery expense	(5.3)%	(9.0)%
Platform & application expenses	(2.8)%	(5.2)%
Research & development expenses	(1.4)%	(6.5)%
Sales, general & administrative expenses	(15.6)%	(20.9)%
Premium deficiency reserve expense	(0.8)%	(2.6)%
Depreciation and amortization expenses	(0.4)%	(1.2)%
Loss from operations	(17.5)%	(38.2)%
Interest expense	(2.8)%	(2.2)%
Interest income	0.1 %	0.1 %
Gain on fair value remeasurement	0.1 %	29.6 %
Exchange loss	— %	(0.2)%
Loss on sale of subsidiary	(0.2)%	— %
Net loss from operations before income taxes	(20.3)%	(10.9)%
Tax benefit / (provision)	— %	— %
Net loss	(20.3)%	(10.9)%

Revenues

(in thousands)	Three Months Ended March 31,		Variance	
	2023	2022	\$	%
	\$	\$		
Revenue:				
Value-based care	287,465	246,575	40,890	16.6 %
Clinical services	17,108	12,115	4,993	41.2 %
Software licensing	6,547	7,756	(1,209)	(15.6)%
Total revenue	311,120	266,446	44,674	16.8 %

Total revenue increased by \$44.7 million from \$266.4 million for the three months ended March 31, 2022 to \$311.1 million for the three months ended March 31, 2023. This increase was primarily attributable to the expansion of the Value-based care revenue stream in the U.S., including execution of new arrangements in the first quarter of 2023. In addition, revenue from Clinical services increased by \$5.0 million attributable to the expansion of our digital healthcare platform in the United States.

Similarly, total Value-based care revenue increased by \$40.9 million from \$246.6 million for the three months ended March 31, 2022 to \$287.5 million for the three months ended March 31, 2023. The increase in revenue from VBC is primarily attributable to the expansion of our related Commercial product offerings in the U.S. which increased by \$47.3 million for the three months ended March 31, 2023. This increase is offset by the exit of certain Medicaid and Medicare VBC arrangements which attributed to a \$6.4 million decrease in VBC revenue and resulted in a decrease of VBC Members from approximately 271 thousand as of March 31, 2022, to approximately 260 thousand as of March 31, 2023. This is explained further within the “—Claims Expense” analysis below.

Total Clinical services revenue increased by \$5.0 million from \$12.1 million for the three months ended March 31, 2022 to \$17.1 million for three months ended March 31, 2023. 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 U.S. throughout 2022 and continuing into 2023.

Total Software licensing revenue decreased by \$1.2 million from \$7.8 million for the three months ended March 31, 2022 to \$6.5 million for the three months ended March 31, 2023. The decrease in revenue from Software licensing of \$1.2 million is primarily attributable to a decrease in the recognition of deferred revenue associated with an upfront payment for a software licensing arrangement occurring in the first quarter of 2021.

Claims Expense

	Three Months Ended March 31,		Variance	
	2023	2022	\$	%
(in thousands)	\$	\$	\$	
Claims expense	(283,906)	(247,552)	(36,354)	14.7 %

Claims expense increased by \$36.4 million from \$247.6 million for the three months ended March 31, 2022 to \$283.9 million for the three months ended March 31, 2023. Claims expense as a percentage of VBC revenues was 98.8% for the three months ended March 31, 2023 and 100.4% for the three months ended March 31, 2022. The increase in Claims expense is primarily attributable to the expansion of our VBC product offerings in the United States and new VBC contracts. 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

	Three Months Ended March 31,		Variance	
	2023	2022	\$	%
(in thousands)	\$	\$		
Clinical care delivery expense	(16,416)	(23,927)	7,511	(31.4)%

Clinical care delivery expense decreased by \$7.5 million from \$23.9 million for the three months ended March 31, 2022 to \$16.4 million for the three months ended March 31, 2023. Clinical care delivery expense as a percentage of revenues was 5.3% for the three months ended March 31, 2023 and 9.0% for the three months ended March 31, 2022. The decrease in Clinical care delivery expense is primarily attributable to a decrease in employee benefits expense of \$7.6 million attributable to our cost-reduction actions initiated in the third and fourth quarters of 2022 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 VBC contracts and continue to implement our cost-reduction initiatives.

Platform & Application Expenses

	Three Months Ended March 31,		Variance	
	2023	2022	\$	%
(in thousands)	\$	\$		
Platform & application expenses	(8,594)	(13,748)	5,154	(37.5)%

Platform & application expenses decreased by \$5.2 million from \$13.7 million for the three months ended March 31, 2022 to \$8.6 million for the three months ended March 31, 2023. The decrease in Platform & application expenses is primarily attributable to a \$2.0 million decrease in employee benefit expense and \$0.9 million decrease in contractors and consultants due to the combination of our cost-reduction actions initiated in the third and fourth quarters of 2022. The decrease was further attributed by a \$2.4 million decrease in platform costs incurred for the maintenance of our digital healthcare platform for the three months ended March 31, 2023.

Research & Development Expenses

(in thousands)	Three Months Ended March 31,		Variance	
	2023	2022	\$	%
	\$	\$		
Research & development expenses	(4,476)	(17,314)	12,838	(74.1)%

Research & development expenses decreased by \$12.8 million from \$17.3 million for the three months ended March 31, 2022 to \$4.5 million for the three months ended March 31, 2023. The decrease in Research & development expenses is primarily attributable to a \$13.5 million decrease in employee benefit expense due to cost-reduction actions initiated in the third and fourth quarters of 2022. The decrease in Research & development expenses was further attributable by a \$1.0 million decrease in contractors and consultants expenses. This decrease was offset by an increase of \$1.7 million in IT and hosting costs primarily due to an increased proportion of these costs being attributable to developing our digital healthcare platform.

Sales, General & Administrative Expenses

(in thousands)	Three Months Ended March 31,		Variance	
	2023	2022	\$	%
	\$	\$		
Sales, general & administrative expenses	(48,393)	(55,649)	7,256	(13.0)%

Sales, general & administrative expenses decreased by \$7.3 million from \$55.6 million for the three months ended March 31, 2022 to \$48.4 million for the three months ended March 31, 2023. The decrease in Sales, general & administrative expenses is primarily attributable to a \$1.6 million decrease in employee benefits expense due to cost-reduction actions initiated in the third and fourth quarter of 2022. The decrease in Sales, general & administrative expenses was further attributed by a \$1.4 million decrease in contractors and training expenses. The remaining \$3.7 million decrease was in line with the company's cost-reduction initiatives and actions primarily related to general expenses such as marketing, IT & hosting costs and travel costs contributing to the total decrease in Sales, general and administrative expenses.

Premium Deficiency Reserve Expense

(in thousands)	Three Months Ended March 31,		Variance	
	2023	2022	\$	%
	\$	\$		
Premium deficiency reserve expense	(2,494)	(6,868)	4,374	(63.7)%

Premium deficiency reserve expense decreased by \$4.4 million from a \$6.9 million expense during the three months ended March 31, 2022 to a \$2.5 million expense for the three months ended March 31, 2023. The decrease in Premium deficiency reserve expense is primarily attributable to an \$18.4 million reduction due to terminations and reductions in anticipated losses relating to VBC contracts that had a premium deficiency reserve at December 31, 2022. This decrease was offset by \$14 million of additional reserve required for anticipated losses relating to new VBC contracts that were executed in the three months ended March 31, 2022.

Depreciation and Amortization Expenses

(in thousands)	Three Months Ended March 31,		Variance	
	2023	2022	\$	%
	\$	\$	\$	
Depreciation and amortization expenses	(1,237)	(3,078)	1,841	(59.8)%

Depreciation and amortization expenses decreased by \$1.8 million from \$3.1 million for the three months ended March 31, 2022 to \$1.2 million for the three months ended March 31, 2023. The decrease in Depreciation and amortization expense is due to impairment of Other intangible assets and Property, Plant and Equipment for the reporting unit Higi SH Holdings, Inc. ("Higi") which was classified as held-for sale during the three months ended March 31, 2022. On March 29, 2023, the Company disposed of Higi. The held for sale classification of Higi is discussed in Note 5. Assets Held for Sale in our 2022 Form 10-K.

Interest Expense

(in thousands)	Three Months Ended March 31,		Variance	
	2023	2022	\$	%
	\$	\$	\$	
Interest expense	(8,819)	(5,982)	(2,837)	47.4 %

Interest expenses increased by \$2.8 million during the three months ended March 31, 2022, from \$6.0 million for the three months ended March 31, 2022 to \$8.8 million for the three months ended March 31, 2023. The increase in interest expenses is primarily attributable to the increase in Loans and borrowings from March 31, 2022 to March 31, 2023.

Gain on Fair Value Remeasurement

(in thousands)	Year Ended December 31,		Variance	
	2023	2022	\$	%
	\$	\$	\$	
Gain on fair value remeasurement	336	78,773	(78,437)	(99.6)%

Gain on fair value remeasurement resulted in a gain of \$0.3 million for the three months ended March 31, 2023, and a gain of \$78.8 million for the three months ended March 31, 2022. This decrease was primarily attributable to the Gain / (loss) on Earnout liabilities resulting in a gain of \$0.4 million during the three months ended March 31, 2023, and a gain of \$73.2 million for the three months ended March 31, 2022. 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 March 31, 2022 to March 31, 2023. Accordingly, as our share price has decreased from March 31, 2022 to March 31, 2023, Earnout liabilities reduced and this corresponding gain was recognized for the three months ended March 31, 2023. The decrease in Gain on fair value remeasurement was further attributable by a loss of \$0.1 million from the remeasurement of Warrant liability during the three months ended March 31, 2023. We recorded a gain of \$5.6 million from the remeasurement of our Warrant liability for the three months ended March 31, 2022. There are no outstanding Warrants as of March 31, 2023.

Loss on Settlement of Warrants

(in thousands)	Three Months Ended March 31,		Variance	
	2023	2022	\$	%
	\$	\$	\$	
Loss on settlement of warrants	155	—	155	NM

Loss on settlement of warrants of \$0.2 million was recognized during the three months ended March 31, 2023, and is related to the settlement of our AlbaCore warrants in exchange for the issuance of Class A ordinary shares occurring in the first quarter of 2023.

Exchange Loss

(in thousands)	Three Months Ended March 31,		Variance	
	2023	2022	\$	%
	\$	\$	\$	
Exchange loss	(27)	(447)	420	(94.0)%

Exchange loss decreased by \$0.4 million from a loss of \$0.4 million for the three months ended March 31, 2022 to a loss of \$0.03 million for the three months ended March 31, 2023. The key driver of the reduction in the exchange (loss) / gain was the strengthening of the U.S. Dollar to Pound Sterling.

Loss on Sale of Subsidiary

(in thousands)	Three Months Ended March 31,		Variance	
	2023	2022	\$	%
	\$	\$	\$	
Exchange loss	(646)	—	(646)	NM

Loss on sale of subsidiary of \$0.6 million was recognized during the three months ended March 31, 2022. The activity in the three months ended March 31, 2022 is related to the sale of Higi as discussed in Note 4 of the unaudited condensed consolidated financial statements. There was no such activity in the prior period.

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 \$18.9 million and \$93.5 million of cash generated through financing activities for the years ended March 31, 2023 and 2022, respectively. In the first quarter of 2023, we entered a Bridge Facility Agreement for an aggregate principal amount of up to \$34.5 million (Note 12 of the unaudited condensed consolidated financial statements) with certain affiliates of our existing counterparty for our note subscription agreement. In 2022, we issued an additional unsecured note on March 31, 2022 for \$100.0 million to an affiliate of AlbaCore Capital LLP (Note 12 of the unaudited condensed consolidated financial statements), and entered into subscription agreements with several investors for our 2022 Private Placement for \$80 million.

On May 10, 2023, we amended the Bridge Facility Agreement and entered into the Additional Bridge Facility for an additional amount up to \$34.5 million (Note 19) on terms substantially similar to the original Bridge Facility, and entered into the Framework Agreement to facilitate, upon the Trigger Event, a restructuring and recapitalization of the Group (Note 12 and Note 19). The purpose of the Additional Bridge Facility is to support the Company's on-going operations and facilitate any necessary preparatory work to ensure that the Take Private Proposal under the Framework Agreement can be ready for implementation between June 16, 2023 and June 30, 2023, in the absence of other acceptable transaction proposals from third parties in the interim period, as determined by AlbaCore in its sole discretion.

The Bridge Notes and the Additional Bridge Notes shall be repayable on demand after five business days' notice from the Note Trustee following the Trigger Event. Upon the Trigger Event, the Existing Notes could also become due as a result of the cross-default provision. Such a demand for repayment would have a material adverse effect on our liquidity, our business and results of operations. Please refer to Note 12 and Note 19 of the unaudited condensed consolidated financial statement for further discussion regarding the Additional Bridge Facility and the Framework Agreement and the potential impact on our liquidity, our business and results of operations.

For the three months ended March 31, 2023, and 2022, we had a Net loss of \$63.2 million and \$29.1 million, respectively. At March 31, 2023, the Group had cash and cash equivalents of \$77.7 million and \$104.5 million at December 31, 2022 which includes \$52.1 million and \$61.0 million of cash and cash equivalents included in assets held for sale as of March 31, 2023 and December 31, 2022, respectively. 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 Additional Bridge Facility and Framework Agreement, our ability to implement the Framework Agreement, a successful sale of the IPA Business or other strategic alternative or secure additional incremental funding, our ability to provide more affordable healthcare, and our headcount costs.

While there is no assurance that the Additional Bridge Facility and the Framework Agreement will be implemented in a manner that will provide us with the funding that we need, management believes that it remains appropriate to prepare our financial statements on a going concern basis. For more details related to this assessment, refer to Note 2 of the unaudited condensed consolidated financial statements included in this Form 10-Q.

Cash Flows

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

	Three Months Ended March 31,	
	2023	2022
	\$'000	\$'000
Net cash used in operating activities	(38,406)	(78,482)
Net cash used in investing activities	144	(2,613)
Net cash provided by financing activities	18,889	93,460
Less: Cash and cash equivalents classified as held for sale	—	—
Net (decrease) increase in cash and cash equivalents	(19,373)	12,365
Cash and cash equivalents beginning of the year	43,475	262,581
Effect of exchange rates	1,480	32
Cash and cash equivalents end of the year	25,582	274,978

Cash Flows Provided by (Used in) Operating Activities

Net cash used in operating activities was \$38.4 million for the three months ended March 31, 2023 compared to net cash used in operating activities of \$78.5 million for the three months ended March 31, 2022, a decrease of \$40.1 million. The decrease in our cash used in operating activities is primarily attributable to a lower Net loss, after adjusting for non-cash items, of \$34.1 million when compared to the prior period. See “Results of Operations - Three Months Ended March 31, 2023 Compared to the Three Months Ended March 31, 2022” above for additional discussion of the decrease in Loss from operations and an increase in other expenses contributing to the Net loss for the period. In addition, there was a favorable impact of \$6.0 million for the changes in working capital between the periods, resulting from a net decrease in payables, accruals, and contract liabilities of \$3.8 million, offset by \$14.3 due to an increase in trade and other receivables, and classification of the assets and liabilities held for sale for the three months ended March 31, 2023, compared to an increase in payables and accruals of \$2.4 million and an increase in trade and other receivables and other current assets of \$0.4 million for the three months ended March 31, 2022.

Cash Flows Provided by (Used in) Investing Activities

Net cash provided in investing activities was \$0.1 million in the three months ended March 31, 2023 compared to net cash used in investing activities of \$2.6 million in the three months ended March 31, 2022, a decrease of \$2.8 million. The increase in our cash provided by investing activities is primarily attributable to reduced capital expenditure of \$2.2M for fit outs for new lease contracts entered into during the three months ended March 31, 2022. This increase in cash provided by investing activities was further attributable to the sale of a subsidiary occurring in the three months ended March 31, 2023, resulting in \$0.5 million of incremental cash received. No sale of subsidiaries occurred during the three months ended March 31, 2022.

Cash Flows Provided by (Used in) Financing Activities

Net cash provided by financing activities was \$18.9 million in the three months ended March 31, 2023 compared to net cash provided by financing activities of \$93.5 million in the three months ended March 31, 2022, a decrease of \$74.6 million. The decrease in Net cash provided by financing activities is primarily attributable to a \$78 million decrease in proceeds from issuance of notes and warrants, offset by an increase of \$1 million in proceeds from equity and debt instruments, and \$0.9 million in proceeds from equity issuance costs related to those forms of financing between the periods ended March 31, 2023 and March 31, 2022.

Funding Requirements

As of March 31, 2023, we had a net liability position of \$315.1 million, including cash and cash equivalents of \$25.6 million. Management performed a going concern assessment for a period of twelve months from the date of approval of these condensed consolidated financial statements included in this Form 10-Q 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 12 of the unaudited condensed

consolidated financial statements) with certain affiliates of our existing counterparty for our note subscription agreement. On May 10, 2023 we amended the Bridge Facility and entered into the Additional Bridge Facility for a further amount up to \$34.5 million (Note 12 and Note 19) on terms substantially similar to the original Bridge Facility, and the Framework Agreement. The purpose of the Additional Bridge Facility is to support the Company's ongoing operations and facilitate any necessary preparatory work to ensure that the Take Private Proposal under the Framework Agreement can be ready for implementation between June 16, 2023 and June 30, 2023, in the absence of any acceptable transaction proposals from third parties in the interim period, as determined by AlbaCore in its sole discretion. Please refer to Note 12 and Note 19 of the unaudited condensed consolidated financial statements for additional discussion regarding the Additional Bridge Facility and the Framework Agreement.

While there is no assurance that the Additional Bridge Facility and the Framework Agreement will be implemented in a manner that will provide us with the funding that we need, management believes it remains appropriate to prepare our financial statements on a going concern basis.

However, the above indicates that there are material uncertainties related to these potential events, including our ability to raise further capital through the successful implementation of the Additional Bridge Facility and the Framework Agreement and other strategic alternatives, 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 3. 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 March 31, 2023, 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 March 31, 2023 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 March 31, 2023 or 2022.

Interest Rate Risk

As of March 31, 2023, we had cash, cash equivalents and restricted cash of \$25.6 million, excluding the \$52.1 million in cash and cash equivalents within the reporting units held for sale as of March 31, 2023. 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.

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 4. 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 March 31, 2023, our disclosure controls and procedures were not effective due to the material weaknesses related to our financial reporting described in Part II, Item 9A. “Controls and Procedures—Management’s Annual Report on Internal Control over Financial Reporting” in our 2022 Form 10-K.

Changes in Internal Control over Financial Reporting

There were no significant changes in our internal control over financial reporting during the quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, the Group’s internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. 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 1A. Risk Factors

For a discussion of potential risks and uncertainties related to our Company, see the information in Part I, Item 1A. of our 2022 Form 10-K. Except as set forth below, there have been no material changes to the risk factors previously disclosed in our 2022 Form 10-K.

In addition to the other information set forth in this Form 10-Q, you should carefully consider the factors discussed in the “Special Note Regarding Forward-Looking Statements” section in Part I, Item 2, of this Form 10-Q.

We entered into the Bridge Facility and the Additional Bridge Facility in March 2023 and May 2023 that include restrictive debt covenants and anticipate that we will undertake certain transactions pursuant to the Take Private Proposal pursuant to the Framework Agreement in the absence of any acceptable transaction proposals from third parties in the interim period. There is no assurance that the Additional Bridge Facility and the Framework Agreement will be implemented in a manner that will provide us with the funding that we need. Additional financing may not be available on favorable terms or at all. Such transactions could be extremely dilutive to or effectively extinguish the economic interests of our shareholders or result in a change of control.

To date, we have financed our operations principally from the sale of our equity securities, revenue from our operations, and debt financings. We had \$338.7 million of indebtedness as of March 31, 2023, including \$200 million of Existing Notes issued to the AlbaCore Existing Notes Subscribers on November 4, 2021, \$100 million of additional Existing Notes that we issued to an additional AlbaCore Existing Notes Subscriber on March 31, 2022, \$10.5 million of accrued interest and \$28.2 million of loan notes issued to AlbaCore Bridge Notes Subscribers (Note 12).

On March 9, 2023, the Company and the AlbaCore Bridge Notes Subscribers entered into the Bridge Facility Agreement (Note 12). 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. The purpose of the Bridge Facility was to provide us with funding for a period of time to allow us to execute binding bids relating to a successful sale of the IPA Business or other strategic alternatives to fund our business and operations. However, to date we have not received an acceptable binding bid for the sale of the IPA Business or another strategic alternative. 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 aligned 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.

On May 10, 2023, the Company and certain of the Bridge Noteholders amended the Bridge Facility and entered into the Additional Bridge Facility on terms substantially similar to the original Bridge Facility, and the Framework Agreement to facilitate, upon the Trigger Event, a restructuring and recapitalization of the Group (Note 12 and Note 19). The Additional Bridge Facility will be provided to us in three tranches, subject to the satisfaction of certain conditions precedent, including the receipt of certain supplemental security agreements and other transaction documentation, and with respect to the third tranche, approvals by Bridge Noteholders. We may not be able to receive available funding from the Additional Bridge Facility in full. Pursuant to the terms of the Amended Bridge Facility Agreement, the Group is subject to restrictive covenants in addition to those included in the original Bridge Facility. The Company and AlbaCore Existing Notes Subscribers are expected to enter into a supplemental deed poll to amend the relevant terms and conditions of the Existing Notes to align with the amendments made to the Bridge Facility Agreement pursuant to the Amendment and Restatement Agreement.

The proceeds from the Additional Bridge Facility are expected to support the Company's on-going operations and facilitate any necessary preparatory work to ensure that the Take Private Proposal as contemplated by the Framework Agreement can be ready for implementation between June 16, 2023 and June 30, 2023, in the absence of any acceptable transaction proposals from third parties in the interim period, as determined by AlbaCore in its sole discretion. There is no assurance that the Additional Bridge Facility and the Framework Agreement will be implemented in a manner that will provide us with the funding that we need, and the implementation of the Framework Agreement is likely to be extremely dilutive to or effectively extinguish the economic interests of our Class A ordinary shareholders or result in a change of control of the Company.

The Bridge Notes and the Additional Bridge Notes shall be repayable on demand after five business days' notice from the Note Trustee following the Trigger Event. Upon the Trigger Event, the Existing Notes could also become due as a result of the cross-default provision. Such a demand for repayment would have a material adverse effect on our liquidity, our business and results of operations.

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 March 31, 2023 and March 31, 2022 the Group incurred a net loss for the year of \$63.2 million and \$29.1 million, respectively. As of March 31, 2023 and December 31, 2022 the Group had a net liability position of \$315.1 million and \$255.9 million, respectively. At March 31, 2023 and December 31, 2022 the Group had cash and cash equivalents of \$77.7 million and \$104.5 million, respectively, including \$52.1 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. 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 unaudited consolidated financial statements include in this Form 10-Q 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 the Bridge Facility for an aggregate principal amount of up to \$34.5 million (Note 12). On May 10, 2023, we entered into the Additional Bridge Facility for a further amount up to \$34.5 million (Note 12 and Note 19) on terms substantially similar to the original Bridge Facility and entered into the Framework Agreement. The purpose of the Additional Bridge Facility is to support the Company's on-going operations and facilitate any necessary preparatory work to ensure that the Take Private Proposal under the Framework Agreement can be ready for implementation between June 16, 2023 and June 30, 2023, in the absence of other acceptable transaction proposals from third parties in the interim period, as determined by AlbaCore in its sole discretion.

While there is no assurance that the Additional Bridge Facility and the Framework Agreement will be implemented in a manner that will provide us with the funding that we need, management believes it remains appropriate to prepare our financial statements on a going concern basis. However, the above indicates that there are material uncertainties related to these potential events including our ability to raise further capital through the successful implementation of the Additional Bridge Facility and the Framework Agreement and other strategic alternatives, 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.

We are considering all strategic alternatives, including restructuring or refinancing of our debt, seeking additional debt or equity capital, selling assets or other measures such as putting the Company into administration under UK law, and will face risks and uncertainties in executing our business plan until we have implemented a strategic alternative.

We continue to consider all strategic alternatives including restructuring or refinancing our debt, seeking additional debt or equity capital, selling assets or other measures, such as putting the Company into administration under UK law, and will face risks and uncertainties in executing our business plan until we have implemented a strategic alternative.

Given the continuing challenges we face in raising additional capital, a potential administration of Babylon Holdings Limited under UK law in the very near term while we have sufficient cash on hand to be able to implement an orderly liquidation or restructuring of our liabilities and/or a sale of our assets through a court appointed administrator who

will effectively replace the Company's directors, looks increasingly likely as a way to continue day-to-day operations of Babylon and preserve the value of our business and assets for the benefit of our stakeholders. However, together with our financial and restructuring advisors, we continue to evaluate our strategic options and continue to discuss alternative financing options with our creditors and other parties. Administration under UK law would subject us to risks and uncertainties associated with administration proceedings, and may place holders of our Class A ordinary shares and equity instruments exercisable for the Class A ordinary shares at significant risk of losing all of their investment in our equity.

We may not be able to successfully execute any strategic alternatives, and our ability to do so could be adversely affected by numerous factors, including changes in the economic or business environment, financial market volatility and the performance of our business. Holders of our Class A ordinary shares will likely not receive any value or payments in a liquidation, restructuring or similar scenario, including the implementation of the Framework Agreement. We caution that trading in our Class A ordinary shares is highly speculative and poses substantial risks relating to the potential UK administration proceedings. Trading prices for our Class A ordinary shares may bear little or no relationship to the actual recovery by holders of our Class A ordinary shares in the UK administration proceedings, if any.

The pursuit of additional capital and strategic alternatives will consume a substantial portion of the time and attention of our management and require additional capital resources and may be disruptive to our business, which could have a material adverse effect on our business, financial condition and results of operations.

We are not able to predict with certainty the amount of time and resources necessary to successfully identify, pursue and execute any strategic alternative or to obtain additional financing. The diversion of management's attention may materially adversely affect the conduct of our business, and, as a result, our financial condition and results of operations. The additional expense we accrue in connection with our review of strategic alternatives and pursuit of additional capital may materially adversely impact our financial condition and partially offset the value of any strategic plan we execute or additional financing we obtain. In addition, doubts about our ability to continue as a going concern could impact our relationships with our customers, business partners, prospects and other third parties and our ability to obtain, maintain or renew contracts with them, or negatively impact our negotiating leverage with such parties, which could have a material adverse effect on our business, financial condition and results of operations.

In the event we were to pursue an administration under UK law or bankruptcy reorganization under the U.S. Bankruptcy Code, we would be subject to the risks and uncertainties associated with administration or bankruptcy proceedings, including the potential delisting of our Class A ordinary shares from trading on the NYSE.

We continue to experience significant financial and operating challenges that present substantial doubt as to our ability to continue as a going concern. If we continue to experience financial and operating challenges and are unsuccessful or unable to raise additional capital, it may be necessary for us to commence administration or reorganization proceedings under UK law. In the event we were to pursue such a liquidation or restructuring, our operations, our ability to develop and execute our business plan and our continuation as a going concern would be subject to the risks and uncertainties associated with administration or bankruptcy proceedings, including, among others: the incremental costs of administration or bankruptcy proceedings and related fees; our ability to maintain the listing of our Class A ordinary shares on the NYSE; our ability to obtain sufficient financing to allow us to emerge from administration or bankruptcy and execute our business plan post-emergence, and our ability to comply with terms and conditions of that financing; our ability to maintain our relationships with our lenders, counterparties, vendors, suppliers, employees and other third parties; our ability to maintain contracts that are critical to our operations on reasonably acceptable terms and conditions; and the actions and decisions of third parties who have claims and/or interests in our administration or bankruptcy proceedings that may be inconsistent with our operational and strategic plans. In addition, we may be subject to litigation or other claims related to an administration or bankruptcy. Any reorganization effected under a UK administration or the U.S. Bankruptcy Code will result in a total loss of investments in our Class A ordinary shares and equity instruments exercisable for the Class A ordinary shares.

In addition, if we were to commence a UK administration or U.S. bankruptcy proceedings, our Class A ordinary shares would likely be delisted from trading on the NYSE. Any delisting of our Class A ordinary shares could result in a substantial decline in the value of our Class A ordinary shares including, among other reasons, for the reduced liquidity of our Class A ordinary shares.

We have experienced turnover in our senior management team and other key talent across our organization, and our failure to attract and retain key talent and other qualified personnel could have an adverse effect on us.

We have experienced turnover in our senior management team and other key talent across our organization and anticipate additional turnover due to the uncertainty associated with our need to obtain additional capital to support our business. Our business may be adversely affected by the changes in our senior management team and other key talent, and turnover may create instability within the Company and impede our day-to-day operations, internal controls and our ability to fully implement our business plan and growth strategy. If we fail to successfully attract and appoint permanent replacements with the appropriate expertise, our business, results of operations, cash flow and financial condition could be harmed.

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. Like most businesses, our employees are important to our success and we are dependent in part on our ability to retain the services of our key management, operational, technology, product, compliance, finance, and administrative personnel. In order to compete and implement our growth strategy, we must attract, retain, and motivate employees, and turnover of senior management and other key talent may make it difficult to retain qualified and skilled employees.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On March 15, 2023, we entered into subscription agreements with the AlbaCore Bridge Notes Subscribers for the private placement of a total of 534,911 Class A ordinary shares (the “Private Placement Shares”), as consideration for the agreement by the AlbaCore Bridge Notes Subscribers to provide secured debt financing to the Company pursuant to the Bridge Facility Agreement. The Company relied on the private placement exemption from registration provided by Section 4(a)(2) of the Securities Act. The Private Placement Shares were issued on March 27, 2023.

In addition, on March 15, 2023, we amended and restated the warrant instrument dated November 4, 2021, as previously amended and restated on March 31, 2022 (the “Warrant Instrument”), evidencing the issuance of warrants (the “AlbaCore Warrants”) to subscribe for Class A ordinary shares to the AlbaCore Existing Notes Subscribers, such that their subscription entitlement to receive Class A ordinary shares pursuant to the terms of the Warrant Instrument was deemed automatically and irrevocably exercised as of March 15, 2023. The Company issued 105,431 Class A ordinary shares (the “Warrant Shares”) to the AlbaCore Existing Notes Subscribers, pursuant to their exercise of the AlbaCore Warrants in full, on March 27, 2023.

On April 17, 2023, the Company agreed to file a registration statement on Form S-3 with the SEC to register resales from time to time of the Private Placement Shares and the Warrant Shares within 10 business days after receiving a written request therefor from the AlbaCore Bridge Notes Subscribers.

Item 3 Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

Exhibit Number	Exhibit Description
4.1 [^]	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 (incorporated by reference to Exhibit 4.8 to the Company's Form 10-K filed with the SEC on March 16, 2023)
4.2 [^]	Supplemental Deed Poll, dated March 15, 2023, relating to US\$300,000,000 Notes due 2026 (incorporated by reference to Exhibit 4.9 to the Company's Form 10-K filed with the SEC on March 16, 2023)
4.3 [^]	Deed of Amendment and Restatement in Respect of Warrant Instrument, dated March 15, 2023 (incorporated by reference to Exhibit 4.10 to the Company's Form 10-K filed with the SEC on March 16, 2023)
4.4	Amendment and Restatement Agreement, dated May 10, 2023, relating to the 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
4.5	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, as amended and restated by the Amendment and Restatement Agreement, dated May 10, 2023
10.1 [^]	Form of Subscription Agreement, dated March 15, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed with the SEC on March 20, 2023)
10.2 [^] #	Independent Director Agreement, dated as of March 30, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed with the SEC on April 4, 2023)
10.3	Framework Implementation Agreement, dated May 10, 2023, between the Company, the Obligors identified therein, and AlbaCore Capital LLP, in its capacity as investment manager for the Existing Noteholders and the Bridge Noteholders identified therein
10.4	Second Subscription Agreement, dated May 10, 2023, between Babylon Group Holdings Limited, the New Bridge Noteholders identified therein, and Kroll Trustee Services Limited, as Trustee
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.

Management contract or compensatory plan.

* 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.

SIGNATURES

Pursuant to the requirements 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

Date: May 10, 2023

By: /s/ Ali Parsadoust
Name: Ali Parsadoust
Title: Chief Executive Officer

Date: May 10, 2023

By: /s/ David Humphreys
Name: David Humphreys
Title: Chief Financial Officer

**AMENDMENT AND RESTATEMENT AGREEMENT
DATED 10 May 2023**

relating to a loan note facility agreement originally dated 9 March 2023 between, among others, Babylon Holdings Limited as the Issuer and Kroll
Trustee Services Limited as Trustee

BETWEEN

(amongst others)

BABYLON HOLDINGS LIMITED
(as the Issuer)

BABYLON GROUP HOLDINGS LIMITED
(as Issuer 2)

and

KROLL TRUSTEE SERVICES LIMITED
acting as Trustee and Security Agent

KIRKLAND & ELLIS INTERNATIONAL LLP

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THIS AMENDMENT AND RESTATEMENT AGREEMENT (this "**Agreement**") is made on 10 May 2023

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) **BABYLON GROUP HOLDINGS LIMITED** a limited liability company incorporated in the United Kingdom with company number 14707874 and with its registered office at 1 Knightsbridge Green, London, England, SW1X 7QA ("**Issuer 2**");
- (3) **THE ORIGINAL OBLIGORS** to the Loan Note Facility Agreement listed in Schedule 1 (*Original Obligors*) (the "**Original Obligors**");
- (4) **KROLL TRUSTEE SERVICES LIMITED** as trustee (the "**Trustee**"); and
- (5) **KROLL TRUSTEE SERVICES LIMITED** as security trustee and security agent for the Secured Parties (as defined in the Intercreditor Agreement) (the "**Security Agent**").

INTRODUCTION

- (A) This Agreement is supplemental to and amends and restates the loan note facility agreement originally dated 9 March 2023 between, among others, the Issuer and the Trustee (the "**Loan Note Facility Agreement**").
 - (B) The Finance Parties have agreed, subject to the terms of this Agreement, that Issuer 2 will issue, and the New Bridge Noteholders will buy, \$34,500,000 senior secured notes subject to the terms of a subscription agreement dated on or about the date hereof between, among others, Issuer 2 and the Trustee (the "**Second Subscription Agreement**"), and, to effect the issuance of the New Bridge Notes, to make certain amendments to the Loan Note Facility Agreement that have been requested by the Issuer.
 - (C) In accordance with Clause 22.2 (*Amendments and Waivers*) of the Loan Note Facility Agreement, the Trustee is authorised to enter into this Agreement on behalf of the Finance Parties.
 - (D) The Security Agent is a party to this Agreement to receive the benefit of the confirmations set out in Clause 2.2 (*Continuing Effect*) and has been instructed by the other Finance Parties to execute this Agreement.
 - (E) It is the intention of the parties that this Agreement is delivered by the Issuer, Issuer 2 and the Original Obligors as a deed on the date specified above and shall take effect as a deed notwithstanding the fact that the Trustee and the Security Agent have executed this Agreement under hand.
-

IT IS AGREED:

1 INTERPRETATION

1.1 Definitions and construction

- (a) Save as provided to the contrary, terms defined in the Amended and Restated Loan Note Facility Agreement and/or Second Subscription Agreement (as applicable) shall have the same meaning when used in this Agreement, as the context requires.
- (b) Clauses 1.2 (*Construction*), 21.2 (*Subsequent costs*), 22 (*Amendments and Waivers*), 22.5 (*Waivers and remedies cumulative*), 29 (*Severability*), 31 (*Notices*), and 35 (*Enforcement*) of the Amended and Restated Loan Note Facility Agreement will be deemed to be set out in full in this Agreement, but as if (to the extent used therein) references in these clauses to the Amended and Restated Loan Note Facility Agreement were references to this Agreement.
- (c) References in this Agreement to the Loan Note Facility Agreement shall be construed as references to the form of the Loan Note Facility Agreement as at the date hereof and, following the occurrence of the Effective Date, such references shall be to the Amended and Restated Loan Note Facility Agreement.
- (d) In this Agreement:

"**Amended and Restated Loan Note Facility Agreement**" means the Facilities Agreement as amended and restated by this Agreement in the form set out in SCHEDULE 2 (*Amended and Restated Loan Note Facility Agreement*).

"**Effective Date**" means the date of this Agreement.

"**Party**" means a party to this Agreement.

2 AMENDMENT AND RESTATEMENT OF THE LOAN NOTE FACILITY AGREEMENT

1.1 Amended and Restated Loan Note Facility Agreement

With effect from (and including) the Effective Date, the Loan Note Facility Agreement shall be amended and restated so that it shall be read and construed for all purposes as set out in SCHEDULE 2 (*Amended and Restated Loan Note Facility Agreement*).

1.2 Continuing Effect

Except as varied by the terms of this Agreement, the Loan Note Facility Agreement will remain in full force and effect and any reference in the Amended and Restated Loan Note Facility Agreement or any other Bridge Finance Document to the Loan Note Facility Agreement or to any provision of the Loan Note Facility Agreement will be construed as a reference to the Amended and Restated Loan Note Facility Agreement, or that provision, as amended and restated by this Agreement.

1.3 Further Assurance

The Issuer shall (and shall procure that each of the Obligors shall), at the request of the Trustee and at their own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Agreement.

1.4 Fees, costs and expenses

- (a) The Issuer shall 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 in connection with the negotiation, preparation, execution and perfection of this Agreement and any other documents referred to in it (the "**Amendment and Restatement Fees**").

- (b) The Amendment and Restatement Fees shall be paid on the Tranche 4 Payment Date by way of reduction in the amounts paid by the New Bridge Noteholders to Issuer 2 (through the Trustee) in respect of their participation in the New Bridge Notes.

3 REPRESENTATIONS

1.1 Repeating Representations

Each Obligor makes each of the Repeating Representations on the date of this Agreement and on the Effective Date by reference to the facts and circumstances then existing, and references in the Repeating Representations to "Bridge Finance Document" shall be construed so as to include this Agreement and the Amended and Restated Loan Note Facility Agreement.

4 GUARANTOR AND SECURITY CONFIRMATION

1.1 Guarantee Confirmation

Each Original Obligor confirms that, with effect from (and including) the Effective Date, the guarantees and indemnities set out in Clause 10 (*Guarantee and Indemnity*) of the Amended and Restated Loan Note Facility Agreement shall:

- (a) continue to apply in respect of the obligations of each Obligor under the Bridge Finance Documents; and
- (b) extend to all new obligations of any Obligor under the Bridge Finance Documents arising from the amendments effected by this Agreement,

subject only to the guarantee limitations set out in the Amended and Restated Loan Note Facility Agreement.

1.2 Security Confirmation

Each Original Obligor confirms that, in addition and without limitation to any supplemental Transaction Security entered into in connection with the Second Subscription Agreement, with effect from (and including) the Effective Date, the liabilities and obligations arising under the Amended and Restated Loan Note Facility Agreement and the Bridge Finance Documents shall form part of (but do not limit) the "Secured Obligations" (or other similar term) as defined in each Transaction Security Document to which that Obligor is a party.

1.3 No Novation

Each of the parties to this Agreement confirms that the amendment of the Loan Note Facility Agreement pursuant to this Agreement shall not constitute a novation of the Loan Note Facility Agreement and of the obligations of the Obligors under the Loan Note Facility Agreement or of the obligations of the Obligors under any other Bridge Finance Document.

5 BABYLON PARTNERS LIMITED AS ISSUER 2

On the Effective Date, Issuer 2 agrees that it shall become the issuer of the New Bridge Notes under and pursuant to the terms Amended and Restated Loan Note Facility Agreement and undertakes to perform all the obligations expressed to be assumed by it under the Amended and Restated Loan Note Facility Agreement and any other Bridge Finance Document and agrees that it shall be bound by all the provisions of the Amended and Restated Loan Note Facility Agreement and any other Bridge Finance Document.

6 MISCELLANEOUS

1.1 Bridge Finance Documents

The Issuer and the Trustee designate this Agreement as a Bridge Finance Document.

1.2 Counterparts

This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement. Delivery of a counterpart of this Agreement by email attachment or telecopy shall be an effective mode of delivery.

7 GOVERNING LAW AND ENFORCEMENT

1.1 Governing Law

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by, construed and take effect in accordance with English law.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement and executed as a deed by the Issuer, Issuer 2 and 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 Trustee and the Security Agent have executed this Agreement under hand.

**SCHEDULE 1
ORIGINAL OBLIGORS**

Name of Original Obligor	Jurisdiction	Registration number (or equivalent, if any)
Babylon Holdings Limited	Jersey	115471
Babylon Partners Limited	England and Wales	14707874
Babylon Group Holdings Limited	England and Wales	14707874
Babylon Healthcare Inc.	Delaware, United States	7309557
Babylon Inc.	Delaware, United States	6861190

SCHEDULE 2
AMENDED AND RESTATED LOAN NOTE FACILITY AGREEMENT

SIGNATORIES

ISSUER

EXECUTED as a **DEED** by

BABYLON HOLDINGS LIMITED
according to the laws of its jurisdiction
By:

/s/ Ali Parsadoust
Name: Ali Parsadoust
Title: CEO

[Project Garden - Signature Page to Amendment and Restatement Agreement]

ISSUER 2

EXECUTED as a **DEED** by

BABYLON GROUP HOLDINGS LIMITED

and signed on its behalf by:

By:

/s/ Ali Parsadoust

Name: Ali Parsa

Title: CEO

in the presence of:

/s/ Nicole A. Wickham
Witness

Witness name: Nicole A. Wickham _____

Witness address: _____

Witness occupation: _____

[Project Garden - Signature Page to Amendment and Restatement Agreement]

ORIGINAL OBLIGORS

EXECUTED as a **DEED** by

BABYLON HOLDINGS LIMITED

according to the laws of its jurisdiction

By:

/s/ Ali Parsadoust

Name: Ali Parsadoust

Title: CEO

[Project Garden - Signature Page to Amendment and Restatement Agreement]

ORIGINAL OBLIGORS

EXECUTED as a **DEED** by

BABYLON PARTNERS LIMITED

and signed on its behalf by:

By:

/s/ Ali Parsadoust

Name: Ali Parsa

Title: CEO

in the presence of:

/s/ Nicole A. Wickham
Witness

Witness name: Nicole A. Wickham

Witness address: _____

Witness occupation: _____

[Project Garden - Signature Page to Amendment and Restatement Agreement]

ORIGINAL OBLIGORS

EXECUTED as a **DEED** by

BABYLON HEALTHCARE INC.
according to the laws of its jurisdiction

By:

/s/ Paul-Henri Ferrand

Name: Paul-Henri Ferrand

Title: Director

[Project Garden - Signature Page to Amendment and Restatement Agreement]

ORIGINAL OBLIGORS

EXECUTED as a **DEED** by

BABYLON INC.

according to the laws of its jurisdiction

By:

/s/ Paul-Henri Ferrand

Name: Paul-Henri Ferrand

Title: Director

[Project Garden - Signature Page to Amendment and Restatement Agreement]

ORIGINAL OBLIGORS

EXECUTED as a **DEED** by

BABYLON GROUP HOLDINGS LIMITED

and signed on its behalf by:

By:

/s/ Ali Parsadoust

Name: Ali Parsa

Title: CEO

in the presence of:

/s/ Nicole A. Wickham

Witness

Witness name: Nicole A. Wickham

Witness address: _____

Witness occupation: _____

THE TRUSTEE

KROLL TRUSTEE SERVICES LIMITED

By:

/s/ Sajdah Afzal

Name: Sajdah Afzal

Title: Authorised Signatory

[Project Garden - Signature Page to Amendment and Restatement Agreement]

THE SECURITY AGENT

KROLL TRUSTEE SERVICES LIMITED

By:

/s/ Sajdah Afzal

Name: Sajdah Afzal

Title: Authorised Signatory

[Project Garden - Signature Page to Amendment and Restatement Agreement]

Dated 9 March 2023 (as amended and restated by the amendment and restatement agreement dated 10 May 2023)

AGREEMENT
relating to
US\$69,000,000 LOAN NOTE FACILITY

for

BABYLON HOLDINGS LIMITED

and

BABYLON GROUP HOLDINGS LIMITED

with

KROLL TRUSTEE SERVICES LIMITED
as Trustee

and

KROLL TRUSTEE SERVICES LIMITED
as Security Agent

KIRKLAND & ELLIS INTERNATIONAL LLP

30 St. Mary Axe
London EC3A 8AF
Tel: +44 (0)20 7469 2000
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www.kirkland.com

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THIS AGREEMENT is dated 9 March 2023 (as amended and restated by the amendment and restatement agreement dated 10 May 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) **BABYLON GROUP HOLDINGS LIMITED**, a limited liability company incorporated in the United Kingdom with company number 14707874 and with its registered office at 1 Knightsbridge Green, London, England, SW1X 7QA (“**Issuer 2**”);
- (3) **THE SUBSIDIARIES OF THE ISSUER** listed in Schedule 1 (*Original Parties*) as original guarantors (in this capacity, together with the Issuer and Issuer 2 the “**Original Guarantors**”);
- (4) **KROLL TRUSTEE SERVICES LIMITED** as trustee (in this capacity the “**Trustee**”); and
- (5) **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.

“**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 or Issuer 2 (other than the Original Bridge Notes and the New Bridge Notes) issued after the Amendment 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.

“**Amendment and Restatement Agreement**” means the amendment and restated agreement dated 10 May 2023 between, among others, the Issuer, Issuer 2, the Trustee and the Security Agent.

“**Amendment Date**” means the “Effective Date” as defined in the Amendment and Restatement Agreement.

“**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.

“**Board Observer Agreement**” means the board observer agreement between the Issuer and the Majority Bridge Noteholders.

“**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:

- (g) this Agreement (including the Notes);
- (h) the Amendment and Restatement Agreement;
- (i) the Subscription Agreement;
- (j) the Second Subscription Agreement;
- (k) any Transaction Security Document;
- (l) the Intercreditor Agreement;
- (m) a Fee Letter;
- (n) the Board Observer Agreement;
- (o) an Accession Agreement;
- (p) a Subscription Request;
- (q) a Certificate; or

(r) any other document designated as such by the Trustee and the Issuer.

“Bridge Noteholder” means an Original Bridge Noteholder, a New Bridge Noteholder 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:

- (s) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (t) 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;
- (u) 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;
- (v) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (w) 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
- (x) 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 Amendment 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 Amendment 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.

“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:

- (y) purchases by way of assignment or transfer;
- (z) enters into any sub-participation in respect of; or
- (aa) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of, any Notes.

“Default” means:

- (ab) an Event of Default; or
- (ac) 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:

- (ad) 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
- (ae) 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,

(af) 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 Documents” has the meaning given to the term “Transaction Documents” in the Existing Notes Amendment Documents or any equivalent term under or pursuant to any further amendment and/or restatement of the Existing Notes.

“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 and the Amendment Date.

“FATCA” means:

- (ag) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (ah) 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
- (ai) 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:

- (aj) 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
- (ak) 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:

- (al) the letter entered on or about the date of 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 in respect of the Original Bridge Notes;
- (am) the letter entered on or about the date of the Amendment Date between one or more Finance Parties and Issuer 2 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 in respect of the New Bridge Notes; and
- (an) any other letter designated as such by the Trustee and the Issuer.

“Final Maturity Date” means the date which must be a Business Day which is specified by the Trustee (acting on the instructions of the Majority Bridge Noteholders) in a Payment Demand Notice.

“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:

- (ao) moneys borrowed and debit balances at banks or other financial institutions;
- (ap) any acceptances under any acceptance credit or bill discount facility (or dematerialised equivalent);
- (aq) any note purchase facility or the issue of bonds (but not Trade Instruments), notes, debentures, loan stock or any similar instrument;
- (ar) the amount of any liability in respect of any Finance Lease;
- (as) 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);
- (at) 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;
- (au) 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;

- (av) 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;
- (aw) 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;
- (ax) any amount raised under any other transaction having the commercial effect of a borrowing; and
- (ay) (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.

“Framework Agreement” means framework implementation agreement dated on or about the date of the Amendment Date between, among others, the Issuer as the Company, the Obligors as the Obligors and the Bridge Noteholders as the Noteholders.

“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:

- (az) 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
- (ba) the benefit of all applications and rights to use such assets of the Issuer (which may on or after the date of this Agreement 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:

- (bb) the period from (and including) the Original Issue Date to (but excluding) the date falling one (1) month after the Original Issue Date; and
- (bc) 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:

- (bd) 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
- (be) 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.

“**Jersey Obligor**” means any Obligor incorporated or established in Jersey.

“**Jersey Security Agreement**” means the Jersey law security interest agreement dated 15 March 2023, granted 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.

“**Jersey Supplemental Security Agreement**” means the 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.

“**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.

“**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:

- (bf) the business, operations, property or financial condition of the Issuer and its Subsidiaries taken as a whole;
- (bg) the ability of the Issuer to comply with its obligations under Clause 13 (*Financial Covenants*);
- (bh) the ability of the Obligors taken as a whole to perform their payment obligations under any Bridge Finance Document; or
- (bi) 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:

- (bj) gross assets or net assets; or
- (bk) 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.

“**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 Bridge Noteholder**” means a Bridge Noteholder listed in Part 3 (*The New Bridge Noteholders as at the Amendment Date*) of Schedule 1 (*Original Parties*).

“**New Bridge Notes**” means the Tranche 4 Notes, the Tranche 5 Notes and the Tranche 6 Notes.

“**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.

“**New HoldCo Subsidiary**” means New HoldCo and any wholly-owned Subsidiary of New HoldCo.

“**Notes**” means the Original Bridge Notes, the New Bridge Notes and the Additional Bridge Notes.

“**Obligor**” means the Issuer, Issuer 2 or a Guarantor.

“**OID Fees**” means the original issue discount to be applied to:

- (a) the Original Bridge Notes in accordance with the terms of the Fee Letter entered into by the Issuer and the Original Bridge Noteholders on or about the date of this Agreement; and
- (b) the New Bridge Notes in accordance with the terms of the Fee Letter entered into by Issuer 2 and the New Bridge Noteholders on or about the date of the Amendment Date.

“**Original Financial Statements**” means:

- (c) the audited consolidated annual financial statements of the Issuer for its financial year ending 31 December, 2021; and
- (d) 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 Noteholder” means an Bridge Noteholder listed in Part 2 (*The Original Bridge Noteholders as at the Amendment Date*) of Schedule 1 (*Original Parties*).

“Original Bridge Notes” means the Tranche 1 Notes, the Tranche 2 Notes and the Tranche 3 Notes.

“Original Obligor” means the Issuer, Issuer 2 or an Original Guarantor.

“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.

“Payment Demand Notice” means a notice of demand from the Trustee (acting on the instructions of the Majority Bridge Noteholders) specifying a Final Maturity Date for redemption in full by the Issuer and/or Issuer 2 of the Notes.

“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:

- (e) the Health Innovators Permitted Acquisition or with the prior consent of the the Majority Bridge Noteholders, any acquisition of any shares or securities owned by minority shareholders in members of the Group;
- (f) 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;
- (g) with the prior consent of the the Majority Bridge Noteholders, 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;
- (h) *[reserved]*;
- (i) the acquisition by a member of the Group of securities which are Cash Equivalent Investments;
- (j) an acquisition in respect of which the Majority Bridge Noteholders have given their consent;
- (k) an acquisition of shares of a member of the Group by its immediate Holding Company;
- (l) *[reserved]*; and
- (m) *[reserved]*.

“Permitted Disposal” means any of the following:

- (n) 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 to any director, officer, manager or employee of any member of the Group at or below par or at or below market value;

- (o) with the prior consent of the the Majority Bridge Noteholders, the IPA Business Disposal;
- (p) the Higi Business Disposal;
- (q) with the prior consent of the Majority Bridge Noteholders, any disposal that is required to satisfy the M&A Process; or
- (r) any other disposal in respect of which the Majority Bridge Noteholders have given their consent.

“Permitted Financial Indebtedness” means Financial Indebtedness:

- (s) arising under the Original Bridge Notes or the New Bridge Notes;
- (t) arising under the Existing Notes;
- (u) any financial indebtedness owing by any member of the Group to any other member of the Group;
- (v) *[reserved]*;
- (w) arising under a Permitted Loan or a Permitted Guarantee;
- (x) arising under a Permitted Transaction (having regard to the limitations under paragraph (a) of the definition of Permitted Transaction);
- (y) *[reserved]*;
- (z) *[reserved]*;
- (aa) arising under a Permitted Hedging Transaction;
- (ab) 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;
- (ac) 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;
- (ad) permitted by the Majority Bridge Noteholders; or
- (ae) not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed US\$500,000 (or its equivalent in other currencies) at any time.

“Permitted Guarantee” means:

- (af) any guarantee arising under or in respect of the Existing Notes;
- (ag) the endorsement of negotiable instruments in the ordinary course of trade;
- (ah) 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;
- (ai) *[reserved]*;
- (aj) any guarantee or indemnity of Permitted Financial Indebtedness;

- (ak) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to paragraph (b) of the definition of “Permitted Security”;
- (al) any guarantee by a member of the Group of the obligations of another member of the Group;
- (am) 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);
- (an) 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;
- (ao) any customary indemnity to a vendor in relation to a Permitted Acquisition or a purchaser in relation to a Permitted Disposal;
- (ap) any guarantee in relation to a Permitted Hedging Transaction;
- (aq) guarantees of Permitted Transactions;
- (ar) [*reserved*];
- (as) 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;
- (at) 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);
- (au) 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;
- (av) customary indemnities given to professional advisors and consultants in the ordinary course of the business of the Group;
- (aw) customary guarantees and indemnities in favour of directors and officers in their capacity as such;
- (ax) any customary indemnity given under any commitment letter, mandate letter or similar document entered into for the purposes of refinancing any Permitted Financial Indebtedness;
- (ay) 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
- (az) any guarantee not permitted in the preceding paragraphs and the amount of which does not exceed US\$500,000 (or its equivalent in other currencies) in aggregate at any time.

“Permitted Hedging Transaction” means:

- (ba) any interest rate or currency swap entered into in respect of Permitted Financial Indebtedness or in connection with a Permitted Acquisition.
- (bb) with the prior consent of the the Majority Bridge Noteholders, 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
- (bc) with the prior consent of the the Majority Bridge Noteholders, 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:

- (bd) *[reserved]*; or
- (be) any investment in any Joint Venture in respect of which the Majority Bridge Noteholders have given their consent.

“Permitted Loan” means:

- (bf) 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;
- (bg) a loan which constitutes Permitted Financial Indebtedness;
- (bh) *[reserved]*;
- (bi) as at the Amendment Date, a loan made by a member of the Group to another member of the Group and, on and following the Amendment Date, a loan made by a member of the Group to:
 - (i) the Issuer or a subsidiary of the Issuer that is not a New HoldCo Subsidiary, where the member of the Group making the loan is the Issuer or a subsidiary of the Issuer that is not a New HoldCo Subsidiary;
 - (ii) another member of the Group which is a New HoldCo Subsidiary;
 - (iii) to the Issuer or a Subsidiary of the Issuer that is not a New HoldCo Subsidiary, for application towards outstanding operating expenses, administrative costs, taxes and/or listing expenses and professional fees and disbursements (including VAT thereon) incurred by the Issuer or any Subsidiary of the Issuer that is not a New HoldCo Subsidiary only provided that the aggregate amount outstanding under all such loans advanced following the Amendment Date (other than any loans for application towards the payment of professional fees and disbursements (including VAT thereon)) does not exceed US\$500,000 (or its equivalent in other currencies) in aggregate in any calendar month (the **“Monthly Operating Expenditure Basket”**); or

- (iv) the Issuer or Issuer 2 to pay any amounts due and payable under the terms of the Existing Notes, this Agreement or the Debt Documents (as defined in and subject to the terms of the Intercreditor Agreement);
- (bj) 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 and provided that no new loans or extensions of credit may be made after the Amendment Date;
- (bk) 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;
- (bl) a loan made by a member of the Group to an employee or director of any member of the Group in connection with any existing employee schemes (including “cycle to work”) if the outstanding amount of that loan when aggregated with the outstanding amount of all other such loans to employees and directors made by members of the Group does not exceed US\$10,000 (or its equivalent in other currencies) in any calendar month and provided that no new employee scheme or any replacement scheme may be established or entered into by any member of the Group after the Amendment Date;
- (bm) any loans or extensions of credit by a member of the Group and provided that no new loans or extensions of credit may be made after the Amendment Date;
- (bn) advances of payroll payment to employees in the ordinary course of business;
- (bo) any loan that is a Permitted Transaction;
- (bp) any loan or extension of credit in respect of which the Majority Bridge Noteholders have given their consent;
- (bq) any loan or extension of credit by any member of the Group to any P.C. provided that the Issuer notifies the Trustee of any proposed loan or extension of credit in an amount exceeding US\$100,000, not less than two (2) Business Days prior to the advance of such loan or extension of credit; or
- (br) any other loan so long as the aggregate amount of the Financial Indebtedness under all such loans does not exceed US\$500,000 (or its equivalent in other currencies) in aggregate at any time.

“**Permitted Security**” means:

- (bs) any lien arising by operation of law and in the ordinary course of business;
- (bt) 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;
- (bu) 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;
- (bv) any Security or Quasi-Security arising as a result of a Permitted Disposal;
- (bw) any Security or Quasi-Security arising under any Finance Lease provided that the Financial Indebtedness secured is Permitted Financial Indebtedness;

- (bx) 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;
- (by) 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);
- (bz) 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;
- (ca) 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;
- (cb) 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);
- (cc) 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;
- (cd) *[reserved]*;
- (ce) 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;
- (cf) any Security or Quasi-Security which does not secure any outstanding actual or contingent obligations;
- (cg) 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;
- (ch) 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;
- (ci) 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;
- (cj) 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 provided that any deposit or transfer of cash collateral on or after the Amendment Date of an amount exceeding \$250,000 shall require Majority Bridge Noteholder consent;
- (ck) 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;
- (cl) any Security or Quasi-Security in respect of which the Majority Bridge Noteholders have given their consent; or

- (cm) any other Security or Quasi-Security (other than over shares) securing indebtedness the principal amount of which does not exceed US\$500,000 in aggregate at any time.

“Permitted Subordinated Debt” means any new subordinated indebtedness, provided that (unless otherwise agreed by the Majority Bridge Noteholders):

- (cn) no Default is continuing at the time the Issuer signs a binding commitment to incur such indebtedness;
- (co) 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;
- (cp) 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
- (cq) 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, the New 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) with the prior consent of the the Majority Bridge Noteholders, 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 New HoldCo Subsidiary; 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 and/or Permitted Subordinated Debt by the Issuer.

“**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:

- (a) 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;

- (b) 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);
- (c) any extension of credit to any person that is not a member of the Group (other than any extension of credit made in the ordinary course of business subject to such extension of credit being a Permitted Loan);
- (d) any repayment or prepayment of (or other concession in respect thereof) any Financial Indebtedness incurred by any member of the Group under paragraph (m) of the definition of Permitted Financial Indebtedness;
- (e) any payment: (x) to fund the purchase of any employee equity (together with the purchase or repayment of any related loans); (y) to make other compensation payments or settlement payments to departing or former management or (z) to make any payments in respect of any existing contractual disputes or contractual payments that were withheld as at the Amendment Date; or
- (f) any payment by a New Holdco Subsidiary in respect of an obligation or liability the principal debtor, obligor or contractual counterparty in respect of which is the Issuer or a Subsidiary of the Issuer that is not a New Holdco Subsidiary except for any payment funded by a Permitted Loan or otherwise expressly permitted under the terms of this Agreement and, for the avoidance of doubt, at all times subject to Clause 14.30 (*No upstream Cash, intercompany liabilities, guarantees and/or security*).

“**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:

- (a) listed on, owned 50% or more, or otherwise controlled (directly or indirectly) by a person listed on a Sanctions List;
- (b) a government of a Sanctioned Country;
- (c) an agency or entity directly or indirectly owned 50% or more or controlled by, a government of a Sanctioned Country; or
- (d) 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*).

“Second Subscription Agreement” means the subscription agreement dated on or about the Amendment Date entered into between, among others, Issuer 2 and the Bridge Noteholders in respect of the subscription of the New Bridge Notes.

“Secured Account” means:

- (e) in respect of the Original Bridge Notes, 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; and
- (f) in respect of the New Bridge Notes, the bank account denominated in US Dollars held in the name of Babylon Partners Limited or Babylon Inc. as notified by Babylon Group Holdings Limited to the Trustee prior to the Tranche 4 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:

- (g) 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;
- (h) 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
- (i) 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:

- (j) holds a majority of the voting rights in it;
- (k) 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;
- (l) 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
- (m) 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:

- (n) Term SOFR; and
- (o) the applicable USD Credit Adjustment Spread in relation thereto.

“**Term SOFR**” means in relation to any Note denominated in USD:

- (p) 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*);
- (q) (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
- (r) 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, the New 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 4 Notes” means the floating rate notes due 2026 in an aggregate principal amount of \$5,750,000 issued by Issuer 2 on the Tranche 4 Issue Date.

“Tranche 5 Notes” means the floating rate notes due 2026 in an aggregate principal amount of \$11,500,000 issued by Issuer 2 on the Tranche 5 Issue Date which shall be consolidated and form a single series with the Tranche 4 Notes on the last day of the first Interest Period in respect of the Tranche 5 Notes.

“Tranche 6 Notes” means the floating rate notes due 2026 in an aggregate principal amount of \$17,250,000 issued by Issuer 2 on the Tranche 6 Issue Date which shall be consolidated and form a single series with the Tranche 4 Notes and the Tranche 5 Notes on the last day of the first Interest Period in respect of the Tranche 6 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.

“Tranche 4 Issue Date” means the date on which the Tranche 4 Notes are issued in accordance with the Second Subscription Agreement.

“Tranche 5 Issue Date” means the date on which the Tranche 5 Notes are issued in accordance with the Second Subscription Agreement.

“Tranche 6 Issue Date” means the date on which the Tranche 6 Notes are issued in accordance with the Second Subscription Agreement.

“Transaction Documents” means the Bridge Finance Documents and the Existing Notes Amendment Documents.

“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;
 - (xix) a time of day is a reference to London time; and
 - (xx) “**the date of this Agreement**” shall be to 9 March 2023.
- (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) The persons referred to in paragraph (a) of Clause 24.2 (*Assignments and transfers by Bridge Noteholders*) shall include any person except for any natural person, any individual and any “retail investor” (as defined in Clause 24.2) and any other retail investor.

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 or Issuer 2 (as applicable) and shall rank pari passu between each other, equally and rateably without discrimination or preference between them.

1.4 **Purpose**

Subject to Clause 14.30(c)(i) (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 or Issuer 2 (as applicable). 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 or Issuer 2 (as applicable) 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 or Issuer 2 (as applicable) 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 or Issuer 2 (as applicable) 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 or Issuer 2 (as applicable) 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 or Issuer 2 (as applicable) 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 or Issuer 2 (as applicable) 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 or Issuer 2 (as applicable) has received any evidence or indemnity reasonably requested by the Issuer or Issuer 2 (as applicable) 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 or Issuer 2 (as applicable) prior to the issuance of the new Certificate.

1.7 **Additional Bridge Notes**

The Issuer and/or Issuer 2 may from time to time, by resolution of its 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 and/or the New Bridge Notes (as applicable) 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 or Issuer 2 (as applicable) 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 or Issuer 2 (as applicable) shall reasonably require, be registered itself as the holder of such Notes or may transfer such Notes.

1.10 Listing

On written notice from the Trustee (acting on the instructions of the Majority Bridge Noteholders) to the Issuer or Issuer 2 (as applicable), the Issuer (or, as applicable, Issuer 2) 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, the Tranche 4 Notes, the Tranche 5 Notes and the Tranche 6 Notes and any Additional Bridge Notes, the relevant date such Tranche 2 Notes, Tranche 3 Notes, the Tranche 4 Notes, the Tranche 5 Notes, the Tranche 6 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 (or, as applicable, Issuer 2) is unable to obtain admission to listing of the Notes on the TISE or if at any time the Issuer (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) shall redeem the Notes in full on or before the Final Maturity Date specified in a Payment Demand Notice from the Trustee provided that such Final Maturity Date may not fall prior to the later of:

- (a) 16 June 2023; and
- (b) the fifth (5th) Business Day following delivery of such Payment Demand Notice.

4 REDEMPTION PRIOR TO MATURITY

1.1 Illegality of a Bridge Noteholder

- (a) A Bridge Noteholder must notify the Trustee and the Issuer or Issuer 2 (as applicable) 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 or Issuer 2 (as applicable) and the Issuer or Issuer 2 (as applicable) 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 or Issuer 2 (as applicable), 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 or Issuer 2 (as applicable) 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 and Issuer 2, declare that all amounts payable under the Bridge Finance Documents by the Obligor will become immediately due and payable and the Issuer and/or Issuer 2 (as applicable) 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.

“**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 all 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 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.
- (d) The amount to be redeemed will also be applied in accordance with paragraph (g) of Clause 4.9 (*Miscellaneous provisions*).
- (e) 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.

“**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 or Issuer 2 (as applicable) shall apply all Net 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 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.
 - (d) The amount to be redeemed will also be applied in accordance with paragraph (g) of Clause 4.9 (*Miscellaneous provisions*).

- (e) 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 or Issuer 2 (as applicable) 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 or Issuer 2 (as applicable) 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 or Issuer 2 (as applicable) 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 or Issuer 2 (as applicable) in that notice) the Issuer or Issuer 2 (as applicable) 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 Issuer 2 (as applicable) or the affected Bridge Noteholder, as appropriate.
- (g) All Notes repaid, prepaid, redeemed or repurchased by the Issuer or Issuer 2 (as applicable) 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) The initial Interest Period for the Tranche 4 Notes shall commence on the Tranche 4 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 4 Issue Date.
- (e) The initial Interest Period for the Tranche 5 Notes shall commence on the Tranche 5 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 5 Issue Date.
- (f) The initial Interest Period for the Tranche 6 Notes shall commence on the Tranche 6 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 6 Issue Date.
- (g) An Interest Period for the Notes shall not extend beyond the Final Maturity Date.
- (h) 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.
- (i) 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 or Issuer 2 (as applicable) 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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) 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, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2), 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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2).
- (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 (or, as applicable, Issuer 2), 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 (or, as applicable, Issuer 2) 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 (and/or, as applicable, Issuer 2) (acting reasonably) notifies the Trustee that a Disruption Event has occurred, the Trustee:
 - (i) may, and must if requested by the Issuer (and/or, as applicable, Issuer 2), enter into discussions with the Issuer (and/or, as applicable, Issuer 2) 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 (and/or, as applicable, Issuer 2) 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 (and/or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2), 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 (or, as applicable, Issuer 2).

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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2).
- (f) Notwithstanding anything to the contrary herein, neither the Issuer (or, as applicable, Issuer 2) 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 (other than, for the avoidance of doubt, any transfer of a Secured Party's rights and obligations under the Bridge Finance Documents in respect of any Notes issued by Issuer 2) 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 and the Jersey Supplemental 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 (unless specified otherwise in the relevant Transaction Security Document).

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, the Original Issue Date and on the Amendment 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, the Amendment Date 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 Amendment Date, the Tranche 2 Issue Date, the Tranche 3 Issue Date, the Tranche 4 Issue Date, the Tranche 5 Issue Date and the Tranche 6 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, by the Friday immediately after the end of that week (assuming the week ends on a Sunday).
- (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) and (c) 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.
- (c) The first Compliance Certificate to be delivered under paragraph (a) above shall be in respect of the audited consolidated financial statements of the Issuer for the financial year ending 31 December 2023.

1.4 Presentation to Bridge Noteholders

- (a) 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) 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) 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

- (a) The Issuer must supply to the Trustee, in sufficient copies for all the Bridge Noteholders if the Trustee (acting reasonably) so requests:
 - (i) 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;
 - (ii) promptly following the occurrence of any of (i) and (ii) below:

- (A) 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
- (B) 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 (ii)(A) and (ii)(B) above, without the prior written consent of the Majority Bridge Noteholders (not to be unreasonably withheld);

- (iii) 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;
 - (iv) 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;
 - (v) 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.
- (b) The Issuer shall provide any other information relating to the Issuer or the Group as may be reasonably requested by the Trustee, any Bridge Noteholder or Bridge Noteholder Advisor as soon as reasonably practicable and in any event within five (5) Business Days of such request and shall use reasonable endeavours to ensure that:
- (i) any written responses to such information requests are reasonably detailed and reference the most recent available information and documents;
 - (ii) all written factual information given by it is true and accurate in all material respects as at the date it is provided, the date such information is stated to be accurate or the date of the facts and circumstances by reference to which such information is stated to be given (as applicable) and does not omit to state any fact the omission of which would make that information misleading in any material respect; and
 - (iii) any financial projections are prepared in good faith on the basis of recent historical information and on the basis of assumptions that, in the opinion of the Issuer, are reasonable at the time they are made having regard to the information available to the Issuer at the time of preparation,

- (c) The Issuer shall make available within two (2) business days of any request by the Trustee, a Bridge Noteholder or Bridge Noteholder Advisor access to management and key employees of the Issuer or any of its subsidiaries.

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 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:
 - (i) 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

- (ii) 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

[reserved]

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) [reserved]
- (b) [reserved]

1.4 [reserved]

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 (subject to compliance with the other provisions of this Agreement) 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 to a New HoldCo Subsidiary;
- (vii) made by way of a lawful dividend to the extent permitted pursuant to Clause 14.22 (*Shares, dividends and share redemption*);
- (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) [*reserved*];
 - (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; or
 - (iii) a Permitted Transaction.

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 (or Issuer 2 (as applicable)) will ensure that each member of the Group will) ensure that the proceeds of any Original Bridge Notes and the New Bridge Notes (the “**Notes Proceeds**”) remain credited to the Secured Account until such proceeds are applied 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.

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 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 or may occur, 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 or may occur) 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 *[reserved]*

1.30 No upstream Cash, intercompany liabilities, guarantees and/or security

- (a) No Cash may be transferred by any New HoldCo Subsidiary to the Issuer or any member of the Group that is not a New HoldCo Subsidiary including without limitation any extension of credit or other payment by a New HoldCo Subsidiary to any member of the Group that is not a New HoldCo Subsidiary, other than in respect of 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)), subject at all times to the Monthly Operating Expenditure Basket and the other limitations set out in paragraph (d)(ii) of the definition of Permitted Loan; and
 - (ii) pay any amounts due and payable under the terms of the Existing Notes, this Agreement or the Debt Documents (as defined in and subject to the terms of the Intercreditor Agreement).
- (b) Notwithstanding anything to the contrary herein, no New HoldCo Subsidiary may following the Amendment Date:
 - (i) incur any guarantee in favour or in respect of the indebtedness, obligations or liabilities of the Issuer or any member of the Group that is not a New HoldCo Subsidiary; and/or
 - (ii) create any Security Interest on any of its assets or grant any Quasi-Security in favour or in respect of the liabilities and/or obligations of any member of the Group that is not a New HoldCo Subsidiary.
- (c) The Issuer shall notify the Trustee in writing promptly upon becoming aware of any of the following:
 - (i) any guarantee that any New Holdco Subsidiary may have incurred on or prior to the Amendment Date in favour or in respect of the indebtedness, obligations or liabilities of the Issuer or any member of the Group that is not a New HoldCo Subsidiary; and/or
 - (ii) any Security Interest that any New Holdco Subsidiary may have created or allowed to exist on or prior to the Amendment Date on any of its assets or grant any Quasi-Security in favour or in respect of the liabilities and/or obligations of any member of the Group that is not a New HoldCo Subsidiary.

1.31 Spending Covenant

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.

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, the New 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.

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) The Majority Bridge Noteholders shall be entitled to nominate two (2) persons to be appointed as a director of the Issuer in each case 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, being a “**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 as soon as reasonably practicable and in any event no later than five (5) Business Days following such person 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 (including, without limitation, any enhanced requirements relating to directors serving on the Issuer’s audit committee) and the Issuer undertakes to use all reasonable endeavours to complete such processes as soon as reasonably practicable and to inform the Majority Bridge Noteholders what specific checks and process will be required and to provide updates no less frequently than each Friday relating to the progress of any such checks and processes **provided that** in any event the appointment of a Bridge Noteholder-selected Independent Director shall become effective not later than the date falling thirty (30) Business Days after the nomination of such director by the Majority Bridge Noteholders.
- (c) If a Bridge Noteholder-selected Independent Director resigns, the Majority Bridge Noteholders may nominate 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) As soon as reasonably practicable and in any event within five (5) Business Days of two Bridge Noteholder-selected Independent Directors being appointed to the board of the Issuer, the Issuer shall procure the resignation or removal of the shareholder representative directors as separately identified by the Majority Bridge Noteholders as directors of the Issuer.
- (e) Following the resignations in paragraph (d) set-out above, the Issuer shall ensure that the board of the Issuer at all times comprise a maximum of five directors, a majority of which must comprise independent non-executive directors (the “**Independent Directors**”) and two such independent non-executive directors must be Bridge Noteholder-selected Independent Directors.
- (f) Any remuneration, costs, fees and expenses of the 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 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.
- (g) Promptly and in any event no later than five (5) Business Days after the appointment of each of the Independent Directors to the board of the Issuer, each Independent Director shall be appointed to the Group’s Strategic Committee. Following the appointment of all the Independent Directors required to be appointed pursuant to this Clause 14.36, the 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).
- (h) Promptly and in any event no later than five (5) Business Days after the appointment of each of the Independent Directors to the board of the Issuer, each Independent Director shall be appointed to the Issuer’s remuneration committee. Following the appointment of all the Independent Directors required to be appointed pursuant to this Clause 14.36, the 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.
- (i) The 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.
- (j) Notwithstanding the other provisions of this Clause 14.36, if any person selected or nominated for appointment as an 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 in accordance with the terms of the Board Observer Agreement, 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) *[reserved]*
- (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 issued by the Issuer; 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 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.

1.42 Professional adviser fees

- (a) The Issuer undertakes that it will use commercially reasonable endeavours to manage the costs and expenses incurred by it in respect of its professional advisers to be substantially consistent with the estimates in the cashflow and liquidity forecasts provided to the Bridge Noteholders in accordance with the terms of the Bridge Finance Documents.
- (b) If the Issuer considers it commercially necessary to (i) materially expand the scope of work for an existing professional adviser in connection with an actual or potential Alternative Transaction (as defined in the Framework Agreement); and/or (ii) engage further professional advisers to advise it in connection with an actual or potential Alternative Transaction, the Issuer shall notify the Bridge Noteholders prior to agreeing such expansion or engagement and shall provide details of such anticipated costs and expenses and, if the costs and expenses resulting therefrom are or would reasonably likely to be material, shall consult with the Bridge Noteholders in good faith with a view to ensuring that such costs and expenses are proportionate and appropriate in the circumstances.

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.

- (c) The Framework Agreement is terminated.

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 a member of the Group:

- (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 a member of the Group:
 - (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 a member of the Group, 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**

A member of the Group 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 **[reserved]**

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 and Issuer 2 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 require 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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) 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) Each of the Issuer and Issuer 2 shall maintain (in the case of the Issuer, 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 (each a “**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 issued by it.
- (b) The entries in each 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 each 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 a Register, or any error in a Register, will not affect any Obligor’s obligations in respect of the Notes.
- (d) The Issuer (or, as applicable, Issuer 2) will promptly update the relevant Register upon being notified of the relevant Assignment Date.
- (e) The Issuer (or, as applicable, Issuer 2) will provide a copy of the relevant Register to the Trustee on request.
- (f) Except as required by law, the Issuer (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2), 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 (or, as applicable, Issuer 2) shall not be bound to enter any notice of any trust, whether express, implied or constructive, on the relevant Register in respect of any Notes.

- (g) Each Bridge Noteholder will be recognised by the Issuer (or, as applicable, Issuer 2) as entitled to its Notes free from any equity, set-off or cross-claim on the part of the Issuer (or, as applicable, Issuer 2) 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 relevant Register in respect thereof.
- (i) Every instrument of transfer must be left for registration at the address where the relevant Register is maintained for the time being together with such other evidence as the Issuer (or, as applicable, Issuer 2) 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 Obligor

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 an assignment instrument (the “**New Bridge Loan Noteholder**”).
- (b) Any reference in this Agreement to a Bridge Noteholder includes a New Bridge Loan 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 (or, as applicable, Issuer 2) and the Issuer (or, as applicable, Issuer 2) shall execute new Certificates (with the form of transfer in respect thereof duly executed) at its specified office in favour of the New Bridge Loan Noteholder upon registration in the Register. The Issuer (or, as applicable, Issuer 2) will within seven (7) Business Days of receipt at the specified office of the Issuer (or, as applicable, Issuer 2) of a duly completed form of transfer endorsed on the relevant Certificate, deliver a new Certificate to the New Bridge Loan 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, as applicable, Issuer 2) or (at the risk and, if mailed at the request of the New Bridge Loan Noteholder or, as the case may be, the Existing Bridge Noteholder

otherwise than by ordinary mail, at the expense of the New Bridge Loan Noteholder or, as the case may be, the Existing Bridge Noteholder) mail the Note by uninsured mail to such address as the New Bridge Loan 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 Loan Noteholder to the Trustee (unless the New Bridge Loan 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 (or, as applicable, Issuer 2) of any assignment or transfer of notes made pursuant to (a) above promptly following the occurrence of such assignment or transfer.
- (g) Each Bridge Noteholder represents and agrees that (i) it is not a retail investor and (ii) it has not offered, sold or otherwise made available and will not sell any Notes to any retail investor in the United Kingdom. For the purposes of this provision the expression “retail investor” means a person who is one (or more) of the following (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); (b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. The expression “an offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.
- (h) Each Bridge Noteholder represents and agrees that (i) it is not a retail investor and (ii) it has not offered, sold or otherwise made available and will not sell any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”), or (b) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (c) not a qualified investor as defined in Regulation (EU) 2017/1129. The expression “an offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.
- (i) Subject to paragraph (j) below, no Bridge Noteholder may assign or transfer any of its rights and obligations under the Bridge Finance Documents or take any actions in relation thereto if and to the extent that it would cause Issuer 2 to breach section 755 of the Companies Act 2006.
- (j) If any party determines that the restriction in paragraph (i) above applies to any proposed assignment or transfer of the New Bridge Notes, the Majority Bridge Noteholders may direct Issuer 2 to take (or the Issuer to procure that each other member of the Group shall take) steps to mitigate any circumstances which arise and which result or would result in such assignment or transfer causing Issuer 2 to breach section 755 of the Companies Act 2006, which may include requiring Issuer 2 to (x) transfer all of its rights and obligations as Issuer 2 under the Bridge Finance

Documents to another member of the Group or to a newly incorporated entity (as directed by the Majority Bridge Noteholders), (y) re-register as a public company and (z) execute such documentation as may be required by the Majority Bridge Noteholders to ensure that the Finance Parties (or the Security Agent on their behalf) will continue to have the same or substantially equivalent guarantees and security following the completion of any such mitigating steps.

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 Loan 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 Loan 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 Loan Noteholder of any of the rights and obligations assigned or transferred under this Clause; or
 - (ii) support any losses incurred by the New Bridge Loan 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 Loan 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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) and the Issuer (or, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2) will within seven (7) Business Days of receipt at the specified office of the Issuer (or, as applicable, Issuer 2) 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, as applicable, Issuer 2) 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 (or, as applicable, Issuer 2'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) neither the Issuer nor Issuer 2 has the right to replace the Trustee;
 - (ii) neither the Trustee nor the Affected Bridge Noteholder will have any obligation to the Issuer (or, as applicable, Issuer 2) 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, andpayment 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 (or, as applicable, Issuer 2) within five Business Days of a request by the Issuer (or, as applicable, Issuer 2) (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 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 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 Obligors 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 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 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 (or, as applicable, Issuer 2) 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, Issuer 2 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 Issuer 2 for this purpose are:
 Address: Babylon Group 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
- (d) 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
- (e) 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.

- (f) 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 as at the Amendment Date

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 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

Part 3

The New Bridge Noteholders as at the Amendment Date

Name of New Bridge Noteholder	Tranche 4 Notes (\$)	Tranche 5 Notes (\$)	Tranche 6 Notes (\$)
ALBACORE PARTNERS III INVESTMENT HOLDINGS DESIGNATED ACTIVITY COMPANY	2,380,092.28	4,760,184.55	7,140,276.83
ALBACORE PARTNERS II INVESTMENT HOLDINGS D DESIGNATED ACTIVITY COMPANY	1,210,916.04	2,421,832.08	3,632,748.12
ALBACORE STRATEGIC INVESTMENTS LP	104,389.66	208,779.32	313,168.98
VITALITY (IRELAND) FINANCING DESIGNATED ACTIVITY COMPANY	2,054,602.02	4,109,204.04	6,163,806.07
Total	\$5,750,000	\$11,500,000	\$17,250,000

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
[reserved]

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 [13.4] 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]/[Babylon Group Holdings Limited]

(incorporated with limited liability under the laws of [Jersey]/England & Wales)

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][Babylon Group 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 [●] (as amended and/or amended and restated from time to time) 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][New Bridge Noteholders] and the Issuer dated [●] (the “[**Second**] **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**]/[**Babylon Group Holdings Limited**]

By:

[Reverse of Note]

BRIDGE NOTES FACILITY AGREEMENT

[insert]

ISSUER

[Babylon Holdings Limited]/[Babylon Group 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]/[Babylon Group Holdings Limited] as attorney to transfer such principal amount of Notes in the register maintained by [Babylon Holdings Limited]/[Babylon Group 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

[Not restated]

[Project Garden - Bridge Loan Notes Facility Agreement - Signature Page]



10 May 2023
BABYLON HOLDINGS LIMITED
(as Company)

EACH OF THE ENTITIES LISTED IN SCHEDULE 1
(as Obligors)

and

THE NOTEHOLDERS

PROJECT GARDEN

FRAMEWORK IMPLEMENTATION AGREEMENT

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THIS AGREEMENT is dated 10 May 2023 and made between

PARTIES

- (1) **BABYLON HOLDINGS LIMITED**, a company incorporated under the laws of Jersey as a public limited liability company with registration number 115471 (the “**Company**”).
- (2) Each of the entities listed in Schedule 1 (together with the Company, the “**Obligors**”).
- (3) **ALBACORE CAPITAL LLP** in its capacity as investment manager for the Existing Noteholders and the Bridge Noteholders (each as defined below and listed in Schedule 4) (together, the “**Noteholders**”).

RECITALS

- (A) The Company and the Noteholders have been in negotiations with the objective of reaching an agreement for a restructuring of the Group.
- (B) The Parties have agreed to support and facilitate the implementation of the Restructuring on and subject to the terms and conditions set out in this Agreement.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

“**Affiliate**” means, with respect to a person, any other person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such person and, for the purposes of this definition, “**control**” shall mean the power, direct or indirect, to (a) vote on more than fifty (50) per cent. of the securities having ordinary voting power for the election of directors of such person, or (b) direct or cause the direction of the management and policies of such person whether by contract or otherwise;

“**Agreed Form**” means in the form agreed in writing between the Company (or the Company’s Counsel expressly on its behalf) and the Majority Noteholders (or the Noteholders’ Counsel expressly on their behalf), each acting reasonably;

“**AlbaCore**” means AlbaCore Capital LLP;

“**Alternative Transaction**” has the meaning given to it in Clause 3.2(b) (*Support for the Restructuring*);

“**A&M**” means Alvarez & Marsal Europe Limited in its capacity as financial adviser to the Company and the Group;

“**Amendment and Restatement Agreement**” means the amendment and restatement agreement pursuant to which the Bridge Notes Facility Agreement is to be amended and restated;

“**Appointor**” has the meaning given to it in Clause 1.1(a) (*Obligors’ agent*);

“**Authorisation**” means any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

“**BGHL**” means Babylon Group Holdings Limited, a private limited company incorporated under the laws of England and Wales with company number 14707874;

“**Bridge Finance Document**” shall have the meaning given to such term in the Bridge Loan Notes Facility Agreement;

“**Bridge Noteholders**” means the holders of the Bridge Notes as listed in Schedule 4;

“**Bridge Notes**” means the notes issued under the Bridge Notes Facility Agreement;

“**Bridge Loan Notes Facility Agreement**” means the bridge loan notes facility agreement made between, among others, the Company and the entities listed therein as Original Bridge Noteholders (as defined in the Bridge Notes Facility Agreement) dated 9 March 2023 (as amended and/or restated from time to time);

“**Bridge Notes Facility Amendment**” means the proposed amendment to the Bridge Notes Facility Agreement pursuant to the Amendment and Restatement Agreement;

“**Bridge Notes Facility Amendment Documents**” means:

- (a) the Amendment and Restatement Agreement scheduling the amended and restated Bridge Notes Facility Agreement; and
- (b) the Bridge Notes Facility Agreement Second Subscription Agreement.

“**Business Day**” means a day (other than a Saturday or a Sunday) on which banks are open for general business in London, New York City and Jersey;

“**Company’s Advisers**” means Latham & Watkins and A&M or in each case any successor advisers to the Company and the Group;

“**Company’s Counsel**” means Latham & Watkins as legal counsel to the Company and the Group;

“**Confidential Information**” has the meaning given to it in Clause 7.1 (*Confidentiality*);

“**Connected Persons**” means with respect to a person, (a) its Affiliates; (b) Related Entities; (c) its partners, directors, officers, managers, employees, investors, legal and other professional advisers (including auditors), regulators, agents, managers and representatives; (d) its Affiliates’ or its Related Entities’ partners, officers, managers, employees, investors, legal and other professional advisers (including auditors), regulators, agents, managers and representatives; and (e) any collective investment scheme, investment vehicle or other entity managed, advised or controlled by any such person or any of its Affiliates or Related Funds, and any Subsidiary or Holding Company or subsidiary undertaking or parent undertaking of any such entity;

“**Data Room**” means the electronic data room titled ‘Project Garden’ at <https://www.datasite.com/us/en.html>;

“**Debt**” means all Liabilities due, owing or incurred from time to time by any member of the Group under the Finance Documents;

“**Default**” shall have the meaning given to such term in any of the Finance Documents;

“**Dispute**” has the meaning given to it in Clause 20.2 (*Jurisdiction*);

“**Effective Date**” means the date on which this Agreement is executed by the Parties to this Agreement;

“**Enforcement Action**” shall have the meaning given to such term in the Intercreditor Agreement;

“**Event of Default**” shall have the meaning given to such term in any of the Finance Documents;

“**Existing Noteholders**” means the holders of the Existing Notes as listed in Schedule 4;

“**Existing Notes**” means the notes issued by the Company pursuant to a notes subscription agreement between the Company 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 and as further amended and supplemented by a supplemental deed poll dated 15 March 2023, each as amended or as amended and restated from time to time;

“**Existing Notes Amendments**” means the proposed amendment to the Existing Notes Finance Documents;

“**Existing Notes Finance Documents**” has the meaning given to the term “Transaction Document” in the supplemental deed poll executed by the Company dated 15 March 2023;

“**Existing Notes Finance Documents Amendments**” means the Supplemental Deed Poll to be issued in respect of the Existing Notes;

“**Finance Documents**” means the Existing Notes Finance Documents and the Bridge Finance Documents;

“**Group**” means the Company and each of its Subsidiaries from time to time;

“**Holding Company**” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary;

“**Implementation Milestones**” has the meaning given to in the table set out in Schedule 3 (*Implementation Milestones*);

“**Insolvency Event**” shall have the meaning given to such term in the Intercreditor Agreement;

“**Intercreditor Agreement**” means the intercreditor agreement dated 9 March 2023 and entered into between, among others, the Company, the Trustee and the Security Agent (as amended and/or restated from time to time);

“**Kirkland & Ellis**” means Kirkland & Ellis International LLP (and/or any of its affiliates and/or any of its affiliated partnerships) acting in its capacity as legal adviser to the Noteholders;

“**Latham & Watkins**” means Latham & Watkins LLP (and/or any of its affiliates and/or any of its affiliated partnerships) acting in its capacity as legal adviser to the Company and the Group;

“**Majority Noteholders**” means, at any time, Noteholders represents more than 50% by value of the aggregate principal amount of the Bridge Notes and Existing Notes;

“**Material Adverse Effect**” means, by reference to the position as at the date of this Agreement, a material adverse effect on or material adverse change in (a) the ability of (i) the Company or (ii) the Obligors as a whole, in each case, to perform any of its or their (as applicable) material obligations under this Agreement or otherwise to implement or consummate the Restructuring as contemplated; or (b) the consolidated financial condition, assets or business of the Group taken as a whole;

“**Non-cooperation Notice**” has the meaning given to it in Clause 3.6(a)(iv) (*Additional undertakings by the Company and the Obligors*);

“**Notes Amendment Documents**” means the Bridge Notes Facility Amendment Documents and the Existing Notes Finance Documents Amendments;

“**Notes Amendments**” means the Bridge Loan Note Facility Amendment and the Existing Notes Amendments;

“**Noteholder**” means a holder of the Existing Notes and/or the Bridge Notes;

“**Noteholders’ Advisers**” means Kirkland & Ellis and PJT or in each case any successor advisers to the Noteholders;

“**Noteholders’ Counsel**” means Kirkland & Ellis International LLP as legal counsel to the Noteholders;

“**Participating Member States**” means any member state of the European Union that adopts or has adopted, and in each case continues to adopt, the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union;

“**Party**” means a party to this Agreement;

“**PJT**” means PJT Partners (UK) Limited as financial advisers to the Noteholders;

“**Related Entity**” in relation to an entity (the “**First Entity**”), means any investment managers or investment advisors of the First Entity, any person which is managed or advised by the First Entity in its capacity as investment manager or advisor, 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 whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the First Entity (or its Affiliates);

“**Reservations**” means:

- (c) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation, moratorium and other similar laws relating to or limiting creditors’ rights generally or by equitable principles relating to enforceability;
- (d) the time barring of claims under any applicable limitation law (including the Limitation Act 1980 and the Foreign Limitation Periods Act 1984), the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim; and
- (e) similar principles, rights and defences under the laws of any relevant jurisdiction;

“**Restructuring**” means transactions relating to the capital structure of the Group to be implemented in accordance with the Restructuring Term Sheet and the Restructuring Documents;

“**Restructuring Documents**” means this Agreement and all other documents, agreements and instruments necessary or reasonably desirable to support, facilitate, implement or consummate or otherwise give effect to all or any part of the Restructuring in accordance with this Agreement and the Restructuring Term Sheet, in each case in the Agreed Form;

“**Restructuring Effective Time**” means the time at which the Restructuring Documents are unconditionally effective in accordance with their respective terms and the Restructuring has been implemented;

“**Restructuring Longstop Time**” means 11:59 p.m. (London time) on 30 June 2023 or such later time as may be agreed in writing by the Company and the Noteholders;

“**Restructuring Term Sheet**” means the term sheet set out in Schedule 2;

“**Security Agent**” means Kroll Trustee Services Limited as security agent or any successor security agent appointed under the terms of the Intercreditor Agreement;

“**Senior Manager**” means any director, officer or employee of the Company or any member of the Group whose annual base salary is USD 275,000 (or its equivalent in another currency) or higher;

“**Subsidiary**” means, in relation to any company, corporation or other legal entity (a “**legal entity**”), any company, corporation or other legal entity:

- (a) which is controlled, directly or indirectly, by the legal entity;
-

- (b) in which more than half of the issued share capital is beneficially owned, directly or indirectly, by the legal entity; or
- (c) which is a subsidiary of another Subsidiary of the legal entity,

and, for this purpose, an entity shall be treated as being controlled by another if that other entity is able to: (i) determine the composition of the majority of its board of directors or equivalent body; and/or (ii) direct or cause the direction of management to comply with the type of material restrictions and obligations contemplated in this Agreement, in each case whether by virtue of ownership of share capital, contract or otherwise; and

“**Trustee**” means Kroll Trustee Services Limited in its capacity as trustee under the Bridge Notes Facility Agreement, or any successor trustee appointed under the terms of the Bridge Notes Facility Agreement.

1.2 Construction

In this Agreement, unless a contrary indication appears or the context otherwise requires:

- (a) terms used, but not defined, in this Agreement have the meaning given to them in the Intercreditor Agreement;
 - (b) singular includes plural and vice versa;
 - (c) a reference to this Agreement includes all schedules and appendices, exhibits and other attachments hereto, including, but not limited to, the Restructuring Term Sheet
 - (d) a reference to a Clause, Sub-clause or Schedule is a reference to a clause or sub-clause of, or a schedule to, this Agreement;
 - (e) the headings and recitals in this Agreement do not affect its interpretation;
 - (f) a reference to a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
 - (g) a reference to 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 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;
 - (h) a reference to any document is a reference to that document as amended, supplemented, novated, extended or restated from time to time, save that any terms defined or incorporated into this Agreement by reference to another document shall refer to the term contained in that document as at the date of this Agreement;
 - (i) a reference to “**assets**” includes present and future properties, revenues and rights of every description;
 - (j) a reference to “**guarantee**” means 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;
 - (k) a reference to “**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;
 - (l) a reference to a “**person**” includes any individual, firm, company, corporation, unincorporated association, governmental body, state or agency of a state or any
-

association, trust, fund, joint venture, consortium or other partnership (whether or not having separate legal personality);

- (m) a reference to a “**beneficial owner**” is to the person that holds the beneficial and/or ultimate economic interest in any Debt (including by way of Sub-Participation or pursuant to a binding agreement to purchase on standard trade terms) and “**beneficial ownership**” shall be construed accordingly;
- (n) a reference to a Party or any other person includes its successors in title, permitted assigns and permitted transferees;
- (o) a reference to a time of day is a reference to the time in London;
- (p) a reference to “**Euro**”, “**euro**”, “**€**” and “**EUR**” is to the lawful currency of the Participating Member States; and
- (q) a reference to “**includes**” or “**including**” is without limitation.

1.3 Third party rights

- (a) Unless otherwise expressly provided in this Agreement, a person who is not a Party may not enforce any term of this Agreement under the Contracts (Rights of Third Parties) Act 1999.
- (b) No consent of any third party is required for any amendment (including any release or compromise of any liability) or termination of this Agreement.

1.4 Execution by Noteholders

- (a) Where AlbaCore enters into or accedes to this Agreement on behalf of funds or accounts it manages or advises as investment manager, each other Party acknowledges that:
 - (i) AlbaCore does not execute this Agreement in any personal capacity;
 - (ii) AlbaCore executes this Agreement pursuant to, and to the extent of, its authority to act in such capacity; and
 - (iii) AlbaCore does not make any representations, warranties or undertakings of any kind in any personal capacity to any Party, and shall have no personal liability whatsoever to any Party, under or in connection with this Agreement, and no Party will have any recourse to it in any personal capacity in any way whatsoever.

2. FORBEARANCES

- (a) Subject to Clause 4 (*Limitations generally*) and Clause 5 (*Termination*), unless expressly contemplated by the Restructuring Documents, no Party shall:
 - (i) take any Enforcement Action;
 - (ii) direct, instruct or encourage any other person to take any Enforcement Action; or
 - (iii) vote, or allow any proxy to vote or instruct any other person to vote, in favour of any Enforcement Action, except with the consent of the Company and the Noteholders to the extent necessary or reasonably desirable to implement or consummate all or any part of the Restructuring.
 - (b) Subject to Clause 4 (*Limitations generally*) and Clause 5 (*Termination*), each Noteholder agrees to temporarily waive and forbear from exercising any rights or remedies under the Finance Documents against any Obligor it may have as a result of any Default or Event of Default (as such terms are defined in the Finance Documents)
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or any analogous concepts under the Finance Documents and its consequences thereunder existing at the Effective Date or arising during the term of this Agreement as a result of:

- (i) the proposal, negotiation, implementation and/or consummation of any step required to implement or consummate the Restructuring, including entering into the Notes Amendment Documents and the Restructuring Documents and complying with the terms of this Agreement; or
- (ii) the provisions of this Agreement giving rise to a breach, default or an event of default (howsoever described) under any contractual agreements (other than the Finance Documents) entered into by the Company or any member of the Group (or the payment of which is guaranteed by the Company or any member of the Group).

3. UNDERTAKINGS

3.1 Support for the Notes Amendments

Each Party shall on or before any Implementation Milestone applicable to it use all reasonable endeavours (and, in the case of the Company, shall use all reasonable endeavours to procure that each member of the Group, to the extent applicable, shall) to take all actions which it is able to take and which are necessary or reasonably desirable in order to support, facilitate, implement, consummate or otherwise give effect to the Notes Amendment, provided such action is consistent with this Agreement, including:

- (a) agreeing the form of the Notes Amendment Documents;
- (b) consenting to and executing all Notes Amendment Documents to which it is a party;
- (c) executing and delivering, within any reasonably requested time period, any other document to which it is a party, giving any notice, confirmation, consent, order, instruction or direction in its power, and making any application or announcement, which, in each case, is consistent with and may be necessary or reasonably desirable to support, facilitate, implement or otherwise give effect to the Notes Amendments;
- (d) otherwise voting (or instructing its proxy or other relevant person to vote, to the extent it is legally entitled to instruct that person to vote), and exercising any powers or rights available to it (including in any board, shareholders' or creditors' meeting, or in any other process requiring voting or approval), in each case to the extent legally possible, irrevocably and unconditionally in favour of:
 - (i) any matter requiring approval under the relevant Finance Documents, including providing any consent or instruction to the Trustee and/or the Security Agent;
 - (ii) any matter requiring shareholder or board approval (including the Company or any Obligor holding all relevant shareholder meetings and board meetings); and
 - (iii) any other matter requiring a resolution, instruction, waiver, consent, amendment or other approval.

3.2 Support for the Restructuring

- (a) Each Party shall on or before any Implementation Milestone applicable to it use all reasonable endeavours to (and, in the case of the Obligors, shall use all reasonable endeavours to procure that each member of the Group, to the extent applicable, shall) take all actions which it is able to take and which are necessary or reasonably desirable in order to support, facilitate, implement, consummate or otherwise give
-

effect to all or any part of the Restructuring, provided such action is consistent with this Agreement and the Restructuring Term Sheet, including:

- (i) providing all information which may reasonably be necessary or desirable to support, facilitate, implement or otherwise give effect to the Restructuring (unless such information is subject to an obligation of confidentiality owed to a third party, in which case the relevant Party shall promptly use reasonable endeavours to procure the consent of the beneficiary of that obligation of confidentiality to allow such disclosure of information to be made);
 - (ii) executing and delivering, within any reasonably requested time period, any other document, giving any notice, confirmation, consent, order, instruction or direction, and making any application or announcement, which, in each case, is consistent with and may be necessary or reasonably desirable to support, facilitate, implement or otherwise give effect to the Restructuring;
 - (iii) if reasonably requested by the Company, providing confirmation to any person that it fully supports the Restructuring and opposes any other action that might prejudice the Restructuring;
 - (iv) preparing and filing for any legal process or proceedings to which it is a party, and supporting petitions or applications to any court or authority, in each case which are contemplated by this Agreement, the Restructuring Term Sheet or which are necessary or reasonably desirable to support, facilitate, implement, consummate or otherwise give effect to the Restructuring;
 - (v) voting (or instructing its proxy or other relevant person to vote, to the extent it is legally entitled to instruct that person to vote), and exercising any powers or rights available to it (including in any board, shareholders' or creditors' meeting, or in any other process requiring voting or approval), in each case to the extent legally possible, irrevocably and unconditionally in favour of:
 - (A) any matter requiring approval under the relevant Restructuring Documents and/or the relevant Finance Documents, including instructing any agent, trustee, security agent or other administrative party (as applicable);
 - (B) any restructuring procedure used to implement the Restructuring; and
 - (C) any other matter requiring a resolution, instruction, waiver, consent, amendment or other approval under any documentation relating to the Restructuring, or in the context of any Enforcement Action required to implement the Restructuring,in each case, which is consistent with and necessary or reasonably desirable to support, facilitate, implement, consummate or otherwise give effect to the Restructuring;
 - (vi) maintaining in full force and effect any necessary Authorisation required under any applicable law or regulation of a relevant jurisdiction to:
 - (A) enable it to perform its obligations under the Restructuring Documents; and
 - (B) ensure the legality, validity, enforceability or admissibility in evidence in the relevant jurisdictions of any Restructuring Document to which it is or will be a party, subject to any applicable Reservations;
 - (vii) (at the cost and expense of BGHL) granting any powers of attorney and complying with any legal requirements, including (without limitation) the granting of any ultimate beneficial ownership deeds, that may be necessary or reasonably desirable to implement the Restructuring;
-

- (viii) to the extent applicable, complying with the Restructuring Term Sheet at the time and in the manner contemplated therein;
 - (ix) (at the cost and expense of BGHL) instructing counsel to support petitions or applications to any court that are necessary or desirable to support, facilitate, implement, consummate or otherwise give effect to the Restructuring;
 - (x) (at the cost and expense of BGHL) providing other necessary instructions to its counsel and/or its financial advisors to take all actions that are necessary or desirable with respect to the Restructuring and to cooperate with the counsel and financial advisors of the other Party;
 - (xi) making any amendments to any Finance Documents (to which they are a party and to the extent the required consents are provided by any person that is not a Party) which are needed to support, facilitate, implement consummate or otherwise give effect to the Restructuring;
 - (xii) (at the cost and expense of BGHL) providing any other instructions that are necessary or desirable to support, facilitate, implement consummate or otherwise give effect to the Restructuring;
 - (xiii) to the extent applicable, complying with the Restructuring Term Sheet and Restructuring Documents at the time and in the manner contemplated therein;
- (b) No Party shall (and, in the case of the Obligors, shall use all reasonable endeavours to procure that no member of the Group shall) take, encourage, assist or support (or procure that any other person takes, encourages, assists or supports) any action which would, or would reasonably be expected to, breach or be inconsistent with this Agreement or the Restructuring Term Sheet, or delay, impede, frustrate or prevent the implementation or consummation of the Restructuring, including:
- (i) challenging, objecting to, encouraging or supporting any challenge or objection to any terms of the Restructuring and/or any other step proposed to support, facilitate, implement, consummate or otherwise give effect to all or any part of the Restructuring;
 - (ii) commencing, taking, supporting or actively assisting (or requesting, instructing or procuring that any other person commence, take, support or actively assist) any judicial, arbitration, regulatory proceedings or any other action, which would, or would reasonably be expected to:
 - (A) be inconsistent with, or otherwise delay, impede, frustrate, or prevent the implementation of the Restructuring; or
 - (B) breach or be inconsistent with any term of this Agreement,including supporting, negotiating or preparing any alternative restructuring, refinancing, recapitalisation, arrangement, composition or other procedure, in respect of any member of the Group, that is inconsistent with this Agreement or the Restructuring Term Sheet; or
 - (iii) voting (or instructing its proxy or other relevant person to vote, to the extent it is legally entitled to instruct that person to vote) in favour of any and aspect of the Restructuring or any application, compromise, insolvency proceeding, alternative restructuring, refinancing, recapitalisation, amendment, waiver, consent or other proposal which would:
 - (A) be inconsistent with, or otherwise delay, impede, frustrate, or prevent the implementation of the Restructuring; or
 - (B) breach or be inconsistent with any term of this Agreement or the Restructuring Term Sheet,
-

save that nothing in this Clause 3.2(b) (*Support for the Restructuring*) shall prevent or otherwise hinder the Company's best efforts to obtain an alternative deal which:

X. would result in the full and final discharge of all amounts outstanding under the Finance Documents by 16 June 2023; or

Y. which the Company and AlbaCore agree is a more attractive alternative to the Restructuring for AlbaCore and the Noteholders,

(an "**Alternative Transaction**"), provided that:

- (A) the Strategic Committee remain involved in all relevant discussions pertaining to such Alternative Transaction with the Company's advisers and the relevant parties;
- (B) the Strategic Committee provides updates to the Noteholders no less frequently than on a weekly basis on any Alternative Transaction proposals; and
- (C) the use of the Company's best efforts to obtain an Alternative Transaction shall not adversely affect or impede the implementation of the Restructuring and shall not result in the Company failing to meet any Implementation Milestone.

3.3 **Restructuring Documents**

- (a) Each Party shall, in respect of the Restructuring Documents to which it will be a party or in respect of which it will have an economic or legal interest (and, where necessary, the Obligor shall use all reasonable endeavours to procure that the relevant members of the Group will):
 - (i) enter into negotiations in good faith and use all reasonable endeavours to agree the Restructuring Documents in a form consistent in all material respects with this Agreement and the Restructuring Term Sheet in order to implement and consummate the Restructuring as soon as reasonably practicable after the entry into this Agreement and, in any event, on or before the Restructuring Longstop Time;
 - (ii) in each case once in Agreed Form, approve, execute, notarise (as applicable), deliver, make, issue and/or support in accordance with Clause 3.2(a) (*Support for the Restructuring*) (as applicable) such Restructuring Documents as soon as reasonably practicable and, in any event, in accordance with and by the deadline for any step or at the time of any step set out in the Implementation Milestones; and
 - (iii) ensure that the applicable Restructuring Documents shall provide as a condition to the effectiveness of the Restructuring that all invoiced and outstanding fees, costs and expenses of the professional advisers to the Noteholders and to the Group have been or will be paid on or prior to completion of the Restructuring,
- (b) No Party will be obliged to execute, deliver, make, issue and/or support in accordance with Clause 3.2(a) (*Support for the Restructuring*) a Restructuring Document which includes any provision, or brings into effect any document, which is not consistent in all material respects with this Agreement and the Restructuring Term Sheet, unless such inconsistency has been agreed in accordance with the terms of Clause 8 (*Amendments and waivers*).

3.4 **Potential impediments to the Notes Amendments or the Restructuring**

Each Party shall (and each Obligor shall use all reasonable endeavours to procure that each member of the Group will) promptly notify each other Party of any matter or circumstance which it knows, or believes would reasonably be expected, to be a material impediment to the

implementation of the Notes Amendments or implementation or consummation of the Restructuring, unless it reasonably believes that any other person has already notified the Parties of any such matter or circumstance, or such notification would breach any applicable law, regulation or rules of any relevant stock exchange or governmental or other regulatory authority.

3.5 Notification of breaches

Each Party shall promptly notify each other Party of:

- (a) any representation or statement made or deemed to be made by it under this Agreement which is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;
- (b) the details of any breach by it of any undertaking given by it under this Agreement; and
- (c) the details of any fact, matter or circumstance which permits (or would permit if not cured within any applicable grace period) a Party or Parties to terminate this Agreement.

3.6 Additional undertakings by the Company and the Obligors

- (a) The Company and each Obligor undertakes (and shall use all reasonable endeavours to procure that each member of the Group undertakes (to the extent applicable to it)) to use all reasonable endeavours to:
 - (i) cooperate with the Noteholders in order to implement the Restructuring in accordance with this Agreement and the Restructuring Term Sheet including:
 - (A) convening all meetings of its creditors which are required to consider any resolutions and/or decisions in relation to the Restructuring;
 - (B) convening all meetings of directors which are required to consider any resolutions and/or decisions in relation to the Restructuring; and
 - (C) making all securities and other filings and announcements and publishing all documents and making all submissions required in connection with the matters contemplated by this Agreement as and when necessary to effect the Restructuring and/or comply with all applicable laws;
 - (ii) provide to the Noteholders copies of any written information which is distributed to the Group's shareholders or creditors generally on or after the date of this Agreement;
 - (iii) supply promptly to the Noteholders (or the Noteholder Advisors) all tax advice received by the Issuer or any member of the Group from Deloitte LLP in relation to the likely tax consequences of the Restructuring including, for the avoidance of doubt, the tax structuring paper prepared by Deloitte LLP for the implementation and consummation of the Restructuring, which shall be provided on a reliance basis to the Noteholders (the "TSM"), the final version of which shall be delivered as a condition to the occurrence of the Restructuring Effective Time (or such later date as agreed between the Company and the Noteholders);
 - (iv) pay, or cause to be paid, any invoiced and outstanding fees, costs and expenses of Kirkland & Ellis and any other counsel to be appointed in any jurisdiction, in each case as professional legal advisers to the Noteholders upon production of proper invoices, on the dates and pursuant to the terms set out in the fee letter entered into between the Company and Kirkland & Ellis;
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- (v) promptly (and in any event within one (1) Business Day) notify the Noteholders (or the Noteholders' Advisers on its behalf) if it becomes aware that the Company or any Obligor may not, or no longer, be willing or able to work towards the agreement, facilitation, implementation or consummation of the Restructuring (such notice, a "**Non-cooperation Notice**");
- (vi) procure, or provide such assistance as may reasonably be required by the Noteholders for the purpose of procuring, receipt of any Authorisation or clearance required in connection with the Restructuring, including receipt of all necessary governmental and material third party approvals and consents (including anti-trust, regulatory and/or FDI approvals), which authorisations, approvals and consents shall not be subject to unfulfilled conditions and in respect of which all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent, or otherwise impose materially adverse conditions on completion of the Restructuring,

provided that requests made and assistance given by members of the Group pursuant to this Clause 3.6(a) (*Additional undertakings by the Company and the Obligors*) shall be made via the Company's Advisers in the first instance.

- (b) The Company and the Obligors shall not (and shall procure that each other member of the Group shall not) except as contemplated by the Restructuring Documents, take any action, or exercise any rights it may have to instruct, approve or agree to take any action, the effect of which will result in (or is reasonably likely to result in):
 - (i) any change to its capital structure, an increase in the authorised share capital of, or the taking of any steps with a view to issuing any share in, or any, option, warrant or other right in respect of its share capital;
 - (ii) the entry into, amendment to or termination of any material contract, lease, license or financing arrangement (except for transactions already consummated or committed to prior to the date of this Agreement provided that the Company and/or an Obligor has disclosed details of such transactions to the Noteholders on or prior to the date of this Agreement) including in respect of settling or paying any claim arising out of such termination;
 - (iii) creating, incurring, assuming or suffering to exist any financial indebtedness or any lien upon any of the Group's property, assets or revenues;
 - (iv) the making of any payment of principal or interest to, or for the benefit of, creditors in respect of any financial indebtedness outstanding as at the date of this Agreement other than (i) any payment of interest to the Noteholders under the terms of, and pursuant to, the Finance Documents, or (ii) in full and final discharge of all amounts outstanding under the Finance Documents;
 - (v) the disposal or transfer of any material asset of the Group (including any intellectual property);
 - (vi) the making of any payment or investment or acquisition or purchase outside of the ordinary course of trading;
 - (vii) the declaration or making of any payment of 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), other than pursuant to an intragroup facility (excluding any intragroup payments to the Company);
 - (viii) the repayment or distribution of any dividend or share premium reserve, the payment of any interest or principal on any shareholder loan or loan notes or redeeming, repurchasing, defeasing, retiring or repaying any of its share capital or resolving to do so;
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- (ix) paying or allowing any member of the Group to pay any management, advisory, monitoring or other fee of any description, or making any other payment (including by way of reimbursement of legal, financial, technical or operational adviser fees) to or to the order of any shareholder (or Affiliate, Related Entity or Connected Person of such person (other than any member of the Group));
- (x) entering into any transaction, business undertaking or any other arrangement with any shareholder (or Affiliate, Related Entity or Connected Person of such person (other than any member of the Group));
- (xi) the resignation of any Obligor under (and as defined in) the Finance Documents; or
- (xii) setting or amending (A) the terms and conditions of employment, any employment, services or consulting agreement of any Senior Manager so as to increase the compensation to be paid to such persons, or (B) the terms and conditions of any management incentive plan, save for in relation to any retention or management incentive package as agreed with the Noteholders,

except, in each case:

- (A) (in respect of paragraph (iii) only) in connection with the Bridge Notes Facility Amendment;
 - (B) other than in respect of paragraphs (x), (xi) and (xii), where the relevant action would be permitted under the Finance Documents;
 - (C) as required by the terms of the Restructuring Term Sheet or expressly contemplated by the Implementation Milestones;
 - (D) with the prior consent of the Majority Noteholders;
 - (E) where the relevant action is imposed by, or arises out of, the operation of any law, rule, regulation or order; and
 - (F) where the payment is a payment of any retainer amounts which are agreed and disclosed to the Noteholders prior to the date of this Agreement.
- (c) In the event the Company or any Obligor is in breach of any of its obligations in Clause 3.6(b), this shall not give rise to any cause of action against any Obligor or the Company for damages or otherwise. The Noteholders' agree that their sole remedy in respect of such breach shall be their right to terminate this Agreement in accordance with the provisions set out in Clause 5 (Termination).
 - (d) Neither the Company nor any Obligor shall assign any of its rights or transfer any of its rights or obligations in respect of, or declare or create any trust of any rights, title, interest or benefits in respect of, this Agreement, any debt owed to it by any other member of the Group or any shares that it holds in any other member of the Group to, or in favour of, any person, unless such assignments, transfers or trusts are required by or created under or pursuant to the Finance Documents or the Restructuring Documents or otherwise implemented with the consent of the Majority Noteholders.

3.7 Additional undertakings by the Noteholders

- (a) Each Noteholder agrees to give all such instructions and directions as may be necessary, if any, to the Security Agent or the Trustee (as applicable) in order to comply with its obligations under Clauses 3.1 (*Support for the Notes Amendments*) and 3.2 (*Support for the Restructuring*).
 - (b) By executing this Agreement and notwithstanding any term to the contrary in any Finance Document, each Noteholder acknowledges and submits to the jurisdictions
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necessary to support, facilitate, implement or consummate or otherwise give effect to all or any part of the Restructuring as contemplating in the Restructuring Term Sheet and the Noteholders agree that they shall enter an appearance formally in connection with the Restructuring where required to implement the Restructuring, as reasonably requested by the Company or be willing to be joined formally to such proceedings as a defendant (if required by the applicable court).

4. LIMITATIONS

Nothing in this Agreement shall:

- (a) constitute, and should not be construed as, an offer or invitation to sell or issue securities or otherwise constitute an invitation or inducement to any person to become a member of, apply for, exchange, purchase, underwrite, subscribe to or otherwise acquire securities in or issued by any new holding company, any member of the Group or any other person;
 - (b) require any Party or its directors to take any action which would breach:
 - (i) any law or regulation or fiduciary duty;
 - (ii) any order or direction of any relevant court or governmental body; or
 - (iii) the terms of any Non-disclosure Agreement entered into by a member of the Group and such Party,in each case provided that such breach cannot be avoided or removed by taking reasonable steps which would not otherwise cause material disadvantage to such Party;
 - (c) restrict any director or officer of any member of the Group from complying with:
 - (i) any fiduciary, common law, regulatory or legal obligation, including to commence insolvency proceedings in respect of that member of the Group if that director or officer reasonably considers (on the basis of written legal advice that he or she has received) it is required to do so, provided that such entity shall as soon as practicably possible (and in any case at least two (2) Business Days prior to any filing (to the extent practicable and legally possible) notify the Noteholders' Advisers if it concludes that reasons or circumstances have occurred or may occur that may make it more likely that it is necessary or advisable to file for insolvency proceedings notwithstanding the support provided under the terms of this Agreement; or
 - (ii) any applicable securities laws in respect of any member of the Group;
 - (d) require any member of the Group to take or procure that any action is taken or otherwise comply with a provision of this Agreement if any member of the Group has not received all Authorisations of any governmental or regulatory authority that are reasonably necessary in order to take or procure the taking of that action or otherwise comply with that provision of this Agreement, provided that such member of the Group has used its commercially reasonable endeavours to obtain that Authorisation.
 - (e) require any member of the Group (or its directors, officers, agents or employees) to procure that an entity which has ceased to be a member of the Group takes any action or performs any obligation under this Agreement or any Restructuring Document;
 - (f) oblige any Noteholder (or any director, manager, or officer of that Noteholder) to incur any liability, including any out-of-pocket expense, or to make any equity, debt or other financing available to any member of the Group, or to provide any indemnity in favour of any person, other than as expressly contemplated by this Agreement, the Restructuring Term Sheet, or any other Restructuring Document or otherwise expressly agreed with that Noteholder (provided that, for the avoidance of doubt, no Noteholder shall be obliged to incur any material out-of-pocket expenses in
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connection with its undertakings under Clauses 3.2(a)(iv) (*Support for the Restructuring*), 3.7(b) (*Additional undertakings by the Noteholders*);

- (g) prevent or otherwise restrict any Noteholder from taking any step, or giving any instruction to the Trustee and/or the Security Agent, to facilitate the Restructuring in accordance with the Finance Documents; or
- (h) prevent or otherwise restrict any Noteholder from providing debt financing, equity capital, discretionary money management, corporate finance, investment banking, investment advisory, private management, risk management activities, arbitrage and sales and trading activities, or other services (including advisory services) or from carrying on its activities in the ordinary course, in each case which are independent from the transactions contemplated by this Agreement and subject to appropriate information barriers and other policies being in place.

5. TERMINATION

5.1 Automatic termination

This Agreement will terminate automatically on the earlier to occur of:

- (a) the Restructuring Effective Time;
- (b) the Restructuring Longstop Time; and
- (c) full and final discharge of all amounts outstanding under the Finance Documents.

5.2 Voluntary termination

This Agreement may be terminated by the mutual written agreement of the Company and the Majority Noteholders.

5.3 Voluntary termination by the Company

The Company may, by giving written notice to the other Parties, terminate this Agreement if:

- (a) any Noteholder does not comply with any undertaking in this Agreement or if any representation or warranty of any Noteholder under this Agreement proves to have been incorrect or misleading in any material respect when made, and that failure or misrepresentation has, or could reasonably be expected to jeopardize the successful conclusion of the Restructuring or have, a Material Adverse Effect, in each case unless the failure to comply is capable of remedy and is remedied within ten (10) Business Days of the Company delivering a notice to the Noteholder alleging such a failure to comply or such misrepresentation;
- (b) if an order of a governmental body or court of competent jurisdiction restraining or otherwise preventing the implementation of the Restructuring has been made and has not been revoked, withdrawn or dismissed within fifteen (15) Business Days of it being made; and
- (c) entry into the Restructuring would be reasonably likely to put any Obligor in breach of any law or regulation applicable to it.

5.4 Voluntary termination by the Noteholders

This Agreement may be terminated with immediate effect upon written notice to the Company at the election of the Majority Noteholders:

- (a) if an order of a governmental body or court of competent jurisdiction restraining or otherwise preventing the implementation of the Restructuring has been made and has not been revoked, withdrawn or dismissed within ten (10) Business Days of it being made;
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- (b) upon the occurrence of an Insolvency Event (other than an Insolvency Event required to implement or consummate the Restructuring);
- (c) upon the occurrence of an Event of Default that is continuing other than any such Event of Default that is the subject of a forbearance under Clause 2 (*Forbearances*);
- (d) entry into the Restructuring would be reasonably likely to put the Noteholders in breach of any law or regulation applicable to it;
- (e) if the Company or any other Obligor has provided a Non-cooperation Notice in accordance with Clause (a)(v) (*Additional undertakings by the Company and the Obligors*) or has otherwise evidenced in writing that it is no longer willing or able to work towards the agreement, facilitation, implementation or consummation of the Restructuring;
- (f) if any representation or warranty of any Obligor under this Agreement proves to have been incorrect or misleading in any material respect and if capable of remedy, is not remedied or waived within five (5) Business Days from the earlier of the date on which the relevant Obligor (as applicable) becomes aware of the misrepresentation or is given notice of such misrepresentation by the Noteholders;
- (g)
 - (i) if any Obligor fails to comply with Clause 3.1 (*Support for the Notes Amendments*), 3.2 (*Support for the Restructuring*), 3.3 (*Restructuring Documents*) or 3.6 (*Additional undertakings by the Company and the Obligors*); or
 - (ii) if any Obligor fails to comply with any other provision of this Agreement that (A) is, in the opinion of the Majority Noteholders (acting reasonably), material in the context of this Agreement or the proposed Restructuring or (B) where that failure has, or would reasonably be expected to have, in the opinion of the Majority Noteholders (acting reasonably) a Material Adverse Effect;

in each case, unless the failure to comply is capable of remedy and is remedied within ten (10) Business Days of the Noteholders delivering a notice to the Obligor (as applicable) (in each case with a copy to the Company) alleging such a failure to comply;
- (h) if the Majority Noteholders become aware after the date of this Agreement as a result of ongoing diligence, structuring and tax of an event or circumstance that could be expected to have a Material Adverse Effect only after taking into account any relevant mitigating factors or circumstances; and
- (i) if the Majority Noteholders have reasonably and in good faith finally determined and notified all other Parties in writing that the completion of the Restructuring by the Restructuring Longstop Time is not possible (and such notification shall be promptly provided by the Majority Noteholders following any such determination).

5.5 **No termination for own breach**

Notwithstanding any other Clause in this Agreement, nothing in this Agreement permits any Party to terminate this Agreement as a result of its own breach of this Agreement.

5.6 **Effect of termination**

- (a) Upon any termination in accordance with this Clause 5 and subject to Clause 5.5, the relevant Party or Parties shall be immediately released from all their obligations and shall have no rights under this Agreement, provided that such termination and release shall not affect:

- (i) in the case of termination expressed to apply solely in respect of a Party, the rights, obligations, and liabilities of the other Parties;
- (ii) any accrued rights in respect of breaches of this Agreement which occurred before such termination; and
- (iii) the application of the provisions of Clauses 1 (*Interpretation*), 4 (*Limitations*), 5.6 (*Effect of termination*), 7 (*Confidentiality*), 9 (*Specific performance*), 10 (*Parties' rights and obligations*), 11 (*Remedies and waivers*), 12 (*Reservation of rights*), 17 (*Notices*) and 20 (*Governing law and jurisdiction*) which will remain in full force and effect.

5.7 Notification of termination

The Company shall promptly notify all Parties if it becomes aware that this Agreement has been terminated pursuant to this Clause 5.

6. REPRESENTATIONS AND WARRANTIES

6.1 All party representations

- (a) Each Party represents and warrants to the other Parties on the date of this Agreement by reference to the facts and circumstances then existing on the date of this Agreement that:
 - (i) it is duly incorporated (if a corporate person) or duly established (in any other case) and validly existing under the law of its jurisdiction or incorporation or formation;
 - (ii) the obligations expressed to be assumed by it in this Agreement are legal, valid, binding and enforceable, subject to any applicable Reservations;
 - (iii) it has the power to enter into, exercise its rights under, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Agreement and the relevant Notes Amendment Documents and Restructuring Documents, in each case, to which it is a party;
 - (iv) the entry into and performance by it of, and the transactions contemplated by, this Agreement and the relevant Notes Amendment Documents and Restructuring Documents, in each case, to which it is a party do not and will not conflict with or result in a breach of any terms of its constitutional documents or any shareholder, investment or similar agreement directly or indirectly binding on it;
 - (v) as far as it is aware, the entry into and performance by it of, and the transactions contemplated by, this Agreement, the relevant Notes Amendment Documents and Restructuring Documents, in each case, to which it is a party do not and will not conflict with any law or regulation applicable to it; and
 - (vi) all Authorisations required to make this Agreement admissible in evidence in its jurisdiction of incorporation and any jurisdiction where it conducts a material part of its business, including all required corporate approvals, have been obtained or effected and are in full force and effect

6.2 Obligors' representations

On the date of this Agreement, each Obligor by reference to the facts and circumstances then existing on the date of this Agreement, represents and warrants to the other Parties that:

- (a) it has good, valid and marketable title to, or valid leases or licenses of, and all appropriate Authorisations to use, all material assets necessary to carry on its business as presently conducted if and to the extent that failure to do so would have, or would reasonably be expected to have, a Material Adverse Effect;
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- (b) has the power to own its assets and carry on its business as it is being conducted;
- (c) the obligations expressed to be assumed by it in this Agreement are legal, valid, binding and enforceable, subject to any applicable Reservations;
- (d) all Authorisations required to make this Agreement admissible in evidence in its jurisdiction of incorporation and any jurisdiction where it conducts a material part of its business, including all required corporate approvals, have been obtained or effected and are in full force and effect;
- (e) it has not (and none of its Subsidiaries has) breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect, and no labour disputes are current or, to the best of its knowledge and belief, threatened against any member of the Group which have or are reasonably likely to have a Material Adverse Effect;
- (f) except in the case of Babylon Singapore Pte Limited, to its knowledge having made due and careful enquiry, no order has been made, or resolution passed for the winding up of or appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of it or any other member of the Group, and no analogous procedure has been commenced in any jurisdiction;
- (g) the intercompany balances that have been provided to the Noteholders' Advisers in the Data Room to date were true and accurate in all material respects as at the date the information is expressed to be given;
- (h) all written information and documentation material to the matters contemplated by this Agreement (other than projections and estimates) provided by the Company or any member of the Group (including the Company's Advisers) to the other Parties (or their respective advisers) or any other report delivered in connection with any part of the Restructuring (whether in the Data Room or otherwise) has been prepared with the intention that it be true and accurate in all material respects as at the date of production or (as the case may be) as at the date the information was expressed to be given, and without any intention to be misleading in any respect;
- (i) all projections and estimates provided to any Party or its advisers on or before the date of this Agreement (including, without limitation, any cashflow and liquidity forecasts, daily cash positions and similar updates) have been prepared in good faith on the basis of assumptions which were reasonable at the time at which they were prepared and supplied;
- (j) except as disclosed to the Noteholders' or the Noteholders' Counsel prior to the date of this Agreement, it is not aware (having made reasonable enquiry) that any counterparty to any of its or its Subsidiaries' material contracts, licences, Authorisations or financing documents has served notice to terminate or has communicated an intention to terminate or seek to renegotiate such material contracts, licences, Authorisations or financing documents in connection with this Agreement or the Restructuring; and
- (k) except as disclosed to the Noteholders' or the Noteholders' Counsel prior to the date of this Agreement, no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, would reasonably be expected to have a Material Adverse Effect have been started or (to the best of its knowledge and belief having made due and careful enquiry) threatened against it or any of its Subsidiaries, nor are there any circumstances likely to give rise to any such litigation, arbitration or administrative proceedings, other than the proceedings contemplated to be taken under this Agreement.

6.3 Company representations

The Company represents and warrants to the other Parties on the date of this Agreement and by reference to the facts and circumstances then existing on the date of this Agreement that:

- (a) neither it nor any member of the Group is the legal owner of, or has any beneficial interest in, any Debt as at the date of this Agreement; and
- (b) to its knowledge having made due and careful enquiry, no order has been made, or resolution passed for the winding up of or appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of it, and no analogous procedure has been commenced in any jurisdiction, other than the proceedings contemplated to be taken under this Agreement.

6.4 **Noteholder representations**

Each Noteholder represents and warrants to the other Parties on the date of this Agreement and by reference to the facts and circumstances then existing on the date of this Agreement that

- (a) other than pursuant to this Agreement, its Debts are free and clear from any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal or other limitation on disposition or encumbrance of any kind (an “**Encumbrance**”), to the extent that any such Encumbrance would prevent in any way such Noteholder’s performance of its obligations contained in this Agreement at the time such obligations are required to be performed;
- (b) it has made its own independent appraisal of, and investigation into, all risks arising in respect of the business of the Company and the Group or under or in connection with the Restructuring, this Agreement and any associated documentation that it considers sufficient and reasonable for purposes of entering into the Restructuring, Restructuring Documents, Notes Amendment Documents, this Agreement and any associated documentation, and has independently concluded that its entry into the Restructuring, Restructuring Documents, Notes Amendment Documents, this Agreement, and any associated documentation is in its own best interests and (if applicable) the interests of any person it acts for or represents; and
- (c) it has the power to vote, deal with, approve changes to, dispose of and transfer all of its Debt as contemplated by this Agreement.

7. **CONFIDENTIALITY**

7.1 **General restrictions and permissions**

Without prejudice and subject to the terms of any confidentiality undertaking between any member of the Group and any other Party, confidential information about any member of the Group, the Notes Facility Amendments, the Restructuring Term Sheet, this Agreement (including the identity of any Party) and any of the transactions contemplated by them (the “**Confidential Information**”), other than information excluded from this restriction under Clause 7.2 (*Excluded Information*) below, must not be disclosed by any Party to any person, provided that:

- (a) the Obligors may disclose the existence of this Agreement and such high-level terms of the Restructuring as may be agreed by the relevant disclosing Party with the Noteholders (or the Noteholders’ Advisers on their behalf) in advance of such disclosure;
- (b) the Obligors may disclose this Agreement to any of their Connected Persons and to any other minority shareholder of the Company which is not a signatory to this Agreement, provided that, prior to such disclosure, the relevant Connected Person or minority shareholder is informed of its obligation to keep the terms of this Agreement confidential on the terms of this Clause 7 (*Confidentiality*) (unless already bound by law, regulation, or professional duty to keep the same confidential);
- (c) each Noteholder may disclose this Agreement and its terms to:
 - (i) the Noteholder’s Connected Persons for the purpose of discussing, negotiating, preparing, executing, implementing or consummating the

transactions contemplated by the Notes Facility Amendments, the Restructuring Term Sheet, and this Agreement;

- (ii) the Noteholders and the Connected Person of the Noteholders for the purpose of discussing, negotiating, preparing, executing, implementing or consummating the transactions contemplated by the Notes Facility Amendments, the Restructuring Term Sheet and this Agreement;
 - (iii) any actual or potential co-investors provided that, prior to such disclosure, such co-investor is informed of its obligation to keep the terms of this Agreement confidential on the terms of this Clause 7 (unless already bound by law, regulation, or professional duty to keep the same confidential); and
 - (iv) any other person or entity that has signed a confidentiality or non-disclosure agreement with the Company which has substantially the same effect as this Clause 7.
- (d) this Agreement (and any related notices) may be disclosed:
- (i) to the Security Agent and the Trustee, and any successor or prospective successor of any such agents (and respective professional advisers), in each case, provided such party has agreed with the Company to keep the terms of this Agreement confidential on the terms of this Clause 7;
 - (ii) to the court as part of the evidence to be submitted in connection with the Restructuring;
 - (iii) as required by the laws, rules or regulations of any country with jurisdiction, or if this Agreement is requested to be disclosed by a court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body, or as required the rules of any relevant listing authority or stock exchange on which the shares of any Party are listed or traded, provided that:
 - (A) any person required to make an announcement pursuant to this sub-paragraph (iii) must consult with the Company before making the relevant announcement; except that
 - (B) sub-paragraph (A) does not apply where the requirement is to make an immediate announcement with no time for consultation, or where a person is not able to disclose the nature and/or the content of the proposed announcement due to applicable law or regulation;
 - (iv) to a court, scheme adjudicator, arbitrator or administrative tribunal in the course of proceedings before it to which the disclosing Party is a party in a case where such disclosure is required by such proceedings or is necessary in connection with enforcing any right, power or remedy it may have under a document to which it is a party; and
 - (v) by one Party to another Party and its Connected Persons.

7.2 Excluded information

The restrictions imposed by Clause 7.1 (*General restrictions and permissions*) shall not apply in respect of any information:

- (a) which is, or becomes, generally available to the public other than as a direct or indirect result of the information being disclosed by a Party in breach of Clause 7.1 (*General restrictions and permissions*);
 - (b) which was available to the receiving party on a non-confidential basis prior to disclosure by the disclosing Party;
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- (c) which was, is or becomes available to the receiving party on a non-confidential basis from a person who, to the disclosing Party's knowledge, after reasonable enquiry, is not under any confidentiality obligation in respect of that information; and/or
- (d) which was lawfully in the possession of the receiving party free from any restriction as to use before the information was disclosed by the disclosing Party.

7.3 Public announcements

Subject to Clause 7.1 (*General restrictions and permissions*), no Party shall make, and the Company shall procure that no member of the Group makes, any public announcement regarding this Agreement, the Notes Facility Amendments or the Restructuring unless the contents of that announcement have been agreed with the Company and the Noteholders (or the Noteholders' Advisers on their behalf), provided that nothing shall restrict the issuance by any member of the Group of any public announcement which may be required by law (including the duties of the directors of any member of the Group), regulation or applicable listing rules following reasonable consultation with the Noteholders (or the Noteholders' Advisers on their behalf), unless the requirement is to make an immediate announcement with no time for consultation.

8. AMENDMENTS AND WAIVERS

- (a) The provisions of this Clause 8 (*Amendments and waivers*) are subject to Clause 11 (*Remedies and waivers*).
- (b) Any term of this Agreement (including, for the avoidance of doubt, the Restructuring Term Sheet) may be amended or waived only with the prior written consent of the Company and the Majority Noteholders.

9. SPECIFIC PERFORMANCE

Without prejudice to any other remedy available to any Party, the obligations of the Parties under this Agreement may, subject to applicable law, be the subject of specific performance by the relevant Parties. Each Party acknowledges that damages are not an adequate remedy for any breach of its obligations under this Agreement.

10. PARTIES' RIGHTS AND OBLIGATIONS

- (a) Subject to Clause 10(c), the obligations of each Party under this Agreement are separate and independent obligations. Failure by a Party to perform its obligations under this Agreement shall not affect the obligations of any other Party under this Agreement. No Party is responsible for the obligations of any other Party under this Agreement.
- (b) The rights of each Party under or in connection with this Agreement are separate and independent rights. Each Party may separately and independently enforce its rights under this Agreement.
- (c) Each member of the Group that is party to this Agreement shall be jointly and severally liable for the obligations, undertakings and liabilities under this Agreement of each other member of the Group that is party to this Agreement.

11. REMEDIES AND WAIVERS

- (a) No failure to exercise, nor any delay in exercising, on the part of any Party, any right or remedy under this Agreement shall operate as a waiver of any such right or remedy or constitute an election to affirm this Agreement.
 - (b) No election to affirm this Agreement on the part of any Party shall be effective unless it is in writing.
 - (c) No single or partial exercise of any right or remedy shall prevent any further or other exercise of such right or remedy or of any other right or remedy.
-

- (d) The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

12. RESERVATION OF RIGHTS

- (a) Except as expressly provided in this Agreement, this Agreement does not amend or waive any Party's rights under the Finance Documents or any other document or agreement, or any Party's rights as creditors of the Company or any member of the Group.
- (b) The Parties fully reserve any and all of their rights that are unaffected by this Agreement.
- (c) If this Agreement is terminated by any Party for any reason, the rights of that Party against the other Parties to this Agreement and those other Parties' rights against the terminating Party shall be fully reserved.

13. SUCCESSORS AND ASSIGNS

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

14. COUNTERPARTS

This Agreement may be executed in any number of counterparts, which may be delivered by electronic mail in portable document format (pdf). This has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

15. PARTIAL INVALIDITY

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction:

- (a) neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provisions under the law of any other jurisdiction will in any way be affected or impaired; and
- (b) the invalid provision will be deemed to be replaced with a legal provision that is as close as possible to the original.

16. RELATIONSHIP WITH OTHER DOCUMENTS

- (a) Notwithstanding the terms of this Agreement, the Finance Documents shall continue in full force and effect, and each Party shall continue to comply with the terms of any Finance Document to which it is party, subject to the terms of this Agreement.
- (b) In the event of any inconsistency between:
 - (i) this Agreement and any Finance Document, this Agreement shall prevail; or
 - (ii) this Agreement and any Restructuring Document, the relevant Restructuring Document shall prevail.

17. NOTICES

- (a) Any communication to be made under or in connection with this Agreement shall be made in writing in English and may be made by letter or electronic mail.
 - (b) The contact details of the Parties for all communications under or in connection with this Agreement are in the case of each Party as at the date of this Agreement, that set out next to its signature below or such substitute contact details as a Party may notify to each other Party by not less than five (5) Business Days' notice.
-

- (c) Any communication or document to be made or delivered to any one or more Obligor under or in connection with this Agreement shall be copied to the Company's Counsel.
- (i) The Company's Counsel's address for such purposes (or for any notice or communication delivered directly to the Company's Counsel) is:
- Latham & Watkins LLP
FAO: Bruce Bell and Anu Yerramalli
99 Bishopsgate
London EC2M 3XF
GARDEN.LWTEAM@lw.com
- (d) Any communication or document to be made or delivered to the Noteholders under or in connection with this Agreement shall be copied to the Noteholders' Counsel.
- (i) The Noteholders' Counsel's address for such purposes (or for any notice or communication delivered directly to the Noteholders' Counsel) is:
- Kirkland & Ellis International LLP
FAO: Thomas Jemmett and Ben Isherwood
30 St Mary Axe
London EC3A 8AF
KE_ProjectGarden@kirkland.com
- (e) Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:
- (i) if by letter:
- (i) delivered in person, when it has been left at the relevant address;
- (ii) sent by post, five (5) Business Days after being deposited in the post, postage prepaid, in an envelope addressed to it at that address; or
- (iii) sent by international priority courier delivery, three (3) days after delivery to such courier,
- and, if a particular department or individual is specified as part of its address details provided above, if addressed to that department or individual; and
- (iv) if by e-mail, when actually received in legible form.

18. OBLIGORS' AGENT

- (a) The Company and each Obligor (each, an "**Appointor**") by its execution of this Agreement irrevocably appoints the Company to act on its behalf as its agent in relation to this Agreement and irrevocably authorises:
- (i) the Company on its behalf to supply all information concerning itself contemplated by this Agreement to the Parties and to give all notices and instructions, to make such agreements and to effect the relevant amendments, supplements and variations, and give such confirmations of security, capable of being given, made or effected by any Appointor notwithstanding that they may affect the Appointor, without further reference to or the consent of that Appointor; and
- (ii) each Party to give any notice or other communication to that Appointor pursuant to this Agreement to the Company,
- and in each case the Appointor shall be bound as though the Appointor itself had given the notices or executed or made the agreements or effected the amendments, supplements or variations, given the confirmations of security,
-

or received the relevant notice or other communication and each Party may rely on any action purported to be taken by the Company on behalf of that Appointor.

- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Company as agent for the Appointors or given to the Company as agent for the Appointors under this Agreement on behalf of another Appointor shall be binding for all purposes on that Appointor as if that Appointor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications for the Company as agent for the Appointors and any other Appointor, those of the Company as agent for the Appointors shall prevail.

19. ENTIRE AGREEMENT

This Agreement and the Restructuring Documents set out the Parties' entire understanding of the Restructuring and supersede any previous Agreement between any of the Parties with respect to the Restructuring.

20. GOVERNING LAW AND JURISDICTION

20.1 Governing law

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

20.2 Jurisdiction

- (c) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a "**Dispute**").
- (d) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (e) Each Party agrees that without preventing any other mode of service, any document in an action (including, but not limited to, a claim form or any other document to be served under the Civil Procedure Rules) may be served on any party by being delivered to or left for that party at its address for service of notices under Clause 17 (*Notices*).

20.3 Service of process

- (f) Without prejudice to any other mode of service allowed under any relevant law:
 - (i) each Obligor (other than an Obligor incorporated in England and Wales) irrevocably appoints BGHL as its agent for service of process in relation to any proceedings before the English courts in connection with this Agreement; and
 - (ii) each Party agrees that failure by an agent for service of process to notify it of the process will not invalidate the proceedings concerned.
- (g) 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 Obligors must promptly (and in any event within twenty-five (25) Business Days of such event taking place) appoint another agent on terms acceptable to the Noteholders. Failing this, the Noteholders may appoint another agent for this purpose.

THIS AGREEMENT HAS BEEN ENTERED INTO ON THE DATE STATED AT THE BEGINNING OF THIS AGREEMENT.

Schedule 1

OBLIGORS

Obligor	Original Jurisdiction	Registration number (or equivalent, if any)
Babylon Holdings Limited	Jersey	115471
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

Schedule 2

RESTRUCTURING TERM SHEET

This Restructuring Term Sheet is subject to: (i) further due diligence (including tax, structuring, legal, commercial and financial due diligence), review and comment by relevant local counsel, negotiation, execution and delivery of mutually acceptable definitive documentation and satisfaction of all conditions precedent that may be specified in such definitive documentation, including the Framework Implementation Agreement; and (ii) Noteholders receiving all necessary investment committee and other internal approvals.

Nothing in this Restructuring Term Sheet should be deemed an admission or opinion of any person as to the value of any member of the Group or of the Group as a whole or any of its assets. Nothing in this term sheet shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction where such offer or solicitation would be prohibited.

This Restructuring Term Sheet is governed by English law. The matters set out in this Restructuring Term Sheet are summary terms and are not intended to include all the terms and conditions which will be set out in full in the Restructuring Documents.

Capitalised terms used in this Restructuring Term Sheet but not otherwise defined shall have the meaning given to such term in the Framework Implementation Agreement.

a) Restructuring Terms ¹		
1.	Implementation	<p>a) If the Notes have not been refinanced or repaid by 16 June 2023, AlbaCore may demand repayment of the Bridge Notes on 5 Business Days' notice no earlier than 16 June 2023. The Bridge Notes and (as a result of the springing maturity under the Existing Notes) the Existing Notes will become due and payable on the relevant payment date specified in the notice.</p> <p>b) BHL will confirm prior to such payment date whether or not it will be in a position to repay the Bridge Notes and the Existing Notes.</p> <p>c) BHL directors will resolve to appoint Administrators at BHL to effect a pre-packaged sale of the Transferring Assets to the Purchaser.</p> <p>d) The transaction will be implemented in a tax efficient manner in consultation with the Company's tax advisors, Deloitte LLP.</p>
1.	Administrator	Administrator to be agreed, subject to agreement on satisfactory appointment terms. AlbaCore reserves the right to make an out of court appointment of an administrator or receiver in the event appointment terms cannot be agreed by 16 June 2023.
1.	Seller	BHL (in administration) (or, if appointed, a receiver acting as agent of BHL) and any other entities that own any part of the Transferring Assets (as defined below)
1.	Purchaser	A new SPV bidco incorporated by the Noteholders.
1.	Intercompany Loans	Intercompany loans owing by Obligors to any member of the Group not comprising a Transferring Asset (as defined below) (the " RemainCo Entities ") to be transferred or released for nil consideration (subject to tax input).

¹ Indicative dates and deadlines are subject to agreement on the regulatory timeline.

1.	BHL Cash	Noting that all cash balances are subject to security in favour of the Noteholders, all cash balances in the RemainCo Entities shall be transferred to Babylon Group Holdings Limited (“ BGHL ”) or a BGHL Subsidiary prior to the Restructuring Effective Date, subject to a right for BHL and such other Subsidiaries to retain an amount to be agreed to fund the wind down of the RemainCo Entities only (see <i>Solvent Wind-Down</i> below).
1.	Hive-down	BHL’s equity and other interests in Babylon International Limited and other BHL subsidiaries to be agreed to be transferred to BGHL for agreed consideration, which may be nil.
1.	Transferring Assets	On the Restructuring Effective Date or as soon as reasonably practicable thereafter, the Seller shall transfer all rights, title and interests in all equity interests and other instruments in: (i) BGHL, and (ii) BHL’s other subsidiaries to be agreed subject to further commercial, financial and legal diligence (the “ Transferring Assets ”).
1.	Consideration	The Purchaser shall pay total consideration to the Seller of USD1 plus a release of BHL as an Obligor of the Notes (see <i>Treatment of Notes</i> below).
1.	Treatment of Notes	Subject to tax, on or after the Restructuring Effective Time, the existing Notes will be amended, maturities extended and the Notes partially equitized / released. BGHL or a new holding entity to be confirmed will become Issuer of the Notes and BHL shall be released as an Obligor from all its obligations and liabilities under the Bridge Notes, Existing Notes and the Interim Facility, or AlbaCore will execute a transaction with substantially the same economic effect.
1.	New Money	The Purchaser shall use reasonable endeavours to procure a further USD200m new money injection into the restructured group following the Restructuring Effective Time.
1.	Sale Agreement	Sale agreement to be administration asset sale agreement, with customary protections to be included for Administrators/Seller for transactions of this nature.
1.	Transitional Services Agreement	A transitional services agreement is to be agreed between the Purchaser and Seller, which will include a list of transitional services to be provided at cost by the Seller and/or Administrator (the “ Transition Services ”), including: <ul style="list-style-type: none"> a) assistance with implementation of internal and external PR / communications strategy; b) orderly transition, including the Seller using its reasonable endeavours to facilitate the Purchaser obtaining the consents of all relevant applicable counterparties to relevant agreements to the proposed novation or assignment, as appropriate, of each of the Seller’s rights under a list of contracts to be agreed; c) subject to diligence and agreement, transfer of all support functions (such as HR, legal and compliance); and d) other items to be agreed. <p>All of the above terms will be documented in a transitional services agreement (“TSA”) and a list of the transitional services to be provided at cost by the Seller and/or Administrators will be included as a schedule to the TSA. If applicable, the TSA will include transitional services to be provided by the Seller and/or Administrator to the RemainCo Entities.</p>
1.	Representation and Warranties	No representations and warranties to be given by the Seller or the Administrators. Purchaser to provide customary warranties for transactions of this nature.

1.	Exclusions of liability	Standard administrator exclusions of liability for transactions of this nature to be included.
1.	Security Releases	Security Agent shall release the security over the Transferring Assets.
1.	Conditions Precedent	<p>To include customary conditions precedent for a transaction of this nature including completion of satisfactory diligence and:</p> <ul style="list-style-type: none"> a) assumption of Noteholders' and Group's Advisor fees and expenses by BGHL; b) the TSM; c) antitrust and regulatory clearance and approvals (if required); and d) settlement of the outstanding disputes with a technology vendor and a former executive that were disclosed to AlbaCore prior to the execution of the Framework Implementation Agreement; e) <i>[others]</i>.

1.	Indemnity	<p>Without prejudice to any requests from the Administrators for wider indemnification, the Purchaser shall indemnify and hold harmless the Seller and the Administrators against any Taxes triggered by the Restructuring, costs, expenses, liabilities, and/or claims actually suffered or incurred by the Seller and the Administrators (together, “Losses”) arising out of:</p> <ul style="list-style-type: none"> a) transferring the Transferring Assets; b) any use by the Purchaser of a Transferring Asset or the transfer and possession of any Transferring Assets by the Purchaser; and c) the failure by the Purchaser to apply for or obtain the necessary or appropriate consents and/or licenses for the transfer or to have the benefit of any Transferring Asset, <p>in each case, provided that such Losses:</p> <ul style="list-style-type: none"> a) shall be excluded to the extent that they relate (A) solely to the Seller’s (or any of its affiliates or other related parties) steps, act or omissions prior to the Restructuring Effective Date; or (B) financial position, insolvency and/or entry of the Seller (or any of its affiliates or other relates parties) into administration (or related insolvency proceedings), b) shall be excluded to the extent they result from a material breach of the terms of the Restructuring Documents by the Seller or the Administrator (or their directors, officers, advisers, or agents); c) shall be excluded to the extent they result from the wilful misconduct or fraud of the Seller or the Administrators (or their directors, officers, advisers, or agents); and d) have been notified to the Purchaser in writing within 6 years of the Restructuring Effective Date, <p>(the “Indemnity”).</p> <p>No amount can be claimed for any costs and expenses paid or recovered pursuant to the terms of any other Restructuring Document.</p> <p>The Indemnity will be subject to a cap to be agreed with the Administrators.</p> <p>To the extent that the Seller or the Administrator has the benefit of any insurance policy in respect of any Losses that the Purchaser has paid to Seller or the Administrator pursuant to the Indemnity, the Purchaser shall be subrogated to the rights of the Seller or the Administrator under such insurance policy.</p>
1.	Solvent Wind-down	<p>BHL and the RemainCo Entities, subject to due diligence as to the liabilities of each such entity and subject to a cap to be agreed in respect of any funding support to be provided by the Purchaser, it shall be the aim to facilitate the winding-up of these entities on a solvent basis.</p> <p>No further exposure, obligation or liability between BGHL group and RemainCo group except as expressly contemplated by the Restructuring Documents.</p> <p>Purchase of adequate D&O insurance (subject to cap) to be agreed.</p>

1.	Releases	<p>The Restructuring Documents shall include mutual and reciprocal releases on customary terms for the benefit of the Parties (including, without limitation, releases for the directors of the Company), provided that:</p> <ul style="list-style-type: none"> a) subject to the provision set out in paragraph (b) below, there shall be no releases in respect of any instances of actionable misconduct or fraud that are uncovered by due diligence undertaken prior to the Restructuring Effective Time; and b) in the event that an incident of actionable misconduct is uncovered by due diligence, no Party shall be obliged to provide a release in respect of the alleged incident to the individual who is responsible for such misconduct, but the Parties agree that releases shall otherwise be provided on customary terms.
1.	Costs and Expenses	<p>BGHL shall cover (i) AlbaCore costs and expenses in relation to the Restructuring, and (ii) other fees, costs expenses and amounts to be agreed, including the Group's professional advisor fees and Special Committee remuneration.</p>

Schedule 3

IMPLEMENTATION MILESTONES

Note: These Implementation Milestones are purely indicative. Whilst parties agree to use all reasonable endeavours to comply with the provisions relating to the Implementation Milestones set out in the Framework Implementation Agreement, it is acknowledged by all Parties that certain circumstances may not permit this.

No.	Implementation Milestone	Indicative Date
1.	Engagement of financial advisor to take administrator role.	12 May 2023
1.	Intercompany loans owing by Obligors to BHL or RemainCo Entities are transferred or released for nil consideration (subject to tax input).	2 June 2023
1.	[Optional step – Ali to be replaced as sole director of BGHL prior to debt pushdown.]	[TBD]
1.	BGHL or a new holding entity to be confirmed will become Issuer of the Notes and BHL shall become a Guarantor.	2 June 2023
1.	BHL equity and other interests in Babylon International Limited and other subsidiaries to be agreed are transferred to BGHL for nominal / nil consideration (subject to tax).	2 June 2023
1.	All cash balances in the RemainCo Entities are transferred to BGHL or a BGHL subsidiary, subject to right for BHL and such other Subsidiaries to retain an amount to be agreed to fund the wind down of the RemainCo Entities only.	2 June 2023
1.	All restructuring CPs (including, among other things, completion of diligence, antitrust and regulatory analysis are satisfied).	2 June 2023
1.	Noteholders demand repayment of the Bridge Notes.	9 June 2023 (or “T” if later than 16 June 2023)
1.	Noteholders provide comfort letters and forbearances to guarantors of the Notes, except BHL.	9 June 2023 or T
1.	BHL confirms whether it will be in a position to repay the Bridge Notes and the Existing Notes.	16 June 2023 (or T+5 Business Days)
1.	The Bridge Notes become due and payable.	16 June 2023 (or T+5 Business Days)
1.	The Existing Notes become payable as a result of the springing maturity.	16 June 2023 (or T+5 Business Days)
1.	BHL directors resolve to appoint Administrators at BHL to effect a pre-packaged sale of the Transferring Assets to the Purchaser.	16 June 2023 (or T+5 Business Days)
1.	The Administrators are appointed at BHL.	16 June 2023 (or T+5 Business Days)
1.	The Seller transfers all rights, title and interests in the Transferring Assets to the Purchaser.	16 June 2023 (or T+5 Business Days)
1.	The Seller and Purchaser enter into the Transitional Services Agreement.	16 June 2023 (or T+ 5 Business Days)

Schedule 4

EXISTING NOTEHOLDERS

Entities
ALBACORE PARTNERS III INVESTMENT HOLDINGS DESIGNATED ACTIVITY COMPANY
ALBACORE PARTNERS II INVESTMENT HOLDINGS D DESIGNATED ACTIVITY COMPANY
ALBACORE STRATEGIC INVESTMENTS LP
VITALITY (IRELAND) FINANCING DESIGNATED ACTIVITY COMPANY
SC ACG EU PD SÀRL

BRIDGE NOTEHOLDERS

Entities
ALBACORE PARTNERS III INVESTMENT HOLDINGS DESIGNATED ACTIVITY COMPANY
ALBACORE PARTNERS II INVESTMENT HOLDINGS D DESIGNATED ACTIVITY COMPANY
ALBACORE STRATEGIC INVESTMENTS LP
VITALITY (IRELAND) FINANCING DESIGNATED ACTIVITY COMPANY
SC ACG EU PD SÀRL

SIGNATORIES

THE COMPANY

BABYLON HOLDINGS LIMITED

By:

Name:

Title:

THE OBLIGORS

BABYLON HOLDINGS LIMITED

By:

Name:

Title:

BABYLON PARTNERS LIMITED

By:

Name:

Title:

BABYLON GROUP HOLDINGS LIMITED

By:

Name:

Title:

BABYLON HEALTHCARE INC.

By:

Name:

Title:

BABYLON INC.

By:

Name:

Title:

ALBACORE CAPITAL LLP
signing for and on behalf of:

**ALBACORE PARTNERS III INVESTMENT HOLDINGS DESIGNATED
ACTIVITY COMPANY**

**ALBACORE PARTNERS II INVESTMENT HOLDINGS D DESIGNATED
ACTIVITY COMPANY**

ALBACORE STRATEGIC INVESTMENTS LP

VITALITY (IRELAND) FINANCING DESIGNATED ACTIVITY COMPANY

SC ACG EU PD SÀRL

By:

Name:

Title:

Dated 10 May 2023

SECOND SUBSCRIPTION AGREEMENT
in respect of the issuance of \$34,500,000 senior secured loan notes due 2026

Between

BABYLON GROUP HOLDINGS LIMITED
(as Issuer 2)

and

ALBACORE PARTNERS III INVESTMENT HOLDINGS DESIGNATED ACTIVITY COMPANY
ALBACORE PARTNERS II INVESTMENT HOLDINGS D DESIGNATED ACTIVITY COMPANY
ALBACORE STRATEGIC INVESTMENTS LP
VITALITY (IRELAND) FINANCING DESIGNATED ACTIVITY COMPANY
(as New Bridge Noteholders)

KIRKLAND & ELLIS INTERNATIONAL LLP

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London EC3A 8AF
Tel: +44 (0)20 7469 2000
Fax: +44 (0)20 7469 2001
www.kirkland.com

Project Garden: Second Subscription Agreement

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THIS AGREEMENT is dated 10 May 2023.

BETWEEN:

- (1) **BABYLON GROUP HOLDINGS LIMITED**, a limited liability company incorporated in the United Kingdom with company number 14707874 and with its registered office at 1 Knightsbridge Green, London, England, SW1X 7QA ("**Issuer 2**");
- (2) **THE ENTITIES** listed in Schedule 1 (*The New Bridge Noteholders*) as initial subscribers (the "**New Bridge Noteholders**"); and
- (3) **KROLL TRUSTEE SERVICES LIMITED** as Trustee (in its capacity as the "**Trustee**").

WHEREAS:

- (A) On 9 March 2023, the Original Bridge Noteholders agreed to subscribe for US\$34,500,000 senior secured notes to be issued by Babylon Holdings Limited (the "**Issuer**") (the "**Original Bridge Notes**"). The Original Bridge Notes were issued and constituted pursuant to a loan note facility agreement dated 9 March 2023 between, among others, the Issuer and the Original Bridge Noteholders (as amended from time to time) (the "**Original Loan Note Facility Agreement**").
- (B) The New Bridge Noteholders have agreed to subscribe for US\$34,500,000 senior secured notes to be issued by Issuer 2 (the "**New Bridge Notes**") and to be issued and constituted pursuant to the Original Loan Note Facility Agreement as amended and restated by an amendment and restatement agreement dated on or about the date hereof (the "**Amendment and Restatement Agreement**") entered into between, among others, the Issuer, Issuer 2 and the New Bridge Noteholders in substantially the form set out in Schedule 4 (*Amended and Restated Loan Note Facility Agreement*) (the "**Amended and Restated Loan Note Facility Agreement**").
- (C) The parties have entered into this Agreement in order to set out the terms of such subscription.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Capitalised terms used but not otherwise defined in this Agreement have the meanings set out in the Amended and Restated Loan Note Facility Agreement.

"**Second Closing Date**" means the date on which each of the initial conditions precedent in respect of the Tranche 4 Commitment Amount Payment required pursuant to Clause 5.1 (*Initial Conditions Precedent in respect of the Tranche 4 Commitment Amount Payment*) have been delivered to the satisfaction of the New Bridge Noteholders (acting reasonably) or waived by the New Bridge Noteholders.

"**Subscription Request**" means a notice substantially in the relevant form set out in Schedule 3 (*Subscription Request*).

1.2 Construction

The interpretation provisions set out in clause 1 (*Interpretation*) of the Amended and Restated Loan Note Facility Agreement shall apply to this Agreement, *mutatis mutandis*.

1.3 Third party rights

No person has any right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Agreement.

2. PURCHASE OF THE NEW BRIDGE NOTES

(a) On the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein:

- (i) Issuer 2 agrees to issue and sell to each New Bridge Noteholder, severally and not jointly; and
- (ii) each New Bridge Noteholder agrees to subscribe for and to purchase, severally and not jointly,

the aggregate principal amount of New Bridge Notes set forth opposite such New Bridge Noteholder's name in Schedule 1 (*The New Bridge Noteholders*) at a price equal to 100.00% (subject to any applicable original issue discount to be applied under the Fee Letter pursuant to Clause 19.3 (*OID*) of the Amended and Restated Loan Note Facility Agreement) of the principal amount of the New Bridge Notes.

(b) The New Bridge Notes are to be subscribed for and purchased in three separate tranches in the following amounts:

- (i) a US\$5,750,000 first tranche (the "**Tranche 4 Commitment Amount Payment**");
- (ii) a US\$11,500,000 second tranche (the "**Tranche 5 Commitment Amount Payment**"); and
- (iii) a US\$17,250,000 third tranche (the "**Tranche 6 Commitment Amount Payment**" and, together with the Tranche 5 Commitment Amount, the "**Subsequent Commitment Amount Payments**").

3. PAYMENT AND DELIVERY

3.1 The Tranche 4 Commitment Amount Payment

- (a) Subject to Clause 5.1 below, the Tranche 4 Commitment Amount Payment by the New Bridge Noteholders shall be paid to Issuer 2 and the relevant tranche of New Bridge Notes shall be issued and sold by Issuer 2 on the issue date set out in a duly completed Subscription Request delivered by Issuer 2 to the Trustee, which must be no earlier than the Second Closing Date and no later than 12 May 2023 (such date being the "**Tranche 4 Payment Date**") **provided that** Issuer 2 has delivered that duly completed Subscription Request to the Trustee not later than 11.59a.m. at least two (2) Business Days prior to the Tranche 4 Payment Date.
- (b) The Tranche 4 Commitment Amount Payment shall be made by wire transfer from the New Bridge Noteholders to Issuer 2 in immediately available funds

in US Dollars to the account or accounts specified in the relevant Subscription Request (which may be an account of one or more of the wholly owned subsidiaries of Issuer 2) (the "**Specified Account**").

3.2 The Subsequent Commitment Amount Payments

- (a) Subject to Clause 5.2 below, each Subsequent Commitment Amount Payment by the New Bridge Noteholders shall be paid to Issuer 2 and the relevant tranche of the New Bridge Notes shall be issued and sold by Issuer 2:
 - (i) in respect of the Tranche 5 Commitment Amount Payment, on the issue date set out in a duly completed Subscription Request delivered by Issuer 2 to the Trustee, which must be no earlier than 19 May 2023 and no later than 16 June 2023 (the "**Tranche 5 Payment Date**") **provided that** Issuer 2 has delivered that duly completed Subscription Request to the Trustee not later than 9 a.m. at least five (5) Business Days prior to the Tranche 5 Payment Date; and
 - (ii) in respect of the Tranche 6 Commitment Amount Payment, on the issue date set out in a duly completed Subscription Request delivered by Issuer 2 to the Trustee, which must be on such date as agreed between Issuer 2 and the New Bridge Noteholders and, in any case, no earlier than 9 June 2023 (the "**Tranche 6 Payment Date**") and, together with the Tranche 5 Payment Date, the "**Subsequent Payment Dates**") **provided that** Issuer 2 has delivered that duly completed Subscription Request to the Trustee not later than 9 a.m. at least five (5) Business Days prior to the Tranche 6 Payment Date.
- (b) Each Subsequent Commitment Amount Payment shall be paid into the Specified Account.

3.3 Completion of a Subscription Request for the New Bridge Notes

- (a) Each Subscription Request for a tranche of New Bridge Notes is irrevocable and will only be regarded as having been duly completed if:
 - (i) it identifies the tranche under which the New Bridge Notes will be issued;
 - (ii) the proposed date of issue is a Business Day;
 - (iii) the currency is US Dollars and the amount of the New Bridge Notes complies with paragraph (b) of Clause 2 (*Purchase of the New Bridge Notes*);
 - (iv) in respect of any Subscription Request for the Tranche 5 Notes, it appends a reasonably detailed summary of the use of proceeds of the Tranche 4 Commitment Amount Payment; and
 - (v) in respect of any Subscription Request for the Tranche 6 Notes, it appends a reasonably detailed summary of the use of proceeds of each of the Tranche 4 Commitment Amount Payment and the Tranche 5 Commitment Amount Payment.
- (b) Only one tranche of the New Bridge Notes may be requested in each Subscription Request.

4. REPRESENTATIONS

Issuer 2 makes each of the representations and warranties set out in clause 11 (*Representations and Warranties*) of the Amended and Restated Loan Note Facility Agreement at the times specified in clause 11 (*Representations and Warranties*) of the Amended and Restated Loan Note Facility Agreement, by reference to the facts and circumstances existing on such dates.

5. CONDITIONS PRECEDENT

5.1 Initial Conditions Precedent in respect of the Tranche 4 Commitment Amount Payment

The several obligations of the New Bridge Noteholders to make the Tranche 4 Commitment Amount Payment on the Tranche 4 Payment Date are subject to the following conditions having been satisfied or waived:

- (a) within four (4) Business Days of the date of the Effective Date (as defined in the Amendment and Restatement Agreement), the Issuer has:
 - (i) published on the website of the Group an announcement in relation to the financing under the Amended and Restated Loan Note Facility Agreement in form and substance satisfactory to the Majority Noteholders (acting reasonably);
 - (ii) has reported the entry into the Amended and Restated Loan Note Facility Agreement and the transactions contemplated thereunder in a Current Report on Form 8-K filed with the Securities and Exchange Commission in form satisfactory to the Majority Noteholders;
- (b) the Trustee and the New Bridge Noteholders have received (or waived the requirement to receive) all of the documents and other evidence set out in Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Trustee (acting on the instructions of the New Bridge Noteholders); and
- (c) on the date of this Agreement and the Tranche 4 Payment Date:
 - (i) each of the representations and warranties to be made pursuant to Clause 4 (*Representations*) on the Tranche 4 Payment Date is true in all material respects (except that any representations and warranties already qualified by materiality in clause 11 (*Representations and Warranties*) of the Amended and Restated Loan Note Facility Agreement shall be true in all respects);
 - (ii) no Default has occurred or would result from the issuance of the New Bridge Notes; and
- (d) it has not, after the date of this Agreement, become unlawful for a New Bridge Noteholder to subscribe for or purchase any New Bridge Note provided that such illegality alone will not affect the obligations of any other New Bridge Noteholder to subscribe for or purchase any New Bridge Note in accordance with this Agreement.

5.2 Conditions Precedent to the Subsequent Commitment Amount Payments

Subject to Clause 5.1 (*Initial Conditions Precedent in respect of the Tranche 4 Commitment Amount Payment*), the New Bridge Noteholders will only be obliged to comply with Clause 3.2 (*The Subsequent Commitment Amount Payments*) in respect

of the Subsequent Commitment Amount Payments if, on each of the respective Subsequent Payment Dates the following conditions have been satisfied or waived:

- (a) in respect of the Tranche 5 Commitment Amount Payment, the Tranche 4 Commitment Amount Payment has been made in full (except to the extent that any Bridge Noteholder has defaulted in its obligations to pay all or any part of the Tranche 4 Commitment Amount Payment or any Bridge Noteholder has not made the Tranche 4 Commitment Amount Payment as a result of the operation of paragraph (d) of Clause 5.1 (*Initial Conditions Precedent in respect of the Tranche 4 Commitment Amount Payment*) above); and
- (b) in respect of the Tranche 6 Commitment Amount Payment:
 - (i) each of the Tranche 4 Commitment Amount Payment and the Tranche 5 Commitment Amount Payment has been made in full (except to the extent that any Bridge Noteholder has defaulted in its obligations to pay all or any part of the Tranche 4 Commitment Amount Payment and/or the Tranche 5 Commitment Amount Payment or any Bridge Noteholder has not made the Tranche 4 Commitment Amount Payment as a result of the operation of paragraph (d) of Clause 5.1 (*Initial Conditions Precedent in respect of the Tranche 4 Commitment Amount Payment*) above); and
 - (ii) each of the New Bridge Noteholders: (x) has received all necessary investment committee and other internal approvals; and (y) is satisfied that any other conditions to the issue of the Tranche 6 Notes which it may require have been satisfied in form and substance satisfactory to the Majority New Bridge Noteholders,

and, in each case, the conditions in paragraphs (c) and 5.1(d) of Clause 5.1 (*Initial Conditions Precedent in respect of the Tranche 4 Commitment Amount Payment*) are satisfied in all respects on each Subsequent Payment Date (and, for the avoidance of doubt, for such purposes, any reference to the date of this Agreement and the Tranche 4 Payment Date in paragraphs (c) and 5.1(d) of Clause 5.1 shall be deemed to be replaced by the Tranche 5 Payment Date or Tranche 6 Payment Date, as applicable).

6. PARTIAL INVALIDITY

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

7. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any New Bridge Noteholder, any right or remedy under this Agreement shall operate as a waiver of any such right or remedy or constitute an election to affirm this Agreement. No election to affirm this Agreement on the part of any New Bridge Noteholder shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

8. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

9. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection therewith are governed by English law.

10. ENFORCEMENT

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection therewith) (a "**Dispute**").
- (b) The parties to this Agreement agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly will not argue to the contrary.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 1
The New Bridge Noteholders

Name	Subscription Amount (\$)
ALBACORE PARTNERS III INVESTMENT HOLDINGS DESIGNATED ACTIVITY COMPANY	\$14,280,553.66
ALBACORE PARTNERS II INVESTMENT HOLDINGS D DESIGNATED ACTIVITY COMPANY	\$7,265,496.25
ALBACORE STRATEGIC INVESTMENTS LP	\$626,337.97
VITALITY (IRELAND) FINANCING DESIGNATED ACTIVITY COMPANY	\$12,327,612.13
Total	\$34,500,000

Schedule 2
Conditions Precedent

1. Original Obligors

- (a) A copy of the constitutional documents and/or registry extracts (as applicable) of each Original 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) or, if the Trustee already has a copy, a certificate of an authorised signatory of the relevant Obligor confirming that the copy in the Trustee's possession is still correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.
- (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 Original 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 (including, if relevant, any Selection Notice) 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 Original Obligor), in each case to the extent such person will execute a Transaction Document.
- (d) A certificate of an authorised signatory of the relevant Original Obligor:
 - (i) confirming that issuance and/or guarantee by that Original Obligor of the New Bridge Notes (as applicable) would not breach any borrowing, guarantee or similar limit binding on that Original Obligor (in each case subject to any limitations set out in the Transaction Documents); and
 - (ii) 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 Agreement.

2. Transaction Documents

A copy of each of the following in agreed form, duly executed by the Original Obligors party to them:

- (a) the amendment and restatement agreement pursuant to which the Amended and Restated Loan Note Facility Agreement is amended and restated;
- (b) this Agreement;
- (c) an agreed form supplemental deed poll to amend the Existing Notes;

- (d) the fee letter referred to in paragraph (b) of the definition of "Fee Letter" in the Amended and Restated Loan Note Facility Agreement; and
- (e) 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	Supplemental security agreement over the Jersey Issuer's Jersey situated intangible moveable property	
Babylon Holdings Limited	Supplemental debenture creating fixed and England floating security over all assets (including its shares in Babylon Group Holdings Limited, Babylon International Limited and any of its Subsidiaries)	
Babylon Group Holdings Limited	Supplemental debenture creating fixed and England floating security over all assets (including its shares in Issuer 2 and Babylon Healthcare Services Limited)	
Babylon Group Holdings Limited	Supplemental charge over its shares in New York Babylon Inc.	
Babylon Partners Limited	Supplemental debenture creating fixed and England floating security over all assets	
Babylon Inc. and Babylon Healthcare Inc.	Supplemental security agreement creating New York fixed and floating security over all assets (including Babylon Inc.'s shares in Babylon Healthcare Inc.)	

- (f) 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 supplemental Transaction Security Documents entered into pursuant to paragraph 2(e) above on the date of execution of the relevant supplemental Transaction Security Documents, executed by the applicable Original Obligors.

- (g) All share certificates, transfers, stock transfer forms and stock powers or any equivalent of the foregoing duly executed by the relevant Original 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 supplemental Transaction Security Documents entered into pursuant to paragraph 2(e) above, in each case only to the extent that such documents are required to be provided on the date of execution of the relevant supplemental Transaction Security Documents.
- (h) A consent letter (in the form acceptable to the Security Agent) executed by the Issuer consenting to the Jersey Registrations.

3. **Legal Opinions**

The following legal opinions:

- (a) A legal opinion of Kirkland & Ellis International LLP, counsel to the Trustee, the Original Bridge Noteholders and the New Bridge Noteholders as to English law, in relation to the enforceability of this Agreement and the Amended and Restated Loan Note Facility Agreement, and the capacity and authority of the Original Obligors to enter into the Transaction Documents, such legal opinion to be in substantially the form distributed to the Trustee, the Original Bridge Noteholders and the New Bridge Noteholders prior to the date of this Agreement.
- (b) A legal opinion of Allen & Overy LLP, counsel to Issuer 2 as to New York law, in relation to the enforceability of the Transaction Security Documents governed by New York law, and the capacity and authority of the Original Obligors incorporated under the laws of Delaware to enter into the Transaction Documents, such legal opinion to be in substantially the form distributed to the Trustee, the Original Bridge Noteholders and the New Bridge Noteholders prior to the date of this Agreement.
- (c) A legal opinion of Ogier (Jersey) LLP, counsel to the Trustee and the New Bridge Noteholders 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 Trustee, the Original Bridge Noteholders and the New Bridge Noteholders prior to the date of this Agreement.
- (d) A legal opinion of Walkers (Jersey) LLP, counsel to Issuer 2 as to Jersey law, in relation to the capacity and authority of the Issuer incorporated under the laws of Jersey to enter into the Finance Documents, such legal opinion to be in substantially the form distributed to the Trustee, the Original Bridge Noteholders and the New Bridge Noteholders prior to the date of this Agreement.

4. **Other Documents**

- (a) A copy of the Cashflow Forecast agreed between the Issuer and the Bridge Noteholders for the week ending immediately prior to the Tranche 4 Payment Date.

- (b) Evidence that fee letters relating to the fees of the following professional advisers to the New Bridge Noteholders have been duly executed by the Issuer:
 - (i) Kirkland & Ellis LLP; and
 - (ii) PJT Partners.
- (c) Evidence that all fees, costs and expenses (other than any professional advisers' fees that are deducted from the Tranche 5 Commitment Amount Payment pursuant to the fee letters referred to in paragraph (b) above) have been or will be paid within five (5) Business Days of the Second Closing Date.
- (d) 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:
 - (A) 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
 - (B) 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 Agreement; 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.
- (e) An agreed form business plan.
- (f) A copy of a funds flow statement setting out the sources and uses for the Transaction to be made on or prior to the Tranche 4 Payment Date.

**Schedule 3
Subscription Request**

From: [Issuer]

To: [] as Trustee

Dated: [●]

Dear Sirs

**BABYLON HOLDINGS LIMITED – Bridge Loan Notes Facility Agreement
dated [●] 2023 (as amended and restated from time to time) (the Agreement)**

1. We refer to the Agreement. This is a Subscription Request (as defined in the Second Subscription Agreement (as defined in the Agreement)). Terms defined in the Agreement and/or the Second Subscription Agreement have the same meaning in this Subscription Request unless given a different meaning in this Subscription Request.
2. We request that Notes are subscribed for on the following terms:
 - (a) Issuer: [●]
 - (b) Proposed [Tranche 4 Payment Date][Tranche 5 Payment Date][Tranche 6 Payment Date]: [●]
 - (c) Amount: [●]
 - (d) Interest Period: [●]
 - (e) Specified Account: []
 - (f) [Summary of use of proceeds of the Tranche 4 Commitment Amount Payment: to be appended hereto]¹
 - (g) [Summary of use of proceeds of the Tranche 5 Commitment Amount Payment: to be appended hereto]²
3. We confirm that each:
 - (a) condition specified in Clause 5.1 (*Initial Conditions Precedent in respect of the Tranche 4 Commitment Amount Payment*) of the Second Subscription Agreement, other than the condition set out in paragraph (d) thereof is or will be satisfied on or before the proposed [Tranche 4 Payment Date][Tranche 5 Payment Date][Tranche 6 Payment Date]; and
 - (b) pursuant to paragraph 2(a) of the Second Subscription Agreement and Clause [19.3] (*OID*) of the Agreement, each Noteholder Participant is entitled to deduct an amount equal to its *pro rata* share of the [Tranche 4 OID Fee][Tranche 5 OID Fee][Tranche 6 OID Fee] from its participation in the Amount set out in paragraph 2(c) above.

The proceeds of this Note should be credited to the Specified Account.

Yours faithfully

¹ To be included in Subscription Request for Tranche 5 Notes

² To be included in Subscription Request for Tranche 6 Notes

.....

authorised signatory for
[the Issuer]

Schedule 4
Amended and Restated Loan Note Facility Agreement

EXECUTION PAGES

Issuer 2

For and on behalf of
BABYLON GROUP HOLDINGS LIMITED
as Issuer

Name: Dr. Ali Parsadoust

Title: Director

The New Bridge Noteholders

ALBACORE PARTNERS III INVESTMENT HOLDINGS DESIGNATED ACTIVITY COMPANY

SIGNED on behalf of)
ALBACORE PARTNERS III INVESTMENT)
HOLDINGS DESIGNATED ACTIVITY)
COMPANY)
 and acknowledged for and on behalf of)
 AlbaCore Capital Group ICAV)
)
 By: **ALBACORE CAPITAL LLP)**
 as investment manager)
 for and on behalf of AlbaCore Capital Limited)
 as AIFM for AlbaCore Partners III Investment)
 Holdings Designated Activity Company)
 and AlbaCore Capital Group ICAV)
) William H. Ammons
 Authorised Signatory

Project Garden: Second Subscription Agreement

The New Bridge Noteholders

ALBACORE PARTNERS II INVESTMENT HOLDINGS D DESIGNATED ACTIVITY COMPANY

SIGNED on behalf of)
ALBACORE PARTNERS II INVESTMENT)
HOLDINGS D DESIGNATED ACTIVITY)
COMPANY and acknowledged for and)
on behalf of **AlbaCore Partners II ICAV**)
)
By: **ALBACORE CAPITAL LLP** as)
investment manager for and on behalf of)
AlbaCore Capital Limited as AIFM for)
AlbaCore Partners II Investment Holdings D)
Designated Activity Company and)
AlbaCore Partners II ICAV) William H. Ammons
 Authorised Signatory

The New Bridge Noteholders

ALBACORE STRATEGIC INVESTMENTS LP

SIGNED on behalf of)
ALBACORE STRATEGIC)
INVESTMENTS LP)
acting by its Investment Manager)
ALBACORE CAPITAL LLP) William H. Ammons
Authorised Signatory

Project Garden: Second Subscription Agreement

The New Bridge Noteholders

VITALITY (IRELAND) FINANCING DESIGNATED ACTIVITY COMPANY

SIGNED for and on behalf of)
VITALITY (IRELAND) FINANCING)
DESIGNATED ACTIVITY COMPANY)
acting by its Investment Manager)
ALBACORE CAPITAL LLP) William H. Ammons
Authorised Signatory

Project Garden: Second Subscription Agreement

The Trustee

for and on behalf of
KROLL TRUSTEE SERVICES LIMITED

Name: Sajdah Afzal
Title: Authorised Signatory

Project Garden: Second Subscription Agreement

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 Quarterly Report on Form 10-Q 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 most recent 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: May 10, 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 Quarterly Report on Form 10-Q 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 most recent 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: May 10, 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 Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 (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: May 10, 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 Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 (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: May 10, 2023

/s/ David Humphreys

Name: David Humphreys

Title: Chief Financial Officer