

VNV Global portfolio company Babylon aims for profitability with asset sale, capital raise and simplified capital structure

VNV Global portfolio company Babylon (NYSE: BBLN) has today announced that it has received USD 80 mln in a private investment in public equity (the “PIPE”), see the company’s press release [here](#). The offering is expected to close November 3, 2022. VNV Global has committed to fund USD ~20 million at a price of USD 0.42122 per share alongside Kinnevik and others.

On October 12th 2022, Babylon announced that it intends to sell its Independent Physician Association (IPA) business, including Meritage Medical Network, which it grew from USD 111 mln in 2021 revenue to over USD 400 mln in estimated 2022 revenue. Babylon has initiated the formal sales process, with a view to completing the sale in early 2023. Proceeds from sale are expected to provide sufficient capital for Babylon’s funding requirements through profitability.

The company has also announced the implementation of a reverse share split before the end of the year which will result in shares being consolidated at a ratio within the approved range of 15:1 to 25:1. Furthermore, the company will transition its public reporting and governance from foreign private issuer to U.S. domestic reporting company standards in 2023.

Finally, Babylon has announced that it plans to continue simplifying its capital structure, which it began in June 2022 by completing the exchange offer for all of its outstanding public and private warrants for Class A ordinary shares. In addition, Babylon intends to collapse its two-class share structure into one, whereby each Class B ordinary share is expected to be converted into one Class A ordinary share. This planned change will not be economically dilutive to any shareholder, and following the change, no shareholder will hold enhanced voting rights.

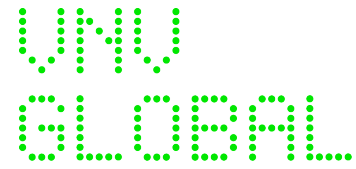
Per Brilioth, CEO and MD of VNV Global and board member at Babylon, said:

“Babylon’s equity raise and future sale of its IPA asset will eliminate the financial uncertainty associated with the company ever since its listing last year did not provide the company with the planned funding. The current decisive actions of the company will yield a fully funded company with a simple US-focused corporate structure including a NYSE listing enabling it to continue being a highly scalable, rapidly growing global leader in digital health with an increasing focus on the US value-based care space. We are very impressed with what Ali and team have built since we first invested in 2017 and are happy to invest more capital into Babylon believing that the current price provides our shareholders with an exceptional risk-reward.”

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About Us

VNV Global brings together patient capital and network effect businesses to achieve the scale that drives profitability over the long term. We are opportunistic investors in business models that build strong moats. The common shares of VNV Global are listed on Nasdaq Stockholm, Mid Cap segment, with the ticker VNV. For more information on VNV Global, visit www.vnv.global.

Attachments

[VNV Global portfolio company Babylon aims for profitability with asset sale, capital raise and simplified capital structure](#)