



Babylon Tax Strategy - year ended 31 December 2022

About Babylon

Babylon (the “Company” or “Group”) was founded with a single purpose: to put an accessible, affordable health service in the hands of every person on Earth. Babylon gives you quick, easy access to doctors, physiotherapists, nurses and pharmacists—right from your device. You can also take control of your wellbeing with Babylon’s digital health tools that are available 24/7.

We’re re-engineering how people engage with their care at every step of the healthcare continuum. And we aim to do this by flipping the model from reactive sick care to preventative healthcare, through the devices people already own. The Company has achieved significant growth in the United Kingdom and United States, forming meaningful and significant relationships with the NHS, insurers and healthcare providers. We conduct business globally and as such have several tax obligations in many jurisdictions. Our approach and attitude towards risk is consistent in every area we operate in.

The Group has business operations in the UK, USA, India, Singapore and Rwanda. All operating companies in the group are incorporated in these countries and are subject to the tax laws and regulations in those countries. On 22 October 2021, Babylon listed on the New York Stock Exchange by completing its business combination with Alkuri Global Acquisition Corp, a special purpose acquisition company. The Group plans to further increase its business operations and help bring affordable, accessible, and quality care to many more people in the future.

Scope

This tax strategy complies with the tax strategy publication requirements introduced in paragraph 22(2) of Schedule 19 of the Finance Act 2016 by the United Kingdom for the financial year ending December 31, 2022, and applies to Babylon Holdings Limited (Babylon), and any other entity controlled by Babylon doing business in The United Kingdom.

Our approach to risk management and governance arrangements in relation to UK taxation

Babylon is committed to complying with all its tax obligations and has taken reasonable steps to mitigate any tax risks which inevitably exist in large complex businesses. While Babylon accepts that no organization of our size and complexity will ever have zero inherent tax risk, we believe that appropriate controls are in place to reasonably reduce and address any risk or uncertainty which may arise.

The tax operating principles and guidelines governing the management of our tax affairs are fully aligned with the Group's wider commercial, reputational, and business practices and are consistent with our commitment to our core values and behaviours (appendix 1).

To limit risk and ensure diligent compliance, advice is sought from external professional tax advisors where appropriate. Advisory and technical tax support is provided by major accounting and financial advisory firms to support our key decision making.

Attitude towards tax planning

Babylon is an ambitious company driven by its values and behaviours. These underpin the Group's attitudes in all parts of the business, including Tax. We engage in tax planning that supports our business growth, objectives and reflects these values to the best we can.

Tax planning measures are always in line with the tax legislation in the UK and all other jurisdictions in which Babylon operates, with a low risk of non-acceptance by all relevant Tax Authorities. Advisors are engaged for key projects and decisions in order to ensure our tax planning, risk management and compliance are as thorough and prudent as possible.

Appetite and attitude towards risk

Overall, Babylon has a low appetite for tax risk and considers it in the context of all other risks when evaluating major decisions. This includes financial, reputational, commercial, and legal risk. Babylon makes decisions based on all relevant risks to mitigate any potential exposure or damage to the Company.

In circumstances where Babylon undertakes transactions which entail significant tax uncertainty we seek expert professional advice, and may also seek tax clearances from the relevant authorities where appropriate.

Dealing with Tax Authorities

Having entered the UK large company threshold last year, Babylon hopes to be appointed with an HMRC Customer Compliance Manager (CCM) in the near future in order to assist the Company with any tax issues or uncertainties it wishes to address. This will also enable us to establish a clear and direct line of communication with HMRC. Having a CCM will allow us to continue our growth trajectory, while also helping us minimise and address any associated tax risks or issues that the Company may face.

In previous communications with HMRC, Babylon has always sought to be open, transparent and honest with the information presented on a timely and accurate basis.

We intend to discuss with HMRC any material tax issues or uncertainties if and when required in order to maintain an open and transparent relationship, as well as mitigate any tax risk that may arise as a consequence. In our discussions we would present HMRC with all and any information they would require.

Appendix 1 – Our values and behaviours

Our values

At Babylon it is our policy to conduct all of our business in an honest and ethical manner. Our Values outline the standards and behaviours that Babylon upholds as a company.

Dream big. We have a big dream - to put an accessible and affordable health service in the hands of everyone on Earth.

Build fast. We are not just idealists with big ideas. We take those ideas and are relentless in making them happen, as fast as we can. Scale and speed go hand in hand.

Be brilliant. Why be good when we can be brilliant? We pay attention to the small things that make the difference, but never lose sight of the bigger picture. We aim to exceed expectations every time.

Our behaviours

Compassion. We care about everybody, because we believe that everyone matters. No drama. No politics. It's that simple.

Inclusivity. We collaborate. With insiders and outsiders. The intelligence of many always beats that of a few.

Creativity. Curiosity does not kill, it creates. We are always questioning, never satisfied with the status quo. We are unrelenting in dreaming up new solutions.

Tenacity. We aim high. Our members are our priority. And we won't stop until we've done what they need us to do.

Positivity. We are entrepreneurs, and entrepreneurs by nature are optimistic. We say yes, because yes is what gets us places.

Ownership. We take responsibility. We're self-starters and problem solvers. We don't pass it on, we own it.