

REFINITIV

# DELTA REPORT

## 10-K

SHARECARE, INC.

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	4618
CHANGES	340
DELETIONS	2095
ADDITIONS	2183

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended **December 31, 2022** **December 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: 001-39535

**SHARECARE, INC.**  
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

08-1365053

(I.R.S. Employer Identification No.)

255 East Paces Ferry Road NE, Suite 700  
Atlanta, Georgia

(Address of Principal Executive Offices)

30305

(Zip Code)

(404) 671-4000

(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
Common Stock, Par Value \$0.0001 per share	SHCR	The Nasdaq Stock Market LLC
Warrants, each warrant exercisable for one share of common stock, each at an exercise price of \$11.50 per share	SHCRW	The Nasdaq Stock Market LLC

Securities registered pursuant to section 12(g) of the Act: **None.**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See 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 checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

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

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

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

The aggregate market value of the common equity held by non-affiliates of the registrant as of **June 30, 2022** **June 30, 2023**, the last business day of the registrant's most recently completed second fiscal quarter, was **\$473,400,678** **\$624,039,437** (based on the closing sale price of the registrant's common stock on that date as reported by The NASDAQ Stock Market LLC). Shares of common stock beneficially owned by each executive officer, director, and holder of more than 10% of the registrant's common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of **March 24, 2023** **March 22, 2024**, there were **356,222,245** **358,572,273** shares of the registrant's common stock, par value \$0.0001 per share, outstanding.

#### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for its **2023** **2024** Annual Meeting of Stockholders, which will be filed with the United States Securities and Exchange Commission within 120 days of **December 31, 2022** **December 31, 2023**, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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## Part I

### ITEM 1. BUSINESS

Unless the context otherwise requires, "we," "us," "our," "the Company" and "Sharecare" refer to Sharecare, Inc., a Delaware corporation, and its consolidated subsidiaries.

#### Overview

We are a leading digital healthcare platform company that helps members consolidate people access, navigate and manage various components of unify resources to improve their health and well-being in one place, regardless of where they are on in their health journey. Our health comprehensive and well-being data-driven interoperable ecosystem unifies the elements of is designed to help people, providers, employers, health plans, government organizations, and communities optimize individual and community health so everyone can live better, longer across the dynamic continuum of their healthcare needs. We are driven population-wide well-being by enabling positive behavior change. Driven by our philosophy that we are "All Together Better" as well as our goal "all together better," at Sharecare, we are committed to turn supporting each individual progress into community transformation, through the lens of their personal health and ensuring high-quality care is more accessible and affordable for everyone.

Our digital first ecosystem is centered on the person. We believe everyone's health and well-being is inherently interconnected. Just as a person's physical health is inextricably linked to their mental and emotional health, an individual's health is also connected to a greater collective that includes their employer, providers, insurers, colleagues, family, friends, and local communities. However, these groups have historically remained very disconnected with various stakeholders providing potentially hundreds of fragmented point solutions, each addressing only one or two specific health-related objectives. By integrating fragmented point solutions and bringing together disparate stakeholders across the entire healthcare ecosystem into one connected, interoperable virtual care platform, we believe that we can fulfill the role of a unifier and leverage smartphone technology to foster a frictionless user-friendly experience that engages people across the dynamic continuum of their healthcare needs. We have built our platform into what we believe is the most comprehensive and seamless experience currently available in the digital healthcare space.

Our platform offers an accessible, interactive, personalized and rewarding environment that aims to transform user engagement with their healthcare from episodic to everyday. The platform provides a single destination for people, patients and caregivers to access quality and clinically reviewed content; digitally connect with other patients, community members and healthcare professionals; and adopt action plans provided by healthcare professionals from top institutions. Centralized within its this dynamic digital platform, we provide health assessment and wellness tools and population health services to create personalized action plans, improve productivity and reduce health-related costs. We Our tools foster improved adoption, engagement, navigation and utilization of benefits, ratings, and downstream outcomes for different populations, including specific

configurations and connected experiences for Commercial, Medicaid, Medicare Advantage (MA), and dual eligible populations. For example, our WeCare platform offered by Sharecare platform aims to transform the Medicaid experience to deliver comprehensive care designed specifically to address the unique social risks, technical literacy, and financial stressors and resource needs exhibited by Medicaid populations across and within markets, accelerating health outcomes and equity for those who need it most.

Leveraging these same digital technologies and infrastructure with connected high touch, in-home and transitions of care programs, Sharecare is also able to participate in risk- and value-based care arrangements with physicians, providers and payviders, including patient engagement ecosystems designed for care gap closures and accelerating health and well-being between provider touch points. Additionally, we also provide physicians hospital systems and physician practices with value-based care arrangements through the use of various tools geared towards identifying care gaps, patient engagement and billing efficiencies. Additionally, we provide secure, automated release of information, electronic medical record archiving and business consulting services to streamline the medical records process for both patients and medical facilities, facilities, enabling risk adjustment that ties to advancing ratings, reimbursements, and patient access.

Sharecare also yields strong return on investment performance on behalf of its life sciences and pharmaceutical partners through consumer acquisition campaigns that utilize data-driven and contextual lead generation, sponsorships, audience targeting and condition-specific marketing. Finally, we support care through our network of home caregivers and nurses. We deliver value via our provider, enterprise, and life sciences channels. The consumer solutions channel (as referenced in previous filings) was renamed the life sciences channel in January 2022 in order channels, enabling strong activation and programmatic strategies that can be pivoted to more accurately portray the customer base of the channel.support patient and member enrollment, activation, and retention across Sharecare segments.

Since the Sharecare platform was launched in 2012, it has grown to approximately 80,000 employer clients, 12.1 million 12.5 million eligible lives, and 6,000 8,000 hospitals and physician practices.

#### Business Combination

Falcon Capital Acquisition Corp., our predecessor company ("FCAC"), was incorporated as a Delaware corporation on June 5, 2020 for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more operating businesses. On July 1, 2021, FCAC consummated a business

combination (the "Business Combination") pursuant to terms of the Agreement and Plan of Merger, dated February 12, 2021 (the "Merger Agreement"), by and among FCAC, FCAC Merger Sub Inc., a wholly-owned subsidiary of FCAC ("Merger Sub"), Sharecare, Inc., a Delaware corporation ("Legacy Sharecare"), and the stockholder representative. Immediately upon the completion of the Business Combination and the other transactions contemplated by the Merger Agreement, Merger Sub merged with and into Legacy Sharecare with Legacy Sharecare surviving the merger as a wholly-owned subsidiary of the Company (as successor to FCAC). In connection with the Business Combination, we changed our name from "Falcon Capital Acquisition Corp." to "Sharecare, Inc." and Legacy Sharecare changed its name to "Sharecare Operating Company, Inc.," and we continued the listing of our common stock and public warrants on The Nasdaq Stock Market LLC ("Nasdaq") under the symbols "SHCR" and "SHCRW," respectively. See the section entitled "SPAC Transaction" in Note 1 to Sharecare's consolidated financial statements included elsewhere in this Annual Report on Form 10-K for additional information about the Business Combination.

#### Our Strengths

**Comprehensive Platform. Platform.** Designed to help individuals, workforces and communities optimize their holistic well-being, our interoperable platform is based on human centered design principles and integrates fragmented point solutions and disparate stakeholders that provide a single place for members to interact with all features and services offered by us and our partners to foster a frictionless user-friendly experience. Moreover, our platform has both a flexible infrastructure and is scalable and configurable, which allows us to meet the different and evolving needs of our clients. The This consolidation of capabilities allows us to not only improve the individuals experience and increase their engagement, but also to reduce the overall cost for our customers to provide these services to their populations. Additionally, the flexibility and adaptability of our platform infrastructure also allows us to white label products when appropriate, as well as partner with, and seamlessly integrate, third-party solutions into our ecosystem to promote a high degree of awareness, engagement, and outcomes through an integrated flow of data.

**Large, Well Established Clients.** We have a large, diverse and well-established client base — including large health plans and other managed care organizations, Fortune 100 companies, health systems, and large public sector clients— which we believe provides us with significant existing revenue opportunity from signed contracts, and opportunity to increase penetration of our products and services and optimize member engagement and enrollment.

**Diverse Product Portfolio.** We have a diverse portfolio of products and solutions that are marketed to a variety of users within our enterprise, provider, and life sciences channels. We believe that the diversity of these offerings, together with our ability to bundle them into a comprehensive and integrated platform, provides compelling value over other digital health platforms or point solutions that are focused more narrowly on one or two specific health-related needs. Our portfolio of products also offers members clinical connectivity through various incorporated touch points to healthcare systems and/or to providers and enables us to offer tailored and personalized tools, including the ability to interact directly with family and clinical advocates and lifestyle management and disease management coaches on our platform.

**Value of Technology, Innovation and Data.** We derive significant value from our proprietary technology platform that leverages an innovative architecture and data aggregation capabilities to give members a hyper-personalized experience. Through our platform, we offer a portfolio of privacy-first API technologies and AI software services to drive personalization of our digital assets and create improved value for members. Our single robust platform, designed to service all our stakeholders, including consumers, health plan members, employees, Medicaid populations, Medicare populations, provider groups, health systems, and Blue Zones Project sites/communities, is built on an advanced, multi-tenant enabled technology stack that uses the latest design patterns for scale and flexibility.

Our data architecture enables us to ingest substantial amounts of multivariate data sets, such as eligibility, claims, biometrics, and social determinants of health data, from multiple sources in near real-time. The value we can provide to members from the quality and quantity of our data (more than 1.8 petabytes) **30 Terabytes (TB)** uniquely positions us to scale, commercialize, contextually intervene, and materially engage members.

**Comprehensive Content Library.** We have a comprehensive library comprised of original material as well as content from more than 180 organizations (including the National Institutes of Health, Centers for Disease Control/CDC, and the American Diabetes Association, among others). We perform medical review of published content at two-year intervals, but often more frequently, to ensure accuracy, timeliness and relevance. Performing reviews on this schedule is also consistent with our NCQA Wellness and Health Promotion and Disease Management accreditation standards. The size and quality of our content library allows us to deliver highly personalized content to our members, which drives engagement and builds trust.

## Growth Strategy

**Expand our Footprint and Existing Client Relationships.** We believe that our current client base represents a small fraction of potential clients that could benefit from our highly differentiated solutions. We also believe that there is significant opportunity to generate growth by maintaining and expanding our relationships with existing clients, including:

- increasing engagement and enrollment of eligible members at our existing enterprise clients;
- facilitating intervention with Sharecare+, our high-touch, digital-first advocacy driving high quality experience, care, and value support;
- promoting our marketplace of existing targeted digital therapeutics to close gaps in care in high-cost areas (with incremental fee per enrollee); and
- expanding our relationships with our top 25 provider clients with an opportunity to extend our provider products and services to more than **8,500 10,500** additional healthcare sites.

**Continue to Grow the Capabilities of our Platform.** We are constantly evaluating the marketplace for ways to broaden and enhance our client and member experience, improve clinical results and increase revenue through product innovation, partnerships and **acquisitions.** For example, during **2022 2023** we **introduced Sharecare+,** developed our **whole** Medicaid solution, a comprehensive and real-time view of all eligible benefits through a simple AI chat interface, including dynamic financial balances, seamless access to digital therapeutics, one-click geo-location service to navigate the member to the most appropriate resources and care, a comprehensive health payor-agnostic advocacy solution that seamlessly layers on top of our flagship digital engagement platform **profile across claims, biometrics, and care teams, and the ability to seamless schedule in-home interventions offered by the health plan designed to help health plans and self-insured**

**employers increase efficiency, productivity, and quality, and reduce cost of care while making members and employees and their families happier, healthier, and more productive. We specifically for the Medicaid population. In addition, we** believe that our proven track record of successful acquisitions coupled with the flexibility and capabilities of our platform positions us to continue opportunistically pursuing attractive M&A opportunities. We intend to continue to look for opportunities to leverage our platform and expertise to provide first-mover solutions to evolving and future demands in the digital healthcare industry.

**Evolving Products to Cater to an Evolving Industry.** As the digital healthcare industry grows, we closely monitor evolving consumer trends and organizations' needs so that we may adapt our platform to better suit our clients' demands. Since March 2020, the COVID-19 pandemic greatly accelerated the demand for virtual care solutions and resulted in rapid growth and increased adoption of digital health technologies, which we were well positioned to undertake.

## Our Channels

Focusing on the individual, we aim to provide a solution that is more comprehensive than other digital platforms by bringing together scientifically validated clinical programs and engaging content to deliver a personalized experience for our **members, whether they come to us by way of the workplace, the exam room, or the living room. members.** Strategically and intentionally building on this concept, our business is structured across three primary channels: enterprise, provider, and life sciences. While we are focused on the individual's unique experience, our platform is purpose-built to seamlessly connect stakeholders to the health management tools they need to drive engagement, establish sustained participation, increase satisfaction, reduce costs, and improve outcomes, regardless of entry point.

### Enterprise Solutions

Our enterprise solutions are based on a software-as-a-service ("SaaS") model that allows enterprise **clients customers** to message, motivate and manage their populations, and measure their **populations'** progress, through one platform. Our enterprise **clients customers** can leverage our scientifically validated clinical protocols and personalized approaches, which drive high-impact engagement to achieve measurable outcomes and close gaps in care for their populations. With our tech-enabled home care we are able to further support high-touch and high-tech care across the entire care continuum. Our enterprise clients include a range of stakeholders, from large employers and health systems to government agencies, **managed care organizations** and health plans, that use our digital platform to engage with their populations, dynamically measure the impact of that engagement, and efficiently deliver health and wellness services. We generate revenue from our enterprise clients by providing access to our **core** digital platform on a per member, per month basis with incremental fees charged per enrollee for access to our marketplace of digital therapeutics.

### Provider Solutions

We offer providers a suite of data and information-driven solutions that are tailored to improve productivity and efficiency and enhance patient care and management while upholding the latest compliance, security and privacy standards. We have integrated a range of capabilities and introduced new services to support providers in a number of ways, and our current offerings include:

- Health Information Management: Automates health record requests, using a simple and efficient consent-based record access management solution.
- Value-Based Care: Enables providers and health systems to participate in value-based care arrangements by providing capabilities to identify care gaps, accurately document diagnoses, engage patients between visits and improve billing documentation; provides quality reporting solutions that help providers, practices, and systems measure their practices' performance and success with value-based programs; and helps our clients navigate complex requirements, improve quality scores and measure performance which in turn, increases their reimbursement and quality earnings.
- Payment Integrity: Employs advanced analytics, AI, and process automation to support improvements in payment integrity for providers, payors and patients; and works with payors to defend against fraud, waste and abuse while helping providers with denial prevention issues.
- Chronic Condition Intervention: Helps providers identify eligible patients for diabetes and obesity management solutions and other chronic care conditions; and gives providers confidence that these services are covered and billable, as well as the convenience of digital prescriptions integrated into the provider workflow.
- Digital Patient Platform: Consolidates patients' healthcare data into one place; provides the connectivity to generate care gap reminders that are seamlessly integrated into the patient's digital healthcare journey.

We generate revenue from serving requestors across the ecosystem of payors, life, legal, patient and government as well as in the work we do serving our provider clients based on the volume of health document requests and through subscription fees for various technology based and other related services. Subscription fees are recognized ratably over a one- to three-year contractual period with the opportunity to sell additional solutions at any time.

### Life Sciences (formerly Consumer Solutions)

In January 2022, our consumer solutions channel (as referenced in previous filings), was renamed the life sciences channel in order to more accurately portray the customer base of the channel.

Our life sciences offering is a robust platform and suite of digital products and medical expert knowledge that provides members with personalized information, programs, and resources to improve their health and well-being. In support of pharma and other consumer consumer brands, Sharecare drives significant patient engagement across our consumer audiences using a unique library of content. The newest life sciences innovations from Sharecare for 2023 marketing campaigns include Vital Voices, Rare Disease Population Perspective, Life Unscripted, Oncology Roadmap, Patient Connect, Inside Out Myth-Information and Care Collective. Point-of-Care Network solution. In addition, the life sciences division provides support across the broader health & wellness eco-system through its acquisition and marketing expertise.

To drive awareness, adoption and engagement on behalf of our partners, we have created a comprehensive strategy to reach the member through a unique mix of member outreach, including social media, search engine optimization and combined with marketing and precision audience targeting. targeting using Zero Party Health Data. We generate revenue from our life sciences clients through products such as lead generation, sponsorships, audience targeting and condition-specific content.

### Our Platform

Our platform begins with RealAge, which is a NCQA-certified health assessment that uses scientifically-based scientifically based methods to assess a variety of behaviors and existing conditions of our members and provide them with an easily understandable metric for their physical health. With approximately 45 million 48 million individuals completing the assessment since its inception in 1998, RealAge delivers immediate results and recommendations about how to improve a member's health and also identifies behaviors, both positive and negative, that may be impacting it. Using RealAge as a person's baseline, our algorithms power a data-driven dialogue with the member, creating a content-rich, personalized experience that presents them with relevant benefits programs, resources and providers for those needing healthcare and well-being support. As members change their behavior, the platform refines its predictive analytics to provide increasingly compelling recommendations.

Through our digital platform we are able to gain key insights into each member's health gleaned from self-reported data, in addition to data from the smartphone, eligibility and claims, social determinants of health, and, in some cases, medical records. This data is then analyzed, with each member's permission, to recommend personalized resources, tools, information and programs that meet each person where they are in their healthcare journey. Through our platform, members can store and access all their health data in one place, navigate their benefits and access personal family and clinical advocates through our high-touch digital-first advocacy solution Sharecare+. We then provide the resources members need to manage their health through lifestyle or disease management and coaching programs, such as diabetes management and smoking cessation; well-being solutions, such as financial health and anxiety management; and care navigation tools, such as find-a-doctor, prescription savings, clinical decision support and medical records. Our product design philosophy uniquely positions us to drive meaningful engagement while also aggregating a critical mass of behavioral data, to which we apply AI to more accurately personalize recommendations to predict and influence positive outcomes for each individual. We drive AI-based insights to deliver personalized experiences and improved outcomes through extensive and proprietary 360° data on physical, mental, behavioral, financial and community health factors.

Beyond our offerings that focus on individual health and well-being, our platform also provides customized and innovative health data services to provider organizations around the country, helping them become more profitable, productive and secure. Our key product offerings are summarized below, many of which are owned by Sharecare. However, we have adopted an approach of partnering with best-in-class solutions and integrating them into our platform as an additional benefit to our enterprise clients. As a result, some of the digital therapeutics and other tools we offer are subject to agreements and arrangements that we have in place with third-party marketplace solution providers.

### Key Capabilities of Our Flagship Platform

**Digital Benefits Navigation.** Within the Sharecare platform, benefits navigation provides a centralized location for medical, dental, vision and prescription benefits, medical authorizations, spending accounts and digital wallet.

**Daily Health Tracking.** With RealAge as our baseline, we motivate members to engage in their health by tracking their "green days," the proprietary health currency we use to measure their daily progress towards the 13 critical health factors that impact one's RealAge the most: weight, stress, smoke, sleep, relationships, medications, fitness, diet, cholesterol, blood pressure, steps, glucose and alcohol. Over time, members are prompted to recalculate their RealAge to see how much they have improved their health.

*Engaging, Flexible Challenges.* Designed to impact the core health factors that influence the health and RealAge of our members, our challenges are time-based programs focused on driving engagement throughout the platform. Enterprise clients can create

customized challenges specifically targeted for their populations and members can track their progress against others in the community via a leaderboard.

*Health Profile.* Through our health profile, a personal health record, serving as a living, breathing, evolving story of a member's health, members can follow their own health journey. Controlled by the member, the health profile is one place for individuals to store and access their biometrics and health data at any time.

*Lifestyle Risk Program.* Upon completion of the RealAge test, members can begin participating in the RealAge program, our comprehensive healthy behavior program that targets four main categories of lifestyle risks: stress; sleep; nutrition; and activity personalized to the individual based on risk level for each lifestyle category gleaned through RealAge test responses and stated interests.

*Rewards and Incentives.* Designed to motivate engagement and drive behavior change that leads to improved health outcomes, we designed our rewards approach based on proven behavioral science principles that drive member engagement. Focusing on strategic activities and rewards that are tailored to the individual and easy to understand, we use personalized content and communications to educate and engage members to sustain participation over time. Reward activities are configurable by population to support key objectives like increased engagement or cost savings. Initial and sustained engagement focused activities are available, as well as those that meet participatory or outcomes-based requirements.

*Symptom checker.* AskMD is a personalized health consultation and comprehensive symptom checker that matches member answers against the latest clinical research to help members take ownership of their health and be better informed before visiting the doctor.

*Sharecare+ advocacy.* Sharecare+ is a digital-first, precision advocacy solution that engages individuals and families in their holistic well-being journey. By providing direct, simplified access to all their benefits and expert high-touch support from professional advocates to easily navigate the full scope of their healthcare needs on their terms, members can more easily and effectively manage their health experience—whether that is a chronic condition, helping address mental health challenges, navigating complex benefits, finding the right doctor, understanding a claim, navigating to the right care, managing overall lifestyle risk, or just learning healthier habits. Seamlessly layered on top of our flagship digital engagement platform, Sharecare+ is designed to help health plans and self-insured employers increase efficiency, productivity, and quality, and reduce cost of care while making members and employees and their families happier, healthier, and more productive. Sharecare+ and our advocates help members find what they need, when they need it.

*WeCare by Sharecare.* WeCare by Sharecare is designed specifically for Medicaid populations and fosters improved adoption, engagement, navigation and utilization of benefits, ratings, and downstream outcomes, personalized for each member and their unique needs. The experience facilitates integrated informatics across disparate data ecosystems and activates and engages users with a digital-first solution to deliver simple and real-time access to all eligible benefits, designed specifically for the Medicaid population.

*VSA.* Vacation spending account, or VSA, is a vacation spending benefit that gives members access to special member rates and travel perks to promote travel, new experiences and improve well-being. Studies show that travel can reduce heart disease risk and lower stress, among other mental health benefits, and the VSA benefit helps employers promote vacation travel so members can go further.

#### **Digital Therapeutics Marketplace**

An array of value-added proprietary and partner-powered solutions that integrate directly into our flagship platform are available for enterprise and provider clients to purchase for their populations.

*Behavioral Health.* Beyond the free content and resources available through the Sharecare platform to help people address a range of behavioral health challenges, including guided meditation and relaxation exercises, we offer several digital therapeutics to aid in anxiety and stress management, tobacco and vaping cessation and overeating that consumers may purchase directly or enterprise clients can “unlock” and sponsor for those in their own populations.

*Diabetes and Diabetes Prevention.* As the first end-to-end turnkey diabetes care and glycemic management program for health systems and physician groups, we integrate personalized high-touch interventions with high-tech products to improve the management of people living with diabetes across the care continuum. Our proprietary content, developed by clinical and operations specialists, is designed to ensure patient and professional education **adhere adheres** to the latest standards of care and evidenced-based best practices and is coupled with FDA-cleared digital therapeutics for diabetes management optimization. **Our mindfulness-driven Diabetes Prevention Program (DPP) offers our next generation mindful eating and weight loss**

**program, Eat Right Now, which takes a whole human approach, addressing both mental and physical factors to reduce craving-related eating and foster sustainable, positive eating habits that stick over time.**

*Disease Management.* Using a combination of advanced disease algorithms and proprietary predictive risk models, we analyze medical and pharmacy claims, procedure and eligibility data to appropriately identify individuals with primary chronic conditions, such as diabetes, coronary artery disease, heart failure, chronic obstructive pulmonary disease



and asthma. Individuals who are currently, or at near-term risk of, high healthcare utilization are then targeted for proactive outreach and intervention through the Sharecare platform.

**Heart Disease.** The first and only program scientifically proven to reverse the progression of heart disease, Ornish Lifestyle Medicine focuses on four key areas: eating; stress; love and support; and activity. We provide a multi-platform approach to train and certify health systems in effectively providing the Ornish Lifestyle Medicine program to their patients.

**Lifestyle Coaching.** We actively target and engage individuals who are at risk for developing a condition and, through the support of a personal coach, teach them how to take healthy steps to change behavior. Personalized to the participant, the

program is designed to address areas that contribute to overall physical health and well-being, such as exercise, healthy eating, stress management, tobacco cessation, and weight management.

**Digital Therapeutics Through Partnership.** In addition to our owned digital therapeutics, we utilize partnerships to enhance our offerings on our platform through a seamless member experience. For example, we currently partner to bring a suite of applications that support women and their partners throughout the parenthood journey including fertility, pregnancy and parenting. In addition, while our platform already includes assessments, educational content, and tools to help members take action to mitigate financial stress and step into financial wellness, we also offer members access to SmartDollar, a leading online financial wellness solution that helps people get on a budget, save for emergencies, pay off debt, and save for retirement. wellness. Through partnership we can also help enterprise clients deliver their populations an evidence-based solution for preventing and improving musculoskeletal issues.

**Get Active.** Sharecare recently launched Get Active, a new program to help employers encourage exercise among their workforces in a fun, approachable, and accessible way, using the immersive power of virtual reality (VR). In a pilot with its customer Lennar Corporation, one of the nation's leading homebuilders, Sharecare's Get Active program for Meta Quest 2 yielded strong engagement and significant increases in average weekly exercise minutes compared to pre-program for both healthy and high-risk participants.

### Community-Driven Care Solutions

At Sharecare, just as we are guided by our mission to help every person — no matter where they are in their health journey — live longer, better, we also are fiercely committed to ensuring the healthy choice is the easy choice across the places where people work, live, play and stay.

**Blue Zones Project.** Our Blue Zones Project is a community well-being improvement initiative in partnership with Adventist Health designed to change the way people experience the world around them by encouraging and promoting better lifestyle choices, such as commuting, eating and social habits. Because healthier environments naturally nudge people toward healthier choices, Blue Zones Project focuses on influencing the Life Radius®, the area close to home in which people spend 90% of their lives. Our 75 communities across 15 states have populations with greater well-being, improved health outcomes, reduced costs, and increased civic pride, all of which support healthy economic development.

**Sharecare Community Well-Being Index.** Based on over 4 million 5 million surveys and more than 600 elements of social determinants of health data, our Community Well-Being Index ("CWBI") serves as the definitive measure of community well-being across and within populations. A collaboration between Sharecare and the Boston University School of Public Health, CWBI combines individual risk derived from the Well-Being Index with community risk from the Social Determinants of Health Index to create a single composite measure that defines our collective health risk and opportunities.

Our data and insights on well-being inform more effective strategies that encourage the sustained lifestyle changes necessary for people to thrive and perform to their highest potential. For employers, health plans, health systems and community leaders, this holistic view of health provides the framework for understanding the underlying root causes of poor health, enabling hyper-targeted interventions that make the healthy choice the easy choice.

### CareLinx: Home Care and Nurse OnDemand

Powered by its extensive national network of over 500,000 background-checked, background checked, tech-enabled caregivers, CareLinx by Sharecare delivers intermittent on-demand personal care services in people's homes, while leveraging mobile technology to facilitate rich data capture, population health analytics, and the enabling of real-time care coordination with remote clinical teams. CareLinx provides services across the continuum of care, including non-medical, companionship and housework, and personal and clinical care. care through its facility staffing service line. In addition to supporting members with Activities of Daily Living ("ADL") such as bathing, dressing, grooming, meal preparation, light housekeeping, and more, CareLinx's professional caregivers also help to identify risks or needed resources in the home — from food insecurity to unhealthy living conditions. Through comprehensive and seamless data integration with health plans, CareLinx by Sharecare assists members in closing gaps in care while supporting chronic condition management, care coordination, and transitional care management to reduce readmissions and help members remain healthy at home longer. Carelinx by Sharecare has built offerings for MA In Home Assessments that integrate the required accurate diagnosis process within the required care continuum.

CareLinx, through Nurse OnDemand, their HCP Staffing business line, leverages our established nationwide network of tech-enabled nursing professionals for on-demand dispatch and medical staffing to better serve patients wherever they are, at-home or within healthcare facilities. Our nurses leverage technology that facilitates patient health data capture, population health analytics and the enabling of real time care coordination with remote clinical teams.

## Sales and Marketing

We sell our solutions through our direct sales organization and through partner relationships. Our direct sales team is comprised of sales professionals organized into one of three channels: enterprise; provider; and life sciences. Within each of these categories, our direct sales team is organized principally by **channel**, geography, segments, and/or account size. Our enterprise and provider contracts range in length from one to five-year terms with most renewing automatically, and typically subject to cancellation by either party upon 90 days' notice prior to the renewal date. These agreements contain standard commercial terms and conditions, including payment terms, billing frequency, and indemnification. The sales cycle for our solutions from initial contact with a potential client to client launch is difficult to predict and varies widely by client and segment, ranging from less than six months to well over a year.

## Our Technology

Our "flagship" platform includes a single mobile application available on iOS, Android and the web as well as a suite of infrastructure and business services hosted in the Amazon Web Services, or AWS, cloud.

Designed as a mobile-first, scalable, configurable and easy to operate platform, we are purpose-built with enterprise-grade framework, uptime guarantees, processes, and organizational structures; and optimized for developing new services and features, change management, incident management, management of services, members and clients, and new client implementations.

To provide high levels of availability and enhance security, our system designs involve redundant subsystems and compartmentalized networks. To ensure compliance with privacy and security regulations as well as our obligations to our clients and members, we implement industry-standard processes and technical controls from software development to deployment and network administration, including regularly scheduled vulnerability scans and third-party penetration testing to reduce security risks in our system. On an annual basis, we also undergo independent, third-party ISO27001, HITRUST, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and SSAE 16 audits. Our systems are continuously monitored to ensure availability and we have institutionalized problem escalation and **incidence incident** management mechanisms.

## Competition

Our primary competitors in the digital healthcare industry are other health tech companies that serve the needs of members across a broad set of health-related needs and are not limited to a single demographic. These digital health companies generally fall into one or more of the following platform types:

- **Wellness/Well-being** platforms that provide a range of solutions to support the wellness/well-being of their members, including health risk assessments, incentive administration, coaching and support programs for lifestyle and disease management, biometric screening, health and wellness challenges and activity tracking and other health-related content.
- **Benefits Navigation** platforms that provide solutions to help members navigate their health benefits programs, including solutions that integrate third party benefits information, tools for managing health spending accounts and other digital wallet offerings, guided benefits enrollment and other communications tools to make navigation of benefits more accessible for members.
- **Health Navigation** platforms that provide offerings to help members navigate their personal healthcare journey, including health concierge and advocacy services, home care, coordination of care and decision support, and solutions to help members access care, ensure price transparency and provide claims-driven personalization.

We also face competition from many other vendors in the digital healthcare space offering point solutions addressing only one specific aspect of a person's health. These point solutions may either be offered on a standalone basis or incorporated into larger digital healthcare platforms, like us, through partnership arrangements. We expect to face increasing competition, both from current competitors, who may be well established and enjoy greater resources or other strategic advantages, as well as new entrants into our market, some of which may become significant competitors in the future. With the introduction of new technologies and market entrants, we expect the competitive environment to be and remain intense.

## Employees and Human Capital Management

As of **December 31, 2022** **December 31, 2023**, we had **3,485** **3,352** employees worldwide, including approximately **309** **238** nurses, clinicians and health coaches, as well as contract and part-time employees who are working less than 40 hours a week. Of our total employees, **2,530** **2,187** reside in the United States and **955** **1,165** in other countries, such as **Brazil, France, Germany**, India and the Philippines. None of our employees are unionized or members of collective bargaining **arrangements, other than our employees in Brazil that are members of a collective bargaining agreement as required under Brazilian law, arrangements**. We believe our strong employee base, along with their commitment to our culture and uncompromising values, provides the foundation of our Company's success.

The attraction, retention, and development of talented colleagues is critical to our success. We accomplish this, in part, by developing our team members through learning, development and performance management programs. These programs include consistent new hire onboarding, new manager training, structured goal setting and annual performance management review processes as well as other customized approaches to development at the team or individual levels.

Our employees are responsible for supporting our ultimate goal of connecting **doctors, physicians**, health plans, employers, useful tools, and quality information to deliver robust solutions in an easy-to-use platform. We recognize that every employee has the opportunity to make a difference, and we have developed skill and competencies expectations to support them in meeting their full potential. In addition to their individual performance goals, our team members are measured annually in areas of communication, change management, problem solving, decision making, and conflict resolution, as well as in their ability to drive results, coach others, build trust, and act as an effective team member.

To keep our leadership team informed of the needs of our human capital assets, we track and report internally on key metrics including headcounts by functional area, onboarding experiences, colleague engagement levels and exit data.

We continue to vet and hone our organizational structure as our business evolves and accordingly, we establish new roles as needed to reflect the talent and capabilities required by our business.

Our human capital practices are governed by various federal, state and local regulations. We monitor key employment activities, such as hiring, termination and pay practices to ensure compliance with established regulations across the world.

### **Diversity**

Our diversity, equity, and inclusion objective is to be a company where each individual in our organization genuinely belongs, is respected and valued and can do their best work. We embrace diversity, equity, and inclusion. A truly innovative workforce needs to be diverse and leverage the skills and perspectives of a wealth of backgrounds and experiences. To attract a diverse workforce, we strive to embed a culture where employees can bring their whole selves to work.

As of **December 31, 2022** **December 31, 2023**, our workforce was comprised of female — 71%, minority — **36%** **31%**, disability — **4%** **6%**, and veterans — 2%. Our Executive Team of **24** **18** included **eight** **nine** females and four minorities as of **December 31, 2022** **December 31, 2023**. Our Medical Advisory Board of 20 included eight females and two minorities as of **December 31, 2022** **December 31, 2023**. **With our diversity** **Our** recruiting initiatives **we expect that we will increase our** **consider** workforce diversity, **and advance** inclusion and equity within all Sharecare divisions to create future opportunities for all colleagues.

### **Safety**

The safety and well-being of our employees is always our top priority and a primary focus of our leaders. All policies and procedures related to safety are reviewed and acknowledged by colleagues annually.

Throughout the COVID-19 pandemic, we focused on protecting the health and safety of our team members while meeting the needs of our clients. Within weeks of the start of COVID-19 pandemic, we moved approximately 90% of our office-based team members to a work-from-home model with minimal impact to productivity. We immediately created, and have continuously evaluated and amended, protocols and guidelines to ensure the health and safety of our employees. We continue to provide flexibility to our team members to work from home and make decisions appropriate for their circumstances.

### **Benefits**

Our compensation program is based on our philosophy that total compensation should support the Company's mission and values. We believe our compensation program is a management tool that when aligned with an effective communication plan, is designed to support, reinforce and align our values, business strategy, and operational and financial needs with a goal of growth and profitability. The program is designed to attract, motivate, and retain talented colleagues who are dedicated to the success of the organization.

In recognition of the need to employ top-tier talent, we strive to provide base salaries that meet or exceed the market for colleagues who are fully proficient and meeting expectations. The Company utilizes incentive or variable pay as a way to meet the strategic goals of the Company. Incentive pay is available to some colleagues with consideration of a number of factors and is based on individual goals that relate to company objectives as well as overall company performance. The compensation process is intended to be fair and simple so that all employees and managers understand the goals and the outcomes of the process. We are committed to administering the compensation program in a manner that is consistent and free of discrimination.

As a part of our total rewards offerings, we offer competitive benefits, evidenced-based programs and wellness tools to assist our employees in making the right choices every day, representing our commitment to employee health and wellness. We provide health, welfare and retirement benefits for our employees, including medical, health savings account ("HSA") grants, dental, vision, life insurance, short- and long-term disability, paid time off, various voluntary insurance programs, tuition reimbursement, a robust employee assistance program ("EAP"), and a 401(k) retirement plan. Our offerings are designed to enhance employee productivity and loyalty by giving our team members the tools they need to live their healthiest, happiest, and most productive lives. As a leader in digital healthcare, we have also partnered with innovators to offer added tools that address specific aspects of personal and financial health.

### **Training**

We continue to emphasize employee development and training. To empower employees to unleash their potential, we provide a range of development programs and opportunities, skills and resources. Our Learning Management System platform supplements our talent development strategies through an online portal that enables employees to access instructor-led classroom or virtual courses and self-directed web-based courses.

We have all-company competencies focused on individual contributors to front-line managers to senior managers. These competencies focus on how we coach others, drive results, problem solve and make decisions, resolve conflict, build trust, build effective teams, manage change and communicate. We believe these behavioral expectations are integrated into the way we assess and select talent, manage performance and develop our people.

We are committed to identifying and developing the talents of our next generation leaders. For colleagues who have been promoted or hired as a people manager, we conduct New Manager Essentials training within 30-60 days. This training focuses on human resource laws and regulations, wage and hour standards for hourly workers, approving timecards, basics of interviewing, such as what you can and cannot ask, performance management as a manager including managing the performance improvement plan process, and transitioning from a peer to a manager.

For our mid-level leaders, we conduct a multi-day program that continues to support our key competencies such as team building, coaching with emotional intelligence, leading through transition and change, communicating appropriately, and managing difficult situations. To supplement our leader development programs we provide a quarterly newsletter developed in-house that is focused on current topics pertinent to our business.

We partnered with LinkedIn Learning to allow colleagues to develop in their current role by expanding their knowledge in areas of interest. Additionally, we have internal training courses on topics such as: critical conversations; managing a remote workforce; how to give and receive feedback; conducting interviews; time management/prioritization; setting performance management goals; and coaching to those goals. Utilizing the experience of our own colleagues, we also have a mentoring program in place for some of our operations.

### **Intellectual Property**

Our intellectual property rights are important to our business. We rely on trademarks, patents, copyrights, trade secrets, license agreements, intellectual property assignment agreements, confidentiality agreements and other similar agreements to establish and protect our proprietary rights. Though we rely in part upon these legal and contractual

protections, we believe that the overall significance to our business is minimal, and that factors such as the skills and ingenuity of our employees and the functionality and frequent enhancements to our solutions are larger contributors to our success.

As of **December 31, 2022** **December 31, 2023**, we held **64** **47** registered trademarks in the U.S. and also held **112** **111** registered trademarks in foreign jurisdictions. In addition, as of **December 31, 2022** **December 31, 2023**, we owned a number of copyrights and registered domain names for websites that we use in our business, such as [www.sharecare.com](http://www.sharecare.com).

As of **December 31, 2022** **December 31, 2023**, we also owned a portfolio of (a) **12** **17** issued patents and (b) **25** **11** pending patent applications in the U.S. In foreign jurisdictions, we had **four** **three** patent applications and no issued patents as of **December 31, 2022** **December 31, 2023**. As noted below, we believe that the impact of our patent portfolio is relatively minimal, **(with the exception of the doc.ai patent applications discussed below)**, and that our current solutions and revenue are driven primarily by our brands (including our registered trademarks), along with our knowledge and trade secrets.

We have historically acquired a substantial portion of our intellectual property through acquisitions. Nearly all of our issued patents **before our acquisition of doc.ai (see below)** were acquired through our acquisition of the Population Health business of Healthways in 2016 and **consist** **consisted** of patents for various automated medical diagnostic and treatment advice systems, disease management systems, panel diagnostic systems and an end-of-life predictive model. The **remaining** patents acquired from Healthways expire between **2023** **2024** and **2030** **2032** and we do not believe any of them to be integral to the functionality of our existing solutions.

One pending patent application was acquired through our acquisition of MindSciences and relates to behavior change user interface response. Similar to the Healthways patents discussed above, we do not believe this patent application to be integral to the functionality of any of our existing solutions.

In connection with our acquisition of doc.ai, we further enhanced our intellectual property portfolio with the acquisition of a portfolio comprising of one issued patent, 25 patent applications (including applications in the U.S., China, and Japan) and three trademark registrations/applications in the U.S. **doc.ai's** **Doc.ai's patents and** patent applications consist of applications with respect to software and AI in the healthcare field and expire between **April 2037** **2038** and **October 2040**, **2042**.

More so than patents, we rely upon unpatented trade secrets and know-how and continuing technological innovation to develop and maintain our competitive position. However, trade secrets and know-how can be difficult to protect. We seek to protect our proprietary information by, in part, entering into confidentiality agreements and intellectual property assignment agreements with our employees and other partners. The confidentiality agreements we enter into are designed to protect our proprietary information and the agreements or clauses requiring assignment of inventions to us are designed to grant us ownership of technologies that are developed through our relationship with the respective counterparty. We cannot guarantee, however, that we have executed such agreements with all of employees and other partners, or that to the extent an agreement is in place, it will not be breached or will afford us adequate protection of our intellectual property and proprietary rights. For additional information, see *"Risk Factors — Risks Related to Legal and Regulatory Matters — Failure to protect or enforce our intellectual property rights could harm our business, financial condition, and results of operations."*

#### Licensing and Collaboration Agreements

We have historically leveraged, and intend to continue to leverage, licensing and other third-party collaboration agreements in order to expand and enhance the suite of solutions we are able to offer to our clients and members.

For example, we have entered into a license and/or collaboration agreement with respect to each of the digital therapeutic solutions provided through our suite of marketplace solutions that are integrated into our platform as discussed under *"Our Platform — Digital Therapeutics Marketplace."* Although each marketplace solution that is integrated into our platform provides an opportunity for our members to meet their healthcare needs for a particular set of health issues, these marketplace solutions together accounted for less than 5% of our total revenue for the year ended **December 31, 2022** **December 31, 2023**, and we do not believe any single marketplace solutions is critical to our platform. Moreover, we intend our suite of marketplace solutions to evolve over time as healthcare needs change. As a result, we expect to periodically pivot to additional or replacement marketplace solutions (or to develop our own solution alternatives) as existing marketplace solutions become obsolete or otherwise fail to meet the evolving needs of our members.

In addition to licensing and/or collaboration agreements with respect to our suite of marketplace solutions, certain of our other offerings are subject to licensing agreements, such as our Blue Zones Project initiative in partnership with Adventist Health. We also license various software and services from third-party providers in connection with the operation of our platform and business. See *"Risk Factors — Risks Related to Technology and Data Privacy — We rely on internet infrastructure, bandwidth providers, third-party computer hardware and software, and other third parties for providing services to our clients and members, and any failure or interruption in the services provided by these third parties or the inability to access our platform on third-party operating systems could negatively impact our relationships with clients and members, adversely affecting our business, financial condition, and results of operations."*

#### Regulatory Matters

Our business is subject to extensive, complex, and rapidly changing federal, state, and foreign laws and regulations. Specifically, our solutions are subject to extensive regulation covering the privacy and security of personal health information. Because maintaining the safety of our platform and keeping personal information secure and confidential are our most important responsibilities as a healthcare company, we have structured our operations with a focus on compliance. We continue to monitor and respond to changes in the regulatory landscape, however, there can be no assurance that our operations will not be challenged or impacted by such changes.

#### HIPAA and Other Privacy and Security Requirements

There are numerous U.S. federal and state laws and regulations related to the privacy and security of personal information, particularly protected health information ("PHI"). HIPAA establishes privacy and security standards that limit the use and disclosure of PHI and requires the implementation of administrative, physical, and technical safeguards to ensure the confidentiality, integrity and availability of PHI. We are regulated as both a business associate and covered entity under

HIPAA. In addition to HIPAA, some states in which we operate have laws that protect the privacy and security of sensitive and personal information, including health information. Such state laws can be similar to or even more protective than HIPAA, in which case we must comply with the more stringent law. We also may become increasingly subject to foreign laws governing the privacy and security of personal information, such as the General Data Protection Regulation (EU) 2016/679 (the "GDPR") as we continue to expand our business internationally. As a result, it may be necessary to modify our planned operations in order to ensure we are in compliance with the stricter state or foreign laws.

In order to comply with the requirements of HIPAA and other similar state laws, we have implemented safeguards to protect our members' PHI, including storing and transmitting PHI securely in compliance with the HIPAA Security Rule, utilizing the minimum data necessary to provide any particular service, restricting the use and sharing of PHI, limiting access to PHI to authorized personnel, maintaining training programs on how to protect PHI and ensuring business associate agreements and data sharing agreements are in place with the appropriate parties.

#### *Data Protection and Breaches*

In recent years, there have been a number of well-publicized data breaches involving the improper disclosure of individuals' PHI or other personal information. Certain states have reacted to these breaches by enacting laws and regulations requiring holders of such information to take additional steps, including responding to breaches in certain timeframes, to safeguard the information. While HIPAA requires us to report breaches of unsecured PHI to our clients no later than 60 days following discovery of the breach, our own compliance standards and the terms of our contractual agreements require earlier reporting of any such breach. We are also required to notify the U.S. Department of Health and Human Services and, in cases involving large breaches, the media.

In addition to the HIPAA compliance measures discussed above, we de-identify, encrypt and back up data, maintain company-wide security awareness training, enter into business associate agreements with our partners, as well as ensure our partners have implemented physical security and safeguards at the data centers where our data is stored and conduct regular internal and external security audits. See *"Risk Factors — Risks Related to Legal and Regulatory Matters — Our use, disclosure, and other processing of PII and PHI is subject to HIPAA and other federal, state, and foreign privacy and security regulations, and our failure to comply with those regulations or to adequately secure the information we hold could result in significant liability or reputational harm and, in turn, have a material adverse effect on our client base, member base, and revenue."*

#### *Other Healthcare Regulations*

In addition to data privacy laws, our operations and arrangements with healthcare professionals, clients and third-party payors may subject us to various federal, state, and foreign healthcare laws and regulations, including without limitation, fraud and abuse laws, such as the federal Anti-Kickback Statute; civil and criminal false claims laws; physician transparency laws; and state laws regarding the corporate practice of medicine and fee-splitting prohibitions. These laws may impact, among other things, our sales and marketing operations, and our interactions with healthcare professionals. Although we have adopted policies and procedures designed to comply with these healthcare laws and regulations, failure to maintain compliance could result in significant penalties and require changes in our business operations.

#### **International Operations**

We have our international operations in Brazil and France that provide have provided health and wellness services to corporate and health insurer clients. In Brazil, we have a 10 year our joint venture agreement with SulAmerica ("SAS"), one of the largest insurance companies in the country, under which we provide provided services to SAS and other third-party clients. Services are were delivered via our platform and local contact centers, including nursing and lifestyle management outreach for disease management, senior programs, coaching, and inbound nurse triage call lines. As of the year ended December 31, 2023, the Company ended the services contract with SulAmerica and ceased operations of Sharecare Brasil Servicos de Consultoria, Ltda. In France, we provide a tobacco cessation offering to a health insurer population. We may, in the future, expand our international operations as opportunities become available.

#### **Available Information**

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are made available free of charge on our internet web site at [www.sharecare.com](http://www.sharecare.com), as soon as reasonably practicable after we have electronically filed the material with, or furnished it to, the Securities and Exchange Commission (the "SEC"). The SEC maintains an internet site that contains our reports, proxy and information statements and our other SEC filings. The address of that web site is <https://www.sec.gov/>.

We webcast our earnings calls and certain events we participate in or host with members of the investment community on our investor relations website at <https://investors.sharecare.com>. Additionally, we provide notifications of news or announcements regarding our financial performance, including SEC filings, investor events and press and earnings releases as part of our investor relations website. We have used, and intend to continue to use, our investor relations website as means of disclosing material information and for complying with our disclosure obligations under Regulation Fair Disclosure. Further

corporate governance information, including our fourth amended and restated certificate of incorporation (the "Charter"), second amended and restated bylaws (the "bylaws"), governance guidelines, board committee charters and code of business conduct and ethics, is also available on our investor relations website under the heading "Corporate Governance." The content of our website is neither part of nor incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file with the SEC, and any references to our websites are intended to be inactive textual references only.

#### **ITEM 1A. RISK FACTORS**

We have identified the following risks and uncertainties that may have a material adverse effect on our business, financial condition, results of operations or reputation. The risks described below are not the only risks we face. Additional risks not presently known to us or that we currently believe are not material may also significantly affect our business,

financial condition, results of operations or reputation. Our business could be harmed by any of these risks. In assessing these risks, you should also refer to the other information contained in this Annual Report on Form 10-K, including the consolidated financial statements and accompanying notes included elsewhere in this Annual Report on Form 10-K.

## Risk Factors Summary

Our business is subject to numerous risks and uncertainties, all of which are more fully described in the risk factors below. These risks include, but are not limited to:

- our ability to adapt in a rapidly evolving industry and to promote and improve the benefits of our platform;
  - our ability to compete against current and future competitors;
  - our ability to maintain and expand our relationship with our clients and partners, including without limitation due to the saturation or consolidation in the healthcare industry;
  - risks associated with a decrease in the number of users with access to our offerings;
  - risks associated with the cyclical fluctuation of our results of operations;
  - risk of economic uncertainty or downturns, particularly as it impacts the healthcare industry;
  - the impact of public health emergencies, such as the COVID-19 pandemic and other catastrophic events;
  - the failure of our platform and solutions to achieve market acceptance and our ability to develop, or incorporate through acquisition or partnership, new solutions or enhancements, new features and modifications to existing solutions;
  - risk of the loss of any of our significant partners; partners or failure of a partner or customer to satisfy their contractual obligations to us;
  - our ability to recruit, retain, and develop our workforce, and in particular our key personnel and senior management team;
  - our ability to establish and maintain strategic relationships with third parties;
  - our ability to successfully identify, consummate and integrate acquisitions and investments;
  - our ability to maintain our historic growth rates and effectively manage our growth in the future;
  - rapid technological change in the virtual care market or the inability to develop new solutions, features and modifications that are adopted;
  - security breaches, loss of data and other disruptions;
- 
- failures of our cyber-security measures that expose the confidential information of us, our enterprise partners, or members;
  - any failure or interruption in the services of our internet infrastructure, bandwidth providers, and other third party suppliers;
- 
- risk that we may be subject to legal proceedings and the insurance we maintain may not fully cover all potential exposures;
  - our ability to comply with evolving regulations, including healthcare and privacy and security regulations;
  - our ability to protect or enforce our intellectual property rights;
  - our level of indebtedness and our ability to fund debt obligations and meet financial covenants in our debt instruments;
  - our ability to obtain additional capital in the future;
  - our ability to operate as a public company, including with respect to increased costs and demands on management as a result of complying with additional laws and regulations;
  - our ability to establish and maintain an effective system of disclosure controls and internal control over financial reporting, including the ability to remediate an identified material weakness in our internal controls over financial reporting; and
  - the trading price of our common stock has been, and will likely continue to be, volatile and you could lose all or part of your investment.

## Risks Related to our Business and Industry

***Our industry is rapidly evolving and undergoing significant technological change. If we are not successful in adapting to this evolving environment and promoting and improving the benefits of our platform, our growth may be limited, and our business may be adversely affected.***

The digital healthcare industry is characterized by rapid technological change, new product and service introductions, evolving industry standards, changing customer needs, and intense competition. In addition, there may be a limited-time opportunity to achieve and maintain a significant share of this market due in part to our rapidly evolving industry and



the substantial resources available to our existing and potential competitors. It is uncertain whether our marketplace will achieve and sustain high levels of demand and market adoption. In order to remain competitive, we are constantly evaluating the marketplace for ways to broaden and improve our client and member experience through product innovation, partnerships, and acquisitions.

Our success depends to a substantial extent on the willingness of individuals to increase their use of digital health platforms to manage their healthcare journey, our ability to demonstrate the value of our solutions to our current and future clients, and our ability to drive engagement and activation within the populations of current and future clients. If our existing or future clients do not recognize the benefits of our platform or we do not achieve sufficient engagement and activation of our clients' populations, then the market for our solutions might develop more slowly than we expect, which could adversely affect our operating results.

***We may be unable to compete effectively against our current and future competitors, which could have a material adverse effect on our results of operations, financial condition, business, and prospects.***

The market for our solutions is highly competitive, rapidly evolving, and fragmented. We compete with other digital health technology companies that serve the needs of members across a broad set of health-related needs, typically through platforms focused on wellness/well-being, benefits navigation, and/or health navigation. We also face competition from many other vendors in the digital healthcare industry offering point solutions addressing only one specific aspect of a person's health.

If one or more of our competitors were to merge or partner with another of our competitors, the change in the competitive landscape could materially adversely affect our ability to compete effectively. Our competitors may also establish or strengthen cooperative relationships with our current or future sponsors or partners, thereby limiting our ability to grow our strategic relationship with such parties. Our existing point solution partners may also develop new capabilities over time that address similar needs to, and compete with, other portions of our platform. If we are unable to compete effectively with these or other competitors, our business, financial condition, and results of operations could be materially adversely affected.

Many of our competitors may also have longer operating histories and significantly greater financial, technical, marketing, and other resources than we have. As a result, some of these competitors may be in a position to devote greater resources to the development, promotion, sale, and support of their products and services and have offered, or may in the future offer, a wider range of products and services that are increasingly desirable to potential clients, and they may also use advertising and marketing strategies that (including loss-leaders) achieve broader brand recognition or acceptance.

We compete on the basis of price and may be subject to pricing pressures as a result of, among other things, competition within the industry, practices of managed care organizations, government action, and financial stress experienced by our customers. If our pricing experiences significant downward pressure, our business will be less profitable, and our results of operations will be adversely affected. We cannot be certain that we will be able to retain our current customers or expand our customer base in this competitive environment. If we do not retain current customers or expand our customer base, or if we have to renegotiate existing contracts to less favorable terms, our business will be harmed.

***We derive a material portion of our revenue from our largest clients. The loss, termination, or renegotiation of any contract with such clients could negatively impact our results.***

Historically, we have relied on a limited number of our largest clients for a material portion of our total revenue and accounts receivable. One client accounted for 16%, 11%, and 9% of our revenue for the years ended December 31, 2020, 2021, December 31, 2021 and 2022, respectively. Two clients accounted for 12% of our revenue for the year ended December 31, 2023. For the years ended December 31, 2020, December 31, 2021, 2021, 2022, and 2022, 2023, our top 10 clients accounted for 44%, 40%, 40%, and 40% 35% of our revenue, respectively. The sudden loss of any of our largest clients or the renegotiation of any of our largest client contracts could adversely affect our results of operations. In the ordinary course of business, we engage in active discussions and renegotiations with our clients regarding the solutions we provide and the terms of our client agreements, including our fees. As our clients' businesses respond to market dynamics and financial pressures, and as our clients make strategic business decisions with respect to the lines of business they pursue and programs in which they participate, we expect that certain of our clients will, from time to time, seek to restructure their agreements with us. In the ordinary course of our business, we renegotiate the terms of our agreements with our clients in connection with renewals or extensions of these agreements. These discussions and future discussions could result in reductions to the fees and changes to the scope of services contemplated by our original client contracts and consequently could negatively impact our revenue, business, and prospects.

Because we rely on a limited number of our largest clients for a material portion of our revenue, we depend on the creditworthiness of these clients. If the financial condition of our clients declines, our credit risk could increase. Should one or more of our significant clients declare bankruptcy, be declared insolvent, or otherwise be restricted by state or federal laws or regulation from continuing in some or all of their operations, this could adversely affect our ongoing revenue, the collectability of our accounts receivable, affect our bad debt reserves and negatively impact our net income. For example, in 2022, we restructured our agreement with respect to our business in Brazil and may engage in further restructurings in the future that could result in reductions of fees or scope of services.

***Saturation or consolidation in the healthcare industry could result in the loss of existing clients, a reduction in our potential client base and downward pressure on the prices for our products and services.***

As the healthcare information systems market continues to evolve, saturation of this market with our products or our competitors' products could limit our revenues and opportunities for growth. There has also been increasing consolidation amongst healthcare industry participants in recent years, creating integrated healthcare delivery systems with greater market power. Our inability to make initial sales of our systems to, or maintain relationships with, newly formed groups and/or healthcare providers that are replacing or substantially modifying their healthcare information systems, or, if we were forced to reduce our prices, could adversely affect our business, results of operations and financial condition.

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

The timing of our sales and related revenue recognition is difficult to predict because of the length of our sales cycle, particularly with respect to our enterprise clients which include a range of clients from large employers and health systems to government agencies and health plans. The sales cycle for our solutions from initial contact with a potential client to enrollment launch varies widely, ranging from less than six months to well over a year. Our sales efforts involve educating our clients about the ease of use, technical capabilities, and potential benefits of our platform. Some of our enterprise clients undertake a significant and lengthy evaluation process, including to determine whether our platform meets their specific healthcare needs, which frequently involves evaluation of not only our platform but also an evaluation of other available services and solutions. Once an enterprise client enters into an agreement with us, we typically explain the benefits of our solutions again to eligible employees to encourage them to sign up as members. During this process, we expend significant resources on sales and marketing activities, which may negatively impact our operating margins, particularly if no sales occur. There are a number of factors that contribute to the timing of client purchases and the variability of our revenue recognition, including budgetary constraints, funding authorization, and changes in client personnel. In addition, the significance and timing of our product enhancements, and the introduction of new products by our competitors, may also affect our clients'

purchases. Our sales process may also be extended as a result of travel restrictions and business interruptions caused by public health emergencies, such as the COVID-19 pandemic. As a result, it is difficult to predict whether a sale will be completed, the particular period in which a sale will be completed or the period in which revenue from a sale will be recognized. It is possible that in the future we may experience even longer sales cycles, more complex client needs, higher upfront sales costs, and less predictability in completing some of our sales as we continue to grow our direct sales force, expand into new territories, and market additional solutions. Moreover, we may in the future enter into agreements under which we will not receive any payments or recognize any revenue until we complete a lengthy implementation cycle. If our sales cycle lengthens or our substantial upfront sales and implementation investments do not result in sufficient sales to justify our investments, our margins could be adversely affected, our revenue could be lower than expected and our business, financial condition and results of operations may be adversely affected.

We have also historically experienced some unpredictability and cyclicalities in the timing for recognizing revenue, with higher revenue in some quarters compared with others. For example, with respect to our enterprise clients, and in particular our clients with contract years commencing at the beginning of a calendar year, we record a disproportionate amount of revenue from such clients during the fourth quarter of our fiscal year relative to the first three quarters of our fiscal year. In addition, we have also historically recorded disproportionately higher revenue from our life sciences channel in the fourth quarter of our fiscal year as a result of our sponsors committing incremental marketing dollars available for the fiscal year. If these cyclical fluctuations in our business become more pronounced in the future, our business, financial condition and results of operations may be exposed to further volatility.

***If our existing clients do not continue or renew their contracts with us, renew at lower fee levels or decline to purchase additional solutions from us, it could have a material adverse effect on our business, financial condition, and results of operations.***

We expect to derive a significant portion of our revenue from renewal of existing client contracts and sales of additional solutions to existing clients. As part of our growth strategy, for instance, we are focused on offering additional solutions to our existing clients in order to enhance member experience, improve clinical results, and increase our revenue per year. We also believe there is significant opportunity to cross-sell our provider solutions to existing accounts. As a result, expanding the solutions that we provide to our existing client base is critical to our future business, revenue growth, and results of operations.

Factors that may affect our ability to sell additional solutions include, but are not limited to: the price, performance, and functionality of our solutions; the availability, price, performance, and functionality of competing solutions; our ability to develop and sell complementary applications and services; the stability, performance, and security of our hosting infrastructure and hosting services; changes in healthcare, data privacy and other laws, regulations, or trends; and the business environment and development of our clients.

With respect to our enterprise clients, contracts with health plans and integrated healthcare systems generally range from three to five years, with several comprehensive strategic agreements extending up to ten years in length, while contracts with large employers generally have two to four year terms. Our provider channel's revenue is based on the volume of health document requests fulfilled and subscription fees for various technology-related services that assist providers with performance and risk-adjustment tools, billing contract compliance and enhanced patient care. Subscription fees are recognized ratably over a one to three year contractual period. Our clients generally have no obligation to renew their contracts for our solutions after the initial terms expire. In addition, our clients may negotiate terms less advantageous to us upon renewal, which may reduce our revenue from these clients. Our future results of operations also depend, in part, on our ability to expand into new clinical specialties and across care settings and use cases. If our clients fail to renew their contracts, renew their contracts upon less favorable terms or at lower fee levels or fail to purchase new solutions from us, our revenue may decline, or our future revenue growth may be constrained.

In addition, after the initial contract term, a significant number of our client contracts allow clients to terminate such agreements for convenience at certain times, typically with an advance notice. If a client terminates its contract early and revenue and cash flows expected from a client are not realized in the time period expected or not realized at all, our business, financial condition, and results of operations could be adversely affected.

***Economic uncertainty or downturns, particularly as it impacts particular industries, could adversely affect our business and operating results.***

In recent years, global markets have experienced cyclical downturns and worldwide economic conditions remain uncertain. This uncertainty has been exacerbated in particular by public health emergencies such as the COVID-19 pandemic, inflation, supply chain disruptions, rising interest rates, financial institution disruptions, and geopolitical tensions such as the Russian invasion of [Ukraine](#), [Ukraine and the conflicts in the Gaza Strip and Middle East](#). Economic uncertainty and associated macroeconomic conditions make it extremely difficult for our clients and us to accurately forecast and plan future business activities and could cause our clients to slow spending on our platform, which could delay and lengthen sales cycles. Furthermore, during uncertain economic times our clients may face issues gaining timely access to sufficient credit, which could result in an impairment of their ability to make timely payments to us. Our clients' ability to make timely payments to us may also be impacted by their own customers' financial condition or ability to gain timely access to credit causing payments to our clients to be delayed. If our clients are not able to make timely payments to us, we may be required to increase our allowance for doubtful accounts and our business, financial condition, and results of operations could be materially negatively impacted.

Additionally, events involving limited liquidity or defaults in the financial services industry, or concerns or rumors about events of this kind, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation as receiver. While Sharecare was not directly impacted by this event, other banks and financial institutions may enter receivership or become insolvent in the future, which would impair and/or threaten our ability to access our cash and cash equivalents and could have a material adverse effect on our business and financial condition. Furthermore, we have enterprise clients in a variety of different industries. A significant downturn in the economic activity attributable to any particular industry may cause organizations to react by reducing their capital and operating expenditures in general or by specifically reducing their spending on healthcare matters. In addition, our enterprise clients may delay or cancel healthcare projects or seek to lower their costs by renegotiating vendor contracts. Such delays or reductions in general healthcare spending may disproportionately affect our revenue. Also, competitors may respond to challenging market conditions by lowering prices and attempting to lure away our clients.

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

***The growth of our business relies, in part, on the growth and success of our enterprise clients and the number of members with access to our offerings, which are difficult to predict and are affected by factors outside of our control. If the number of members of the populations of our enterprise clients decreases or the number of those members that utilize our solutions decreases, our revenue will likely decrease.***



Under most of our enterprise client contracts, we base our fees on the number of individuals enrolled in the solutions subscribed to by our enterprise clients. In addition, some fees are subject to credits if certain performance criteria are not met, which in some cases depend on the behavior and health of our members, such as their continued engagement with our solutions, and other factors outside of our control. Many factors may lead to a decrease in the number of individuals covered by our enterprise clients and the number of solutions subscribed to by our clients, including, but not limited to: natural attrition of members of our enterprise clients' populations; decline in prevalence of employer-sponsored healthcare or private health insurance coverage; continued acceptance of our solutions by members and prospective members; the timing of development and release of new solutions; introduction and development of features and functionality that are lower cost alternatives by our competitors; technological changes and developments that we cannot respond to within the markets we serve; and changes in the healthcare industry. The growth forecasts of our enterprise clients are also subject to significant uncertainty and are based on assumptions and estimates that may prove to be inaccurate and their member enrollment in our solutions could fail to grow at anticipated rates, if at all. If the number of individuals covered by our enterprise clients decreases, or the number of solutions to which they subscribe decreases, for any reason, our enrollment rate may decline and our revenue will likely decrease which would harm our business, financial condition, and results of operations.

***Our sales and the success of our marketing efforts depend in part on our ability to call upon our current clients to provide positive references to new, potential clients. Failure to obtain such references may adversely affect our ability to grow our client base and have a negative and adverse effect on our business, financial condition, and results of operations.***

Our sales and the success of our marketing efforts depend in part on our ability to call upon our current clients to provide positive references to new, potential clients. The loss or dissatisfaction of our clients, particularly our large, long-term enterprise clients, including as a result of our platform providing a poor member experience, could adversely affect our brand and reputation and our ability to rely on our clients for positive references. If that were to occur, it could substantially harm our ability to maintain existing clients, attract new clients, and sell and achieve widespread adoption of our solutions, and, in turn, our business, financial condition, and results of operations.

***We face risks, such as unforeseen costs and potential liability in connection with content we produce, license, and distribute through our platform.***

As a producer and distributor of content, we face potential liability for negligence, copyright, and trademark infringement, or other claims based on the nature and content of materials that we produce and distribute. We also may face potential liability for content used in promoting our service, including marketing materials. We may purchase content that we ultimately decide not to place on our platform, to remove from our platform, or to discontinue or alter if we believe such content might not be well received by our clients or members or could be damaging to our brand and business.

To the extent we do not accurately anticipate costs or mitigate risks, including for content that we obtain but ultimately does not appear on or is removed from our platform, or if we incur unforeseen liabilities with respect to the content we produce or distribute, our business may suffer. Litigation to defend related claims could be costly and the expenses and damages arising from any liability could harm our results of operations. We may not be indemnified against claims or costs of these types and we may not have insurance coverage for these types of claims.

***The growth of our business and future success relies, in part, on our partnerships and other relationships with third parties and our business could be harmed if we fail to maintain or expand these relationships.***

In the ordinary course of our business, we may enter into partnerships and other collaborations, in-licensing arrangements, joint ventures, and strategic alliances with third parties to develop proposed solutions, or integrate existing solutions into our platform. Proposing, negotiating, and implementing partnerships, collaborations, in-licensing arrangements, joint ventures, or strategic alliances may be a lengthy and complex process. Other companies, including those with substantially greater financial, marketing, sales, technology or other business resources, may compete with us for these opportunities or arrangements. We may not identify, secure, or complete any such transactions or arrangements in a timely manner, on a cost-effective basis, on acceptable terms, or at all. In particular, these collaborations may not result in the development or integration of solutions that achieve commercial success or result in significant revenues and could be terminated prior to developing or integrating any solutions. In addition, the financial condition and viability of our collaborators is beyond our control. Failure to retain and expand any of our partnerships or other third-party relationships, or the failure of our collaborators to remain a viable business, could harm our relationships with our clients and our reputation and brand.

Additionally, we may not be in a position to exercise sole decision making authority regarding certain transactions or arrangements, which could create the potential risk of creating impasses on decisions, and our collaborators may have economic or business interests or goals that are, or that may become, inconsistent with our business interests or goals. Our expectations regarding future performance assume business currently under contract and satisfaction by our customers and partners of their contractual obligations under those agreements, which is not within our control. Therefore, if a customer or partner fails to satisfy its contractual obligations, our actual results could be negatively impacted. For example, we are currently in a contract dispute with a customer over an attempted termination by that party of a contract we believe is non-terminable, with remaining fees owed to the Company totaling \$50 million over the life of the contract. The counterparty has withheld payment of outstanding invoices and has indicated it does not intend to make any additional payments to the Company under the contract. While we believe the contract unambiguously prohibits termination by the counterparty or the withholding of any fees payable to the Company and counterparty's failure to remit payments and repudiation of future payment obligations constitutes a clear and material breach of the contract, our counterparty's compliance is not within our control. Therefore, we have disputed the purported termination and are vigorously pursuing recovery of the amounts owed under the contract plus damages from the counterparty. We also have other commercial contracts with certain subsidiaries of that same party that we believe have been breached by such subsidiaries, and we are in the process of taking action to enforce our rights and remedies under the applicable contracts. That contract dispute relates to pricing, amounts owed under the contracts and related matters and is not related to issues regarding the delivery of services by Sharecare. These disputes have impacted and are expected to continue to impact our financial results, and we are unable to estimate the probability of a favorable or unfavorable outcome with respect to the disputes described above. We also expect to incur additional costs as we pursue our legal rights and remedies.

It is possible that conflicts may arise with our collaborators, such as conflicts concerning the achievement of performance milestones, or the interpretation of significant terms under any agreement, such as those related to financial obligations or the ownership or control of intellectual property developed during the collaboration. If any conflicts arise with our current or future collaborators, they may act in their self-interest, which may be adverse to our best interest, and they may breach their obligations to us. In addition, we have limited control over the amount and timing of resources that our current collaborators or any future collaborators devote to their own or our future solutions. Disputes between us and our collaborators may result in litigation or arbitration which would increase our expenses and divert the attention of our management. Further, these transactions and arrangements are contractual in nature and may be terminated or dissolved under the terms of the applicable agreements and, in such event, we may not continue to have rights to the products relating to such transaction or arrangement or may need to purchase such rights at a premium.

***We could face reputational damage or loss of trust from our clients and members as a result of transferring inaccurate or incomplete information, as well as potential regulatory risk or other liability for errors in processing information, all of which could harm our business, financial condition and results of operations.***

We provide healthcare-related information for use by our partners, clients and members. However, data in the healthcare industry is generally fragmented in origin, inconsistent in format, and often incomplete. To the extent the information from third-parties that we transfer is incorrect or incomplete, we may suffer reputational risks and loss of trust from our partners, clients and members. We may also face potential regulatory risk or other liability to our partners, clients and members to the extent that we transfer inaccurate or incomplete data as a result of our own processing errors rather than simply passing on third-party information. For example, if, as a result of such a processing error, we provided sensitive information to the wrong party or such error results in incorrect delivery of services, we could be exposed to risk of regulatory non-compliance under HIPAA or personal liability to our partners, clients and members under state law causes of action such as negligence. We could also be subject to liability for wrongful delivery or handling of healthcare services or erroneous health information. While we maintain insurance coverage for such claims, this coverage may prove to be inadequate or could cease to be available to us on acceptable terms, if at all. Even unsuccessful claims could result in substantial costs and diversion of management resources. A claim brought against us that is uninsured or under-insured could harm our business, financial condition, and results of operations.

***Our business, financial condition, and results of operations may be adversely affected by pandemics or epidemics such as COVID-19 or other adverse public health developments.***

The COVID-19 pandemic caused many governments to implement quarantines and significant restrictions on travel, or to advise that people remain at home where possible and avoid crowds. Healthcare providers around the world, including certain of our partners and clients, faced substantial challenges in treating patients with COVID-19, such as the diversion of hospital staff and resources from ordinary functions to the treatment of COVID-19, supply, resource and capital shortages, and overburdening of staff and resource capacity. In the United States, governmental authorities also recommended, and in certain cases required, that elective, specialty, and other procedures and appointments, including certain primary care services, be suspended or canceled to avoid non-essential patient exposure to medical environments and potential infection with COVID-19 and to focus limited resources and personnel capacity toward the treatment of COVID-19.

The resurgence of COVID-19 or other public health emergencies along with the related measures to contain the spread of such viruses, could cause disruptions and severely impact our business, including, but not limited to: increasing the likelihood of clients not renewing their contracts with us or being unable to pay us in accordance with the terms of their agreements; reducing the demand of the solutions offered on our platform due to restrictions on elective procedures and access to hospitals and other healthcare facilities; causing one or more of our clients or partners to file for bankruptcy protection or shut down; negatively impacting our ability to provide our solutions to clients and members; and harming our business, financial condition, and results of operations. Conversely, certain of our platforms, for example our health security solutions, may experience an uptick in demand as a result of an outbreak or pandemic that causes increases in revenue that are not sustained as government restrictions and mandates designed to contain the spread of such viruses subside.

Furthermore, we cannot predict with any certainty whether and to what degree the disruption caused by any pandemic and reactions thereto will impact us, our customers and our industry, and in turn, we may face difficulty accurately predicting our internal financial forecasts.

***Our business could be disrupted by catastrophic events and man-made problems, such as power disruptions, data security breaches, terrorism, and public health emergencies.***

Our systems are vulnerable to damage or interruption from the occurrence of any catastrophic event, including earthquake, fire, flood, tsunami, or other weather event, including as a result of climate change, power loss, telecommunications failure, software or hardware malfunction, cyber-attack, war, a public health emergency, terrorist attack, or incident of mass violence, which could result in lengthy interruptions in access to our platform. In addition, acts of terrorism, including malicious internet-based activity, could cause disruptions to the internet or the economy as a whole. Even with our disaster recovery arrangements, access to our platform could be interrupted. If our systems were to fail, or be negatively impacted as a result of a disaster or catastrophic event, our ability to deliver our platform and solutions to our clients and members would be impaired or we could lose critical data. If we are unable to develop and execute adequate plans to ensure that our business functions continue to operate during and after a disaster or catastrophic event, our business, financial condition, and results of operations would be harmed.

We have implemented a disaster recovery program that allows us to move platform traffic to a backup data center in the event of a catastrophe. However, to the extent our disaster recovery program does not effectively support the movement of traffic in a timely or complete manner in the event of a catastrophe, our business, financial condition, and results of operations may be harmed.

***We depend on our talent and corporate culture to grow and operate our business, and if we are unable to hire, integrate, develop, motivate and retain our personnel, including our senior management, Sharecare+ advocates, clinical and various product and technology roles, our business could be adversely affected, and we may not be able to grow effectively.***

Our success depends in large part on our ability to attract and retain high-quality employees in sales, services, advocacy, caregiving, engineering, marketing, operations, finance, and support functions. Competition for qualified employees is intense in our industry and has increased across most industries over the last year, and the loss of even a few qualified employees, or an inability to attract, retain, and motivate additional highly skilled employees required for the planned expansion of our business could harm our operating results and impair our ability to grow. If we face labor shortages or increased labor costs because of increased competition for employees or independent contractors, as well as other employee benefits costs, our operating expenses could increase, and our profitability and growth could be negatively impacted. To attract and retain key personnel, we use various measures, including an equity incentive program for key employees. However, these measures may not be enough to attract and retain the personnel we require to operate our business effectively. In addition, employees may be more likely to leave us if the shares of our capital stock they own or the shares of our capital stock underlying their equity incentive awards have significantly reduced in value. Conversely, to the extent employees receive significant proceeds from sales of vested equity awards in the public markets, their motivation to continue to work for us may be reduced.

Our future success depends in part on our ability to identify, attract, integrate, and retain empathetic and knowledgeable advocates and caregivers, as well as highly qualified and motivated product developers and engineers, who embody our mission-driven culture. We seek to employ advocates and caregivers who demonstrate empathy and problem-solving skills and hire from diverse professional backgrounds, including social work, teaching, customer care, and benefits. We have from time to time in the past experienced, and may in the future experience, difficulty in hiring and retaining employees with appropriate qualifications. Qualified individuals in the regions where we have offices are in high demand, and we may incur significant costs to attract them. In addition, with a current shortage of certain qualified caregivers in many areas of the United States, competition for

sourcing of these professionals remains intense. We compete for qualified individuals with numerous other companies, many of whom have greater financial and other resources than we do. In addition, in the future, we may experiment with different staffing and scheduling models to help attract and retain qualified personnel, including hiring individuals that work remotely, incorporating more flexible work schedules, or deploying a temporary workforce. If we fail to effectively manage our hiring needs or successfully integrate new hires, our employee morale and retention could suffer. Any of these events could also adversely affect our customer and member satisfaction and harm our business.

Our future also depends on the continued contributions of our senior management team, each of whom would be difficult to replace. We rely on our leadership team in the areas of operations, technology, marketing, sales, and general and administrative functions. From time to time, there may be changes in our senior management team that may be disruptive to our business, particularly if we have failed to have in place and execute an effective succession plan. If our senior management team, including any new hires that we may make, fails to work together effectively and to execute our plans and strategies on a timely basis, our business, financial condition, and results of operations could be harmed.

In addition, we believe that our culture has been and will continue to be a critical contributor to our success and our ability to attract and retain highly skilled personnel. If we do not continue to develop our corporate culture or maintain and preserve our core values as we grow and evolve both in the United States and internationally, we may be unable to foster the innovation, curiosity, creativity, focus on execution, teamwork, and the facilitation of critical knowledge transfer and knowledge sharing we believe we need to support our growth and recruit additional talent.

***If we are not able to maintain and enhance our reputation and brand recognition, our business, financial condition, and results of operations could be adversely affected.***

We believe that maintaining and enhancing our reputation and brand recognition is critical to our relationships with existing clients, partners, and sponsors, and to our ability to attract new clients, partners, and sponsors. The promotion of our brand may require us to make substantial investments and we anticipate that, as our market becomes increasingly competitive, these marketing initiatives may become increasingly difficult and expensive. Brand promotion and marketing activities may not be successful or yield increased revenue, and to the extent that these activities yield increased revenue, the increased revenue may not offset the expenses we incur and our business, financial condition, and results of operations could be harmed. In addition, any factor that diminishes our reputation or that of our management, including failing to meet the expectations of our clients, partners, or sponsors, could harm our reputation and brand and make it substantially more difficult for us to attract new client, partners, and sponsors. If we do not successfully maintain and enhance our reputation and brand recognition, our business may not grow or our current revenue may decline and we could lose our relationships with our existing clients,

partners, and sponsors, including, in particular, our enterprise clients, which would harm our business, financial condition, and results of operations.

***We use offshore third-party partners located in India, the Philippines and other countries, that subject us to regulatory, economic, social and political uncertainties and to laws applicable to U.S. companies operating overseas and other risks of global operations.***

We are subject to several risks associated with using third-party service providers in India, the Philippines and other countries. Our technological, financial and customer service performance may be adversely affected by general economic conditions and economic and fiscal policy in the countries where our workforce may operate, including changes in exchange rates and controls, interest rates and taxation policies, as well as social stability and political, economic or diplomatic developments affecting such countries in the future. In particular, India has experienced significant economic growth over the last several years, but faces major challenges in sustaining that growth in the years ahead. These challenges include the need for substantial infrastructure development and improving access to healthcare and education. In addition, we may encounter negative publicity or other response to the use of offshore resources in lieu of performing work domestically.

#### **Risks Related to Future Growth**

***Acquisitions and investments could result in operating difficulties, dilution, and other harmful consequences that may adversely affect our business, financial condition, and results of operations. Additionally, if we are not able to identify and successfully acquire suitable businesses, our operating results and prospects could be harmed.***

We have made a number of acquisitions, and expect to continue making acquisitions to add employees, complementary companies, solutions, technologies, or revenue. These transactions could be material to our business, financial condition, and results of operations. We also expect to continue to evaluate and enter into discussions regarding a number of potential partnerships and other transactions with third parties. The identification of suitable acquisition candidates can be difficult, **time**

**consuming, time-consuming**, and costly, and we may not be able to complete acquisitions on favorable terms, if at all. The process of integrating an acquired company, business or technology has created, and will continue to create unforeseen operating difficulties and expenditures. The areas where we face risks include:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- loss of key employees of the acquired company and other challenges associated with integrating new employees into our culture, as well as reputational harm if integration is not successful;
- implementation or remediation of controls, procedures, and policies at the acquired company;
- difficulties in integrating and managing the combined operations, technologies, technology platforms, and solutions of the acquired companies and realizing the anticipated economic, operational, and other benefits in a timely manner, which could result in substantial costs and delays or other operational, technical, or financial problems;
- integration of the acquired company's accounting, human resource, and other administrative systems, and coordination of product, engineering, and sales and marketing functions;

- failure to successfully further develop the acquired technology or realize our intended business strategy;
  - our dependence on unfamiliar affiliates and partners of acquired businesses;
  - uncertainty of entry into markets in which we have limited or no prior experience or in which competitors have stronger market positions;
  - unanticipated costs associated with pursuing acquisitions;
  - failure to successfully onboard clients or maintain brand quality of acquired companies;
  - responsibility for the liabilities of acquired businesses, including those that were not disclosed to us or exceed our estimates, as well as, without limitation, liabilities arising out of their failure to maintain effective data protection and privacy controls and comply with applicable regulations;
  - inability to maintain our internal standards, controls, procedures, and policies;
- 
- difficulties in complying with antitrust and other government regulations;
  - challenges in integrating and auditing the financial statements of acquired companies that have not historically prepared financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP");
  - potential accounting charges to the extent intangibles recorded in connection with an acquisition, such as goodwill, trademarks, client relationships, or intellectual property, are later determined to be impaired and written down in value; and
  - failure to accurately forecast the impact of an acquisition transaction.

Moreover, we rely heavily on the representations and warranties provided to us by the sellers of acquired companies, including as they relate to the creation of, and ownership and rights in, intellectual property, existence of open source, and compliance with laws and contractual requirements. If any of these representations and warranties are inaccurate or breached, such inaccuracy or breach could result in costly litigation and assessment of liability for which there may not be adequate recourse against such sellers, in part due to contractual time limitations and limitations of liability.

Future acquisitions could also result in expenditures of significant cash, dilutive issuances of our equity securities, the incurrence of debt, restrictions on our business, contingent liabilities, amortization expenses or write-offs of goodwill, any of which could harm our financial condition. In addition, any acquisitions we announce could be viewed negatively by partners, clients, members, investors or our other stakeholders.

Additionally, competition within our industry for acquisitions of business, technologies, and assets is intense. Even if we are able to identify an acquisition that we would like to consummate, we may not be able to complete the acquisition on commercially reasonable terms or the target may be acquired by another company. We may enter into negotiations for acquisitions that are not ultimately consummated. Those negotiations could result in diversion of management time and significant out-of-pocket costs. If we fail to evaluate and execute acquisitions successfully, we may not be able to realize the benefits of these acquisitions, and our operating results could be harmed. If we are unable to successfully address any of these risks, our business, financial condition, and results of operations could be harmed.

***We may not grow at the rates we historically have achieved or at all, even if our key metrics may indicate growth.***

We have experienced significant growth in the last 10 years. Future revenues may not grow at these same rates or may decline. Our future growth will depend, in part, on our ability to expand our footprint and establish new client relationships, expand our existing client relationships, including offering additional solutions to our existing clients, and grow and evolve our platform capabilities with the changing needs of our industry. We can provide no assurances that we will be successful in executing on these growth strategies or that, even if our key metrics would indicate future growth, we will continue to grow our revenue or to generate net income. Our ability to execute on our existing sales pipeline, create additional sales pipelines, and expand our client base depends on, among other things, the attractiveness of our solutions relative to those offered by our competitors, our ability to demonstrate the value of our existing and future solutions, our ability to foster and develop our existing and new partner relationships, and our ability to attract and retain a sufficient number of qualified sales and marketing leadership and support personnel. In addition, our existing clients may be slower to adopt our solutions than we currently anticipate, which could adversely affect our results of operations and growth prospects.

***If we fail to effectively manage our growth, we may be unable to execute our business plan, adequately address competitive challenges or maintain our corporate culture, and our business, financial condition, and results of operations could be adversely affected.***

Our historical rapid growth and expansion increases the complexity of our business and places significant strain on our management, personnel, operations, systems, technical performance, financial resources, and internal financial control and reporting functions. We may not be able to manage growth effectively, which could damage our reputation, limit our growth, and negatively affect our operating results. In the event of continued growth of our operations or in the number of our third-party relationships, our information technology systems and our internal controls and procedures may not be adequate to support our operations. To effectively manage our growth, we must continue to improve our operational, financial, and management processes and systems and to effectively expand, train, and manage our employee base. As our organization continues to grow and we are required to implement more complex organizational management structures, we may find it increasingly difficult to maintain the benefits of our corporate culture, including our ability to quickly develop and launch new and innovative solutions or execute on our expansion strategy through acquisition or new partnership relationships. This could negatively affect our business performance.

***The estimates of market opportunity and forecasts of market growth included herein may prove to be inaccurate, and even if the markets in which we compete achieve the forecasted growth, our business may not grow at similar rates, or at all.***

Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The estimates in this Annual Report on Form 10-K relating to the expected growth of the digital healthcare market may prove to be inaccurate. Even if the market in which we compete meets our size estimates and forecasted growth, our business could fail to grow at similar rates, if at all.

***As we expand our international operations, we will increasingly face political, legal and compliance, operational, regulatory, economic and other risks related to our international operations that we do not face or are more significant than in our domestic operations. Our exposure to these risks is expected to increase.***

As we expand our international operations, we will increasingly face political, legal and compliance, operational, regulatory, economic, and other risks related to our international operations that we do not face or that are more significant than in our domestic operations. These risks vary widely by country and include varying regional and geopolitical business conditions and demands, government intervention and censorship, discriminatory regulation, nationalization or expropriation of assets and pricing constraints. Our international solutions need to meet country-specific client and member preferences as well as country-specific legal requirements, including those related to licensing, digital healthcare, privacy, data storage, location, protection and security. Our ability to provide solutions internationally is subject to the applicable laws governing remote healthcare and the practice of medicine in such location, and the interpretation of these laws is evolving and vary significantly from country to country and are enforced by governmental, judicial and regulatory authorities with broad discretion. We cannot, however, be certain that our interpretation of such laws and regulations is correct in how we structure our operations, our arrangements with physicians, services agreements and customer arrangements.

Our international operations increase our exposure to, and require us to devote management resources to implement controls and systems to comply with, the privacy and data protection laws of non-U.S. jurisdictions and the anti-bribery, anti-corruption and anti-money laundering laws of the United States (including the FCPA) and similar laws in other jurisdictions. Implementing and maintaining our compliance policies, internal controls, and other systems upon our expansion into new countries and geographies may require the investment of considerable management time and financial and other resources over a number of years before any significant revenues or profits are generated. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers or employees, restrictions or outright prohibitions on the conduct of our business, and significant brand and reputational harm. We must regularly reassess the size, capability, and location of our global infrastructure and make appropriate changes, and must have effective change management processes and internal controls in place to address changes in our business and operations. Our success depends, in part, on our ability to anticipate these risks and manage these difficulties, and the failure to do so could have a material adverse effect on our business, operating results, financial position, brand, reputation and/or long-term growth.

Our international operations require us to overcome logistical and other challenges based on differing languages, cultures, legal and regulatory schemes, and time zones. Our international operations encounter labor laws, customs, and employee relationships that can be difficult, less flexible than in our domestic operations and expensive to modify or terminate. In some countries we are required to, or choose to, operate with local business partners, which requires us to manage our partner relationships and may reduce our operational flexibility and ability to quickly respond to business challenges. Our international operations may also expose us to foreign currency exchange risks.

#### **Risks Related to Technology and Data Privacy**

***The failure of our platform to achieve and maintain market acceptance could result in us achieving sales below our expectations, which would cause our business, financial condition, and results of operation to be materially and adversely affected.***

Our current business strategy is highly dependent on our platform achieving and maintaining market acceptance. Market acceptance and adoption of our platform depends on educating our clients and members as to the distinct features, ease-of-use, positive lifestyle impact, cost savings, and other perceived benefits of the solutions offered on our platform as compared to competitive solutions. If we are not successful in demonstrating to existing and potential clients and members the benefits of our solutions, our sales may decline or we may fail to increase our sales in line with our forecasts.

Achieving and maintaining market acceptance of our solutions could be negatively impacted by many factors, including the perceived risks and rate of acceptance associated with the use of digital healthcare technologies generally as compared to traditional healthcare solutions. In addition, our platform may be perceived by our partners, clients, and members to be more complicated or less effective than traditional approaches, and people may be unwilling to adopt our platform solutions.

***If we are not able to develop new solutions, or successful enhancements, new features and modifications to our existing solutions, or otherwise incorporate such new solutions or enhancements, new features or modifications to existing solutions through acquisition or partnership, our business, financial condition, and results of operations could be adversely affected.***

The markets in which we operate are characterized by rapid technological change, frequent new product and service introductions and enhancements, changing customer demands, and evolving industry standards. The introduction of products and services embodying new technologies can quickly make existing products and services obsolete and unmarketable. Additionally, changes in laws and regulations could impact the usefulness of our solutions and could necessitate changes or modifications to our solutions to accommodate such changes. For example, consumers of our home health solutions caresolutions implemented as a result of the CareLinx acquisition often depend on reimbursement from third-party payors, including insurance companies and Medicare. If applicable laws and regulations were to change, or if insurance companies were to reduce or eliminate reimbursement for certain home health solutions, caresolutions, demand for these solutions could be adversely impacted.

We invest substantial resources in researching and developing, or otherwise incorporating into our platform through acquisition or partnership, new solutions or enhancements to our existing solutions by incorporating additional features, improving functionality, and adding other improvements to meet our clients' and members' evolving needs. The success of any enhancements or improvements to our solutions or any new solutions depends on several factors, including timely completion, competitive pricing, adequate quality testing,



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

We may experience difficulties with software development, industry standards, design, or marketing that could delay or prevent our development or incorporation in our platform, introduction or implementation of new solutions, enhancements, additional features, or capabilities. If clients do not widely purchase and adopt our solutions, we may not be able to realize a return on our investment. If we do not accurately anticipate customer demand or we are unable to develop, license, or acquire new features and capabilities on a timely and cost-effective basis, or if such enhancements do not achieve market acceptance, it could result in adverse publicity, loss of revenue or market acceptance or claims by clients or members brought against us, each of which could have a material and adverse effect on our reputation, business, financial condition, and results of operations.

***We rely on internet infrastructure, bandwidth providers, third-party computer hardware and software, and other third parties for providing services to our clients and members, and any failure or interruption in the services provided by these third parties or the inability to access our platform on third-party operating systems could negatively impact our relationships with clients and members, adversely affecting our business, financial condition, and results of operations.***

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

Our platform relies, in part, on broad interoperability with a range of operating systems and third-party applications. We are dependent on the accessibility of our platform across these third-party operating systems and applications that we do not control. Third-party services and products are constantly evolving, and we may not be able to modify our platform to assure its compatibility with that of other third parties following development changes. Should the interoperability of our platform across devices, operating systems and third-party applications decrease, or if members are unable to easily and seamlessly access our application or information stored in our platform, our business, financial condition, and results of operations could be harmed.

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

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

Software development is time-consuming, expensive, and complex, and may involve unforeseen difficulties. We may encounter technical obstacles, and it is possible that we discover problems or design defects that prevent our solutions and platform, including third-party solutions integrated into our platform, from operating properly. Moreover, we may encounter incompatibilities or other technical issues resulting from the interaction of proprietary and/or third-party solutions included in our platform. If our proprietary or third-party solutions do not function reliably, malfunction, or fail to achieve client expectations in terms of performance, clients could assert liability claims against us or our partners or attempt to cancel their contracts with us. This could damage our reputation, or the reputation of our partners, and impair our ability to attract or maintain clients.

The software underlying our platform is highly complex and may contain undetected errors or vulnerabilities, some of which may only be discovered after the code has been used by our clients and members. Any real or perceived errors, failures,

bugs, or other vulnerabilities discovered in our code could result in negative publicity and damage to our reputation, or the reputation of our partners, loss of clients, loss of members, loss of or delay in market acceptance of our platform, loss of competitive position, loss of revenue, or liability for damages, overpayments and/or underpayments, any of which could harm our enrollment rates. In such an event, we may be required or may choose to expend additional resources to remediate the problem. These efforts could be costly, or ultimately unsuccessful. Even if we are successful at remediating issues, we may experience damage to our reputation and brand. There can be no assurance that provisions typically included in our agreements with partners that attempt to limit our exposure to claims would be enforceable or adequate or would otherwise protect us from liabilities or damages with respect to a particular claim. Even if unsuccessful, a claim brought against us by any client or partners would likely be time-consuming and costly to defend and could seriously damage our reputation and brand.

***If our enterprise resource planning system or other licensed software systems prove ineffective, we may be unable to timely or accurately prepare financial reports, make payments to our suppliers and employees, or invoice and collect from our members and clients.***

Data integrity problems in our enterprise resource planning system or other licensed software systems or other issues may be discovered which, if not corrected, could impact our business, financial condition, and results of operations. In addition, we may experience periodic or prolonged disruption of our financial functions arising out of our use of such system, migrations, or improvements to our systems, integration of newly acquired businesses into our system, other periodic upgrades or updates, or other external factors that are outside of our control. From time to time we implement additional software systems, and we may also transition to new systems, which may be disruptive to our business if they do not work as planned or if we experience issues relating to their implementation. Such disruptions could impact our ability to timely or accurately make payments to our suppliers and employees, and could also inhibit our ability to invoice and collect from our users. If we encounter unforeseen problems with our enterprise resource planning system or other related systems and infrastructure, our business, financial condition, and results of operations could be adversely affected.

**Security breaches, loss of data, and other disruptions could compromise sensitive information related to our business, partners, clients, or members, or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation.**

In the ordinary course of our business, we collect, store, use, and disclose sensitive data, including protected health information ("PHI") and other types of personal data or personally identifiable information ("PII"). We also process and store, and use additional third parties to process and store, sensitive information including intellectual property and other proprietary business information, including that of our partners, clients, and members. Our user information is encrypted but not always de-identified. We manage and maintain our platform and data utilizing a combination of on-site systems, managed data center systems, and cloud-based computing center systems.

We are highly dependent on information technology networks and systems, including the internet, to securely process, transmit, and store this critical information. Security breaches of this infrastructure, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, including advance hacking tools and techniques such as artificial intelligence, and employee or contractor error, negligence, or malfeasance, have created, and can in the future create system disruptions, shutdowns, or unauthorized disclosure or modifications of confidential information, causing member health information to be accessed or acquired without authorization or to become publicly available. We utilize third-party service providers for important aspects of the collection, storage, and transmission of client, user, and patient information, and other confidential and sensitive information, and therefore rely on third parties to manage functions that have material cybersecurity risks. Because of the sensitivity of the PHI, other PII, and other confidential information, we and our service providers collect, store, transmit, and otherwise process, the security of our technology platform and other aspects of our services, including those provided or facilitated by our third-party service providers, are important to our operations and business strategy. We take certain administrative, physical, and technological safeguards to address these risks, such as by requiring outsourcing subcontractors who handle client, and member information for us to enter into agreements that contractually obligate those subcontractors to use reasonable efforts to safeguard PHI, other PII, and other sensitive information. Measures taken to protect our systems, those of our subcontractors, or the PHI, other PII, or other sensitive data we or our subcontractors process or maintain, may not adequately protect us from the risks associated with the collection, storage, and transmission of such information. Although we take steps to help protect confidential and other sensitive information from unauthorized access or disclosure, our information technology and infrastructure may be vulnerable to attacks by hackers or viruses, failures, or breaches due to third-party action, employee negligence or error, malfeasance, user negligence, or other disruptions.

A security breach or privacy violation that leads to disclosure or unauthorized use or modification of, or that prevents access to or otherwise impacts the confidentiality, security, or integrity of, member information, including PHI or other PII, or other sensitive information we or our subcontractors maintain or otherwise process, could harm our reputation, compel us to comply with breach notification laws, cause us to incur significant costs for remediation, fines, penalties, notification to individuals and for measures intended to repair or replace systems or technology and to prevent future occurrences, potential increases in insurance premiums, and require us to verify the accuracy of database contents, resulting in increased costs or loss of revenue. If we are unable to prevent such security breaches or privacy violations or implement satisfactory remedial measures, or if it is perceived that we have been unable to do so, our operations could be disrupted, we may be unable to provide access to our platform, and could suffer a loss of clients or members or a decrease in the use of our platform, and we may suffer loss of reputation, adverse impacts on client, member, and investor confidence, financial loss, governmental investigations or other actions, regulatory or contractual penalties, and other claims and liability. In addition, security breaches and other inappropriate access to, or acquisition or processing of, information can be difficult to detect, and any delay in identifying such incidents or in providing any notification of such incidents may lead to increased harm.

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

In addition, we are currently making, and expect to continue to make, substantial investments in our information technology systems, infrastructure and personnel, in certain cases with the assistance of strategic partners and other third-party service providers (both domestic and abroad). These investments involve replacing existing systems, some of which are older, legacy systems that are less flexible and efficient, with successor systems; outsourcing certain technology and business processes to third-party service providers, including in India; making changes to existing systems, including the migration of applications to the cloud; maintaining or enhancing legacy systems that are not currently being replaced; or designing or cost-effectively acquiring new systems with new functionality. These efforts can result in significant potential risks, including failure of the systems to operate as designed, potential loss or corruption of data, changes in security processes and internal controls, cost overruns, implementation delays or errors, disruption of operations, and the potential inability to meet business and reporting requirements. Any system implementation and transition may result in operational challenges, security failures, reputational harm, and increased costs that could adversely affect our business operations and results of operations. Please refer to Item 1C of this 10-K for additional information.

#### Risks Related to Legal and Regulatory Matters

***We may be subject to legal proceedings, litigation, regulatory and other disputes, and governmental inquiries which are costly to defend and could adversely affect our business, financial condition, and results of operations.***

We may be party to lawsuits, legal proceedings and other disputes in the normal course of business. These matters are often expensive and disruptive to normal business operations. We have faced, and may in the future face allegations, lawsuits, and regulatory inquiries, audits and investigations regarding data privacy, medical liability, security, labor and employment, consumer protection and intellectual property infringement, misappropriation, or other violation, including claims related to privacy, patents, publicity, trademarks, copyrights, contractual obligations and other rights. **In addition, we may bring legal proceedings against counterparties that have breached their obligations to the Company, which will cause us to incur costs that could be significant.**

A portion of the technologies we use incorporates open source software, and we may face claims claiming ownership of open source software or patents related to that software, rights to our intellectual property or breach of open source license terms, including a demand to release material portions of our source code, or otherwise seeking to enforce the terms of the applicable open source license. We may also face allegations or litigation related to our acquisitions, securities issuances, business practices or other contractual obligations, including public disclosures about our business.

Litigation and regulatory proceedings, and particularly the patent infringement and class action matters we could face, may be protracted and expensive, and the results are difficult to predict. Certain of these matters may include speculative claims for substantial or indeterminate amounts of damages and include claims for injunctive relief. Additionally, our litigation costs could be significant and not covered by applicable indemnification arrangements or otherwise exceed the limits of our insurance. Adverse outcomes with respect to litigation or any of these legal proceedings or other disputes may result in significant settlement costs or judgments, penalties and fines, or require us to modify our solutions or require us to stop offering certain features, all of which could negatively impact our enrollment rate and revenue growth. We may also become subject to periodic audits, which would likely increase our regulatory compliance costs and may require us to change our business practices, which could negatively impact our revenue growth. Managing legal proceedings, litigation and audits, even if we achieve favorable outcomes, is time-consuming and diverts management's attention from our business.

***Changes in the health insurance market, ERISA laws, state insurance laws, or other laws could harm our business.***

The market for private health insurance in the United States is evolving and, as our customers include health plans/ employers that deploy our offerings to members/employees and their families, our future financial performance will depend in part on the growth in this market. Changes and developments in the health insurance system in the United States could reduce demand for our existing and future offerings and harm our business. In addition, changes in laws or regulations regarding the Employee Retirement Income Security Act of 1974 (ERISA), changes in state insurance laws, or other changes in laws could materially impact the self-insured employer healthcare and benefits markets, or the markets in which our other existing or potential customers procure and provide benefits.

***Evolving government regulations may require increased costs or adversely affect our business, financial condition, and results of operations.***

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

There is also uncertainty regarding whether, when, and what other health or data privacy reform initiatives will be adopted and the impact of such efforts on our business, as well as on the businesses of our partners and clients. The implications of such proposals may be unexpected, and such measures, if implemented, could alter the landscape of our industry in ways that adversely affect our business. In particular, our medical records release of information business is subject to changes in federal and state law regarding patients' and their representatives' access to medical records.

There could be laws and regulations applicable to our business that we have not identified or that, if changed, may be costly to us, and we cannot predict all the ways in which implementation of such laws and regulations may affect us.

In the states in which we operate, we believe we are in compliance with all applicable material regulations, but, due to the uncertain regulatory environment, certain states may determine that we are in violation of their laws and regulations. Similarly, we believe we are in compliance with all applicable material regulations in each international jurisdiction that we operate. In the event that we must remedy such violations, we may be required to modify our solutions in such states or other jurisdictions in a manner that undermines our solution's attractiveness to partners, clients, or members, we may become subject to fines or other penalties or, if we determine that the requirements to operate in compliance in such states or other jurisdictions are overly burdensome, we may elect to terminate our operations in such states or other jurisdictions. In each case, our revenue may decline and our business, financial condition, and results of operations could be adversely affected.

Additionally, the introduction of new solutions may require us to comply with additional, yet undetermined, laws and regulations. Compliance may require obtaining appropriate state or jurisdictional medical board licenses or certificates, **home care or home health licenses, staffing licenses**, increasing our security measures, and expending additional resources to monitor developments in applicable rules and ensure compliance. The failure to adequately comply with these future laws and regulations may delay or possibly prevent our solutions from being offered to clients and members, which could have a material adverse effect on our business, financial condition, and results of operations.

***If we fail to comply with healthcare and other governmental regulations, we could face substantial penalties, liabilities, or reputational harm and our business, financial condition, and results of operations could be adversely affected.***

Our solutions, as well as our business activities, are or may in the future be subject to a complex set of regulations and rigorous enforcement, including by the U.S. Food and Drug Administration (the "FDA"), Federal Trade Commission (the "FTC"), U.S. Department of Justice, U.S. Department of Health and Human Services ("HHS"), Office of the Inspector General and Office for Civil Rights, and numerous other federal and state governmental authorities.

Our employees, consultants, and commercial partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements. Federal, state and foreign healthcare laws and regulations that may affect our ability to conduct business include, without limitation:

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, and its implementing regulations, which impose certain requirements relating to the privacy, security, and transmission of PHI



on certain healthcare providers, health plans, and healthcare clearinghouses, and their business associates that access or otherwise process individually identifiable health information on their behalf; HIPAA also created criminal liability for knowingly and willfully falsifying or concealing a material fact or making a materially false statement in connection with the delivery of or payment for healthcare benefits, items, or services;

- state laws governing the privacy and security of personal information beyond health information, including state breach notification requirements, which differ from each other in significant ways with respect to scope, application, and requirements and which often exceed the standards under HIPAA, thus complicating compliance efforts;
  - foreign laws governing the privacy and security of personal information, such as the GDPR;
  - laws that regulate how businesses operate online, including measures relating to privacy and data security and how such information is communicated to customers (i) under the FTC's unfair and deceptive trade practice authority from the FTC Act and (ii) from state attorneys general under state consumer protection laws and data privacy laws;
  - state laws governing the corporate practice of medicine and other healthcare professions and related fee-splitting laws;
  - state laws governing home care, home health, healthcare staffing, and employee leasing to the extent of our CareLinx business may implicate such laws;
  - potential regulation of certain of our solutions and research by the FDA; the federal Anti-Kickback Statute, which prohibits, among other things, any person from knowingly and willfully offering, soliciting, receiving, or providing remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under federal healthcare programs, such as the Centers for Medicare & Medicaid Services programs;
  - the federal civil false claims and civil monetary penalties laws, including, without limitation, the federal False Claims Act, which prohibits, among other things, individuals or entities from knowingly presenting, or causing to be presented, false claims, or knowingly using false statements, to obtain payment from the federal government;
  - federal criminal laws that prohibit executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters; and
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- state law equivalents of each of the above federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payor, including commercial insurers.

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (the "Affordable Care Act") among other things, amends the intent requirement of the federal Anti-Kickback Statute and criminal healthcare fraud statutes. A person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it. In addition, the Affordable Care Act provides that the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal False Claims Act.

Because of the breadth of these laws and the narrowness of available statutory and regulatory exemptions, it is possible that some of our activities could be subject to challenge under one or more of such laws. Any action brought against us for violations of these laws or regulations, even if successfully defended, could cause us to incur significant legal expenses and divert management's attention from the operation of our business. We may be subject to private "qui tam" actions brought by individual whistleblowers on behalf of the federal or state governments, with potential liability under the federal False Claims Act including mandatory treble damages and significant per-claim penalties.

Although we have adopted policies and procedures designed to comply with these laws and regulations and conduct internal reviews of our compliance with these laws, our compliance is also subject to governmental review. The growth of our business and sales organization and any future expansion outside of the United States may increase the potential of violating these laws or our internal policies and procedures. The risk of our being found in violation of these or other laws and regulations is further increased by the fact that many have not been fully interpreted by the regulatory authorities or the courts, and their provisions are open to a variety of interpretations. Any action brought against us for violation of these or other laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses and divert management's attention from the operation of our business. If our operations are found to be in violation of any of the federal, state, and foreign laws described above or any other current or future fraud and abuse or other healthcare laws and regulations that apply to us, we may be subject to penalties, including significant criminal, civil, and administrative penalties, damages and fines, disgorgement, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of noncompliance with these laws, imprisonment for individuals and exclusion from participation in government programs, such as Medicare and Medicaid, as well as contractual damages and reputational harm. Any of the foregoing consequences could seriously harm our business, financial condition, and results of operations.

**Individuals may claim our outbound engagement techniques, including digital outreach, are not compliant with HIPAA or federal marketing laws.**

Several federal laws are designed to protect consumers from various types and modes of marketing. HIPAA prohibits certain types of marketing to individuals using PHI, except for certain treatment and healthcare operations, including communications made to describe a health-related product or service (or payment for such product or service) that is provided by, or included in, a plan of benefits. **Our While we do not sell or share for marketing purposes any PHI, our solutions, including but not limited to marketing our own products or services, may nonetheless** be subject to regulatory review and deemed in violation of HIPAA, which could subject us to fines or other penalties. In addition, the Telephone Consumer Protection Act (the "TCPA") is a federal statute that protects consumers from unwanted telephone calls and faxes. Since its inception, the TCPA's purview has extended to text messages sent to consumers. We may communicate with and perform outreach to members through multiple modes of communication, including email and secure messaging. We must ensure that our solutions that leverage secure messaging comply with TCPA regulations and agency guidance. While we strive to adhere to strict policies and procedures, the Federal Communications Commission, as the agency that implements and enforces the TCPA, may disagree with our interpretation of the TCPA and subject us to penalties and other consequences for noncompliance. Determination by a court or regulatory agency that our solutions violate the TCPA could subject us to civil penalties, could invalidate all or portions of some of our client contracts, could require us to change or terminate some portions of our offerings, could require us to refund portions of our fees, and could have an adverse effect on our business. Even an unsuccessful challenge by consumers or regulatory authorities of our activities could result in adverse publicity and could require a costly response from us. Other laws focus on unsolicited email, such as the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (the "CAN-SPAM Act") which establishes requirements for the transmission of commercial email messages and specifies penalties for unsolicited commercial email messages that follow a recipient's opt-out request or deceive the receiving consumer.

In addition, some of our marketing activities require that we obtain permissions consistent with HIPAA and applicable state health information privacy laws. If we are unable to secure such permissions, or if there is a future change in law, we may face limitations on the use of such information, which may harm our business.

***If our arrangements with our clients are found to violate state laws prohibiting the corporate practice of medicine or fee splitting, our business, financial condition, results of operations, and our ability to operate in those states could be adversely affected.***

The laws of most states, including states in which our clients are located, prohibit us from practicing medicine, providing any treatment or diagnosis, or otherwise exercising any control over the medical judgments or decisions of licensed physicians and from engaging in certain financial arrangements, such as splitting professional fees with physicians. These laws and their interpretations vary from state to state and are enforced by state courts and regulatory authorities, each with broad discretion. We enter into contracts with our clients to deliver certain solutions in exchange for fees. Although we comply, to the extent applicable, with state prohibitions on the corporate practice of medicine and fee splitting, state officials who administer these laws or other third parties may successfully challenge our existing organization and contractual arrangements. If such a claim were successful, we could be subject to civil and criminal penalties and could be required to restructure or terminate the applicable contractual arrangements. A determination that these arrangements violate state statutes, or our inability to successfully restructure our relationships with our clients to comply with these statutes, could eliminate clients or members located in certain states from the market for our solutions, which would have a material adverse effect on our business, financial condition, and results of operations.

***Our business could be adversely affected if certain independent contractors were to be classified as employees.***

Portions of our business are reliant on attracting independent contractors to provide their services, particularly for our home care and nurse on demand platforms. In August 2021, we consummated the acquisition of acquired CareLinx, a nationwide home care platform able to deliver intermittent, on-demand personal care services. Our CareLinx network engages care providers as independent contractors in the United States to offer their home care services through our platform. We also provide a nurse on demand offering that allows nurses on our platform with the ability to source opportunities for shifts and provide their services as independent contractors to health care providers. We In 2022 we recently settled class action litigation in California regarding the classification of certain nurses on our platform as independent contractors. While we believe our independent contractors are correctly classified because, among other things, they can choose whether, when, and where to provide services on our platform, and are free to provide services on our competitors' platforms, we may not be successful in defending, settling or resolving pending and future lawsuits relating to the classification of independent contractors. If we are unsuccessful in defending these claims, or if we elect to change our approach to caregiver and/or nurse classification for any reason including staving off future litigation, we could

incur additional expenses for compensating these workers, including expenses associated with the application of wage and hour laws (including minimum wage, overtime, and meal and rest period requirements), employee benefits, social security contributions, taxes (direct and indirect), and potential penalties. As part of the CareLinx acquisition, the sellers provided us with an indemnity with respect to any losses resulting from a misclassification of these workers. workers for claims reported through February 2023. If the CareLinx sellers were to fail to indemnify us for all or part of any losses we were to incur, we would be responsible for the monetary damages, which could adversely affect our business and financial condition. We do not believe that a probable loss will be incurred, nor do we anticipate a material adverse effect on our business, financial condition or results of operations, stemming from the classification of CareLinx workers as independent contractors.

In addition, the success of our home care and nurse on demand platforms depends on our ability to maintain or increase our scale by attracting participants to offer their services on our platform. If our platform were to become less appealing to users, including due to being required to become an employee or otherwise, our growth prospects may suffer.

***If the independent contractors we utilize to provide home care services engage in, or are subject to, criminal, violent, or inappropriate conduct, our reputation, business, financial condition, and results of operations could be adversely affected.***

We are not able to control or predict the actions of the independent contractors we utilize to provide home care services, such as those offered as a part of our CareLinx offering. If these independent contractors, engage in criminal, violent or inappropriate conduct our reputation, business, financial condition, and results of operations could be adversely affected. Although we administer certain qualification processes prior to utilizing these independent contractors, including background checks, these qualification processes and background checks may not expose all potentially relevant information and are limited in certain jurisdictions according to national and local laws, and individuals may fail to disclose information that could be relevant to a determination of eligibility.

In addition, if these independent contractors are subject to criminal, violent or inappropriate conduct while performing services on our platforms, we may be subject to liability, and our ability to recruit and maintain independent contractors to perform in-home services on our platform may be adversely impacted.

***Failure to comply with anti-bribery, anti-corruption, and anti-money laundering laws could subject us to penalties and other adverse consequences.***

We are subject to the U.S. Foreign Corrupt Practices (the "FCPA") and other anti-corruption, anti-bribery, and anti-money laundering laws in the jurisdictions in which we do business, both domestic and abroad. These laws generally prohibit us and our employees from improperly influencing government officials or commercial parties in order to obtain or retain business, direct business to any person, or gain any improper advantage. The FCPA and similar applicable anti-bribery and anti-corruption laws also prohibit our third-party business partners, representatives, and agents from engaging in corruption and bribery. We and our third-party business partners, representatives, and agents may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We may be held liable for the corrupt or other illegal activities of these third-party business partners and intermediaries, our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities. These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While we have policies and procedures to address compliance with such laws, we cannot assure you that our employees and agents will not take actions in violation of our policies or applicable law, for which we may be ultimately held responsible. Our exposure for violating these laws may increase as we expand internationally and as we commence sales and operations in additional foreign jurisdictions. Any violation of the FCPA or other applicable anti-bribery, anti-corruption laws, and anti-money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, imposition of significant legal fees, severe criminal or civil sanctions or suspension or debarment from U.S. government contracts,

substantial diversion of management's attention, a drop in stock price or overall adverse consequences to our business, all of which may have an adverse effect on our reputation, business, financial condition, and results of operations.

***Our use, disclosure, and other processing of PII and PHI is subject to HIPAA and other federal, state, and foreign privacy and security regulations, and our failure to comply with those regulations or to adequately secure the information we hold could result in significant liability or reputational harm and, in turn, have a material adverse effect on our client base, member base and revenue.***

Numerous state and federal laws and regulations govern the collection, dissemination, use, privacy, confidentiality, security, availability, integrity, and other processing of PHI and PII. These laws and regulations include HIPAA, which establishes a set of national privacy and security standards for the protection of PHI by health plans, healthcare clearinghouses and certain healthcare providers, referred to as covered entities, and the business associates with whom such covered entities contract for services. We are generally considered a business associate under HIPAA but in limited circumstances will also act as a covered entity. HIPAA requires covered entities and business associates, such as us, to develop and maintain policies and procedures with respect to PHI that is used or disclosed, including the adoption of administrative, physical, and technical safeguards to protect such information. As an example of the evolving HIPAA landscape, in December 2022 the U.S. Department of Health and Human Services issued guidance indicating certain data collected on authenticated websites and apps — and even some public-facing, unauthenticated websites — offered by HIPAA-regulated entities may be deemed PHI, and warning against the use of common third-party tracking technologies such as pixels and cookies on such sites; as noted, Sharecare **often sometimes** operates as a HIPAA-regulated entity that offers various websites and **apps that may use tracking technologies such as pixels and cookies. apps.**

Some of our business activities require that we or our partners obtain permissions consistent with HIPAA to provide certain marketing and data aggregation services as well as those activities that require the creation and use of de-identified information. If we or our partners are unable to secure these rights, or if there is a future change in law, we may face limitations on the use of PHI and our ability to provide marketing services and use de-identified information, which could harm our business or subject us to potential government actions or penalties. Also, there are ongoing public policy discussions regarding whether the standards for de-identified, anonymous or pseudonymized health information are sufficient, and the risk of re-identification sufficiently small, to adequately protect patient privacy. These discussions may lead to further restrictions on the use of such information or create additional regulatory burdens. There can be no assurance that these initiatives or future initiatives will not adversely affect our ability to access and use data or to develop or market current or future services.

In addition, we could be subject to periodic audits for compliance with the HIPAA Privacy and Security Standards by HHS and our clients. Currently, penalties for violations of HIPAA and its implementing regulations start at **\$127 \$137** per violation and are not to exceed **\$1.91 million \$2.07 million** in a calendar year. However, a single breach incident can result in violations of multiple standards. HIPAA also authorizes state attorneys general to file suit on behalf of their residents. Courts may award damages, costs and attorneys' fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to sue us in civil court for violations of HIPAA, its standards have been used as the basis for duty of care in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI.

In addition to HIPAA, numerous other federal, state, and foreign laws and regulations protect the confidentiality, privacy, availability, integrity, and security of PHI and other types of PII. For example, for the limited products of ours which are offered in Europe, we have obligations under GDPR and related European Union (the "EU") privacy laws and regulations related to the use, transfer, and protection of employee-related data. These laws and regulations in many cases may be more restrictive than, and may not be preempted by, HIPAA and its implementing rules. These laws and regulations may also require additional compliance obligations relating to the transfer of data between Sharecare and its subsidiaries. There is a risk that regulatory authorities may determine that we have not implemented our compliance obligations in a timely or appropriate manner. Penalties for noncompliance under GDPR and related EU privacy laws may include significant monetary fines, up to a maximum of €20 million, or four percent of worldwide turnover. In addition, as we pursue business opportunities internationally, newly adopted and emerging regulations in foreign jurisdictions may require different infrastructure development and security measures that are not accounted for today. These laws and regulations are often uncertain, unclear, and subject to changed or differing interpretations, and we expect new laws, rules and regulations regarding privacy, data protection, and information security to be proposed and enacted in the future.

Such new regulations and legislative actions (or changes in interpretation of existing laws or regulations regarding data privacy and security together with applicable industry standards) may increase our costs of doing business. In this regard, we expect that there will continue to be new laws, regulations, and industry standards relating to privacy and data protection in the United States, the EU and other jurisdictions, such as the California Consumer Privacy Act of 2018 (the "CCPA") which has been characterized as the first "GDPR-like" privacy statute to be enacted in the United States, and we cannot determine how broadly or narrowly regulators will interpret and enforce such new laws, regulations, and standards and the corresponding impact it may have on our business. Although we are modifying our data collection, use and processing practices and policies in an effort to comply with the law, there is a risk that the California Attorney General does not find our practices or policies to be compliant with the CCPA, which would potentially subject us to civil penalties or an inability to use information collected from California consumers. In addition, such laws and regulations could restrict our ability to store and process personal data (in particular, our ability to use certain data for purposes such as risk or fraud avoidance, marketing, or advertising due to the expansive definition of personal information under CCPA), our ability to control our costs by using certain vendors or service providers, or impact our ability to offer certain services in certain jurisdictions. Further, the CCPA requires covered companies to provide new disclosures to California consumers, provide such consumers new ways to opt-out of certain sales of personal information (which may not fall under the CCPA HIPAA exemption), and allow for a new cause of action for data breaches. Additionally, such laws and regulations are often inconsistent and may be subject to amendment or re-interpretation, which may cause us to incur significant costs and expend significant effort to ensure compliance. For example, the CCPA has already been substantially amended by the California Privacy Rights Act of 2020, which came into effect in January 1, 2023. Given that requirements may be inconsistent and evolving, our response to these requirements may not meet the expectations of our customers and/or users, which could thereby reduce the demand for our services. Of note, the decision of the U.S. Supreme

Court in *Dobbs v. Jackson Women's Health Organization* has caused increased public scrutiny of data privacy practices with respect to women's health information, with what some believe is an increased threat of law enforcement requests for such information. While we have not received any law enforcement requests for such information and believe our privacy, security, and compliance practices adequately protect such information, there is inherent legal and reputational risk in the fact that we collect and maintain certain women's health information. Additionally, some clients may respond to these evolving laws and regulations by asking us to make certain privacy or data-related contractual commitments that we are unable or unwilling to make. This could lead to the loss of current or prospective clients or other business relationships. Finally, as a result of the *Dobbs v. Jackson Women's Health Organization* decision, states or the federal government may pass additional privacy laws that regulate the collection, use and disclosure of women's health information, and we may incur additional costs to ensure that our privacy, security, and compliance practices comply with applicable and evolving legal **requirements requirements.**

This complex, dynamic legal landscape regarding privacy, data protection, and information security creates significant compliance issues for us and our clients and potentially exposes us to additional expense, adverse publicity and liability. Although we take steps to help protect confidential and other sensitive information from unauthorized access or disclosure, our information technology and infrastructure has been subject to, and may be vulnerable in the future to, attacks by hackers or viruses, failures, or breaches due to third-party action, including advance hacking tools and techniques such as artificial intelligence, employee negligence or error, malfeasance, or other incidents or disruptions. Furthermore, while we have implemented data privacy and security measures in an effort to comply with applicable laws and regulations relating to privacy and data protection, some PHI and other PII or confidential information is transmitted to us by third parties or by us to third parties, who may not implement adequate security and privacy measures, and it is possible that laws, rules and regulations relating to privacy, data protection, or information security may be interpreted and applied in a manner that is inconsistent with our practices or those of third parties who transmit PHI and other PII or confidential information to us. If we or these third parties are found to have violated such laws, rules or regulations, it could result in government-imposed fines, orders requiring that we or these third parties change our or their practices, or criminal charges, which could adversely affect our business.

We outsource important aspects of the storage and transmission of customer and member information, and thus, rely on third parties to manage functions that have material cyber-security risks. A breach of privacy or security of such information by a subcontractor may result in an enforcement action against us. We attempt to address these risks by requiring outsourcing subcontractors who handle such information to sign business associate agreements, data use agreements, and information security addenda, contractually requiring those subcontractors to adequately safeguard such information. However, we cannot be assured that these contractual measures and other safeguards will adequately protect us from the risks associated with the storage and transmission of such information on our behalf by our subcontractors.

Complying with these various laws and regulations could cause us to incur substantial costs or require us to change our business practices, systems and compliance procedures in a manner adverse to our business. We also publish statements to our clients and members that describe how we handle and protect PHI (for example, through our privacy policies connected with our website, mobile applications and other digital tools). If federal or state regulatory authorities, such as the FTC or state attorneys general, or private litigants consider any portion of these statements to be untrue, we may be subject to claims of deceptive practices, which could lead to significant liabilities and consequences, including costs of responding to investigations, defending against litigation, settling claims, and complying with regulatory or court orders. Any of the foregoing consequences could seriously harm our business and our financial results. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations and policies that are applicable to the businesses of our clients may limit the use and adoption of, and reduce the overall demand for, our existing and future solutions. Any of the foregoing consequences could harm our business, financial condition, and results of operations.

***Any restrictions on our ability to obtain or use data could harm our business.***

Our business depends, in part, on data provided to us by, among other sources, health plans, benefits administrators, data warehouses, electronic data interchange transaction data providers, and our trusted suppliers. Any errors or defects in any third-party data or other technology could result in errors in our existing and future solutions that could harm our business and damage our reputation and cause losses in revenue, and we could be required to spend significant amounts of additional resources to fix any problems. In addition, certain of our solutions depend on maintaining our data and analytics technology platform, which is populated with data provided by third parties. While our existing agreements with these data providers have multiple-year terms, these agreements could be terminated and/or these providers could become our competitors in the future. Any loss of the right to use of data provided by any health plan providers, benefits administrators, or other entities that provide us data, could result in delays in producing or delivering our solutions until equivalent data, other technology, or intellectual property is identified and integrated, which delays could harm our business. In this situation we would be required to either redesign our solutions to function with technology, data, or intellectual property available from other parties or to develop these components ourselves, which would result in increased costs. Furthermore, we might be forced to limit the features available in our existing or future solutions. If we fail to maintain or renegotiate any of these technology or intellectual property licenses, we could face significant delays and diversion of resources in attempting to develop similar or replacement solutions or to license and integrate a functional equivalent of the technology or intellectual property. The occurrence of any of these events may harm our business.

***Failure to protect or enforce our intellectual property rights could harm our business, financial condition, and results of operations.***

Our success depends in part on our ability to obtain, maintain, protect, and enforce our intellectual property and other proprietary rights (including intellectual property and other proprietary rights acquired through acquisitions). We rely upon a combination of trademark, patents, copyrights, and trade secret laws, as well as license agreements, intellectual property assignment agreements, confidentiality agreements and other similar agreements, to protect our intellectual property and other proprietary rights. These laws, procedures and restrictions provide only limited protection and any of our intellectual property rights may be challenged, invalidated, circumvented, infringed, misappropriated or otherwise violated. There can also be no assurances that third parties will not also independently develop or offer products, services and/or technology that is similar to, or competitive with, our technology, products and services. Despite our efforts to protect our intellectual property, unauthorized parties may also attempt to disclose, copy, use, duplicate or obtain and use our technology including to develop applications with the same functionality as our solutions, and policing unauthorized use of our technology and intellectual property rights is difficult, costly and may not be effective. In order to adequately protect our intellectual property and other proprietary rights, we may be required to devote significant time and resources to defending against claims or protecting and enforcing our own rights. Furthermore, attempts to enforce our intellectual property rights against third parties could also provoke these third parties to assert their own intellectual property or other rights against us, or result in a holding that invalidates or narrows the scope of our rights, in whole or in part. These actions as well as any failure to protect our intellectual property and other proprietary rights could have a material adverse effect on our business, financial condition, and results of operations.

**Risks Related to Financing and Tax**

***We have a history of net losses, we anticipate increasing expenses in the future, and we may not be able to achieve or maintain profitability.***

We are in a cumulative loss position, and we have incurred net losses attributable to Sharecare of \$60.0 million \$85.0 million, \$85.0 million \$118.7 million, and \$118.7 million \$128.5 million, for the years ended December 31, 2020 December 31, 2021, 2021, 2022, and 2022, 2023, respectively. We expect our costs will increase substantially in the foreseeable future and our losses will continue as we expect to invest significant additional funds towards growing our business and operating as a public company and as we continue to invest in increasing our client base, expanding our marketing channels and operations, hiring additional employees, developing new solutions, and otherwise incorporating new solutions into our platform through acquisition or partnership. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently to offset these higher expenses. Historically, we have financed our operations principally from the sale of our equity, revenue from sales of our solutions, and the incurrence of indebtedness. Despite having achieved Adjusted EBITDA profitability in 2017, we may be unable to achieve positive cash flow from operations or profitability in any given period. Our failure to achieve or maintain profitability could negatively impact the value of our common stock.

***Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.***

As of December 31, 2022 December 31, 2023, we had net operating loss ("NOL") carryforwards for federal and state income tax purposes of approximately \$371.8 million \$439.0 million and \$325.4 million \$418.2 million, respectively, respectively, which may be available to offset future taxable income. The state and pre-2018 federal net operating loss carryforwards will start started to expire in 2023 (through 2037), while the foreign and post-2017 federal net operating loss carryforwards are indefinite.

Under Section 382 of the Internal Revenue Code of 1986, as amendment (the "Code"), a corporation that undergoes an "ownership change" (as defined under Section 382 of the Code and applicable Treasury Regulations) may be subject to limitations on its ability to utilize its pre-change NOLs to offset its future taxable income. In general, an ownership change occurs if there is a cumulative change in the corporation's equity ownership by certain stockholders that exceeds fifty percentage points over a rolling three-year period. A corporation that experiences an ownership change generally will be subject to an annual limitation on its utilization of pre-ownership change NOLs. The realization of the Company's existing net operating losses, under Section 382, was analyzed to determine if any of the losses would be limited under Section 382.

The Company has evaluated the positive and negative evidence bearing upon its ability to realize the deferred tax assets. Management has considered the Company's history of cumulative net losses incurred since inception and has concluded that it is more likely than not that the Company will not realize the benefits of the deferred tax assets. Accordingly, a valuation allowance has been established against the net deferred tax assets. Therefore, no federal tax benefit has been recorded for the net operating losses and the researched tax credits during the years ended **December 31, 2022**, **December 31, 2023**, **2021**, **2022**, and **2020**, **2021**.

Furthermore, our ability to utilize NOLs of companies that we have acquired or may acquire in the future may be subject to limitations. There is also a risk that due to changes in law, such as suspensions on the use of NOLs or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to reduce future income tax liabilities, including for state income tax purposes. For these reasons, we may not be able to utilize a material portion of our NOLs, even if we attain profitability, which could potentially result in increased future tax liability to us and could adversely affect our business, financial condition, and results of operations.

***We may require additional capital to support business growth, and this capital might not be available on acceptable terms, if at all.***

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new solutions, or enhance our existing solutions, enhance our operating infrastructure, and acquire complementary businesses and technologies. In order to achieve these objectives, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our common stock. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters. **Future indebtedness may also utilize the London Interbank Offered Rate ("LIBOR") and may be adversely affected by changes in the method of determining or the replacement of LIBOR with an alternative reference rate for variable rate loans, derivative contracts and other financial assets and liabilities. Various financial instruments indexed to LIBOR could experience different outcomes based on their contractual terms, ability to amend those terms, market or product type, legal or regulatory jurisdiction, and other factors. In addition, we may not be able to obtain additional financing on terms favorable to us, if at all.** If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited.

***Our debt agreements contain certain restrictions that may limit our ability to operate our business.***

The terms of our existing debt agreements and related collateral documents contain, and any future indebtedness would likely contain, a number of restrictive covenants that impose significant operating and financial restrictions on us, including restrictions on our ability, and the ability of our subsidiaries, to take actions that may be in our best interests, including, among others, disposing of assets, entering into change of control transactions, mergers or acquisitions, incurring additional indebtedness, granting liens on our assets, declaring and paying dividends, and agreeing to do any of the foregoing. Our ability to meet financial covenants can be affected by events beyond our control, and we may not be able to continue to meet this covenant. A breach of any of these covenants or the occurrence of other events (including a material adverse effect or the inability to generate cash to service our obligations under our debt agreements) specified in the debt agreements and/or the related collateral documents could result in an event of default under the same. Upon the occurrence of an event of default, our lenders could elect to declare all amounts outstanding, if any, to be immediately due and payable and terminate all commitments to extend further credit. If we were unable to repay those amounts, lenders could proceed against the collateral, if any, granted to them to secure such indebtedness. We have pledged substantially all of our respective assets (other than intellectual property) as collateral under the loan documents. If lenders accelerate the repayment of borrowings, if any, we may not have sufficient funds to repay our existing debt.

***The applicability of sales, use, and other tax laws or regulations on our business is uncertain. Adverse tax laws or regulations could be enacted or existing laws could be applied to us or our clients or members, which could subject us to additional tax liability and related interest and penalties, increase the costs of our solutions, and adversely affect our business, financial condition, and results of operations.***

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

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



One or more states may seek to impose incremental or new sales, use, value added or other tax collection obligations on us, including for past sales by us or our partners. A successful assertion by a state, country or other jurisdiction that we should have been or should be collecting additional sales, use, value added or other taxes on our solutions could, among other things, result in substantial tax liabilities for past sales, create significant administrative burdens for us, discourage users from utilizing our solutions or otherwise harm our business, financial condition, and results of operations.

***Certain U.S. state tax authorities may assert that we have a state nexus and seek to impose state and local income taxes which could harm our results of operations.***

We are qualified to operate in, and file income tax returns in multiple states. There is a risk that certain state tax authorities where we do not currently file a state income tax return could assert that we are liable for state and local income taxes based upon income or gross receipts allocable to such states. States are becoming increasingly aggressive in asserting a nexus for state income tax purposes. We could be subject to state and local taxation, including penalties and interest attributable to prior periods, if a state tax authority successfully asserts that our activities give rise to a nexus. Such tax assessments, penalties and interest may adversely impact our results of operations.

#### **Risks Related to Being a Public Company**

***We face high costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could adversely affect our business, financial condition, and results of operations.***

As a public company, we are subject to the reporting requirements of the Exchange Act, the listing standards of Nasdaq and other applicable securities rules and regulations. The requirements of these rules and regulations have increased, and we expect will continue to increase, our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming and costly, and place significant strain on our personnel, systems, and resources. For example, the Exchange Act requires, among other things, that we timely file annual, quarterly, and current reports with respect to our business and results of operations. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, which could harm our business, financial condition, and results of operations, although we have already hired additional employees to assist us in complying with these requirements, we may need to hire more employees in the future or engage outside consultants, which will increase our operating expenses.

If we fail to satisfy the continued listing requirements of Nasdaq, such as minimum financial and other continued listing requirements and standards, including those regarding minimum stockholders' equity, minimum share price, and certain corporate governance requirements, Nasdaq may take steps to delist our common stock. Such a delisting would likely have a negative effect on the price of our common stock and would impair your ability to sell or purchase our common stock when you wish to do so. In the event of a delisting, we would expect to take actions to restore our compliance with Nasdaq's listing requirements, but we can provide no assurance that any such action taken by us would allow our common stock to become listed again, stabilize the market price or improve the liquidity of our common stock, prevent our common stock from dropping below the Nasdaq minimum bid price requirement, or prevent future non-compliance with Nasdaq's listing requirements.

In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to continue investing substantial resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from business operations to compliance activities. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

We also expect that these new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors (the "Sharecare Board"), particularly to serve on our audit committee and compensation and human capital committee, and qualified executive officers.

As a result of disclosure of information in filings required of a public company, our business and financial condition is more visible than that of a private company, which may result in an increased risk of threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business, financial condition, and results of operations could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business, financial condition, and results of operations.

***We are an "emerging growth company," and our election to comply with the reduced disclosure requirements as a public company may make our common stock less attractive to investors.***

For so long as we remain an "emerging growth company" as defined in the Jumpstart Our Business Startups Act ("JOBS Act"), we may take advantage of certain exemptions from various requirements that are applicable to public companies that are not "emerging growth companies," including not being required to comply with the independent auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, being required to provide fewer years of audited financial statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We may lose our emerging growth company status and become subject to the SEC's internal control over financial reporting management and auditor attestation requirements. If we are unable to certify the effectiveness of our internal controls, or if our internal controls have a material weakness, we could be subject to regulatory scrutiny and a loss of confidence by stockholders, which could harm our business and adversely affect the market price of our common stock. We will cease to be an "emerging growth company" upon the earliest to occur of: (i) the last day of the fiscal year in which we have more than \$1.235 billion in annual revenue; (ii) the date we qualify as a large accelerated filer, with at least \$700 million of equity securities held by non-affiliates; (iii) the date on which we have, in any three-year period, issued more than \$1.0 billion in non-convertible debt securities; and (iv) December 31, 2025 (the last day of the fiscal year following the fifth anniversary of becoming a public company).

As an emerging growth company, we may choose to take advantage of some but not all of these reduced reporting burdens. Accordingly, the information we provide to our stockholders may be different than the information you receive from other public companies in which you hold stock. In addition, the JOBS Act also provides that an "emerging

growth company" can take advantage of an extended transition period for complying with new or revised accounting standards. We have elected to take advantage of this extended transition period under the JOBS Act. As a result, our operating results and financial statements may not be comparable to the operating results and financial statements of other companies who have adopted the new or revised accounting standards. It is possible that some investors will find our common stock less attractive as a result, which may result in a less active trading market for our common stock and higher volatility in our stock price.

Investors may find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock, and our stock price may be more volatile and may decline.

***If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, including failing to remediate an identified material weakness in our internal controls over financial reporting, the price of our common stock may be adversely affected, and our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.***

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In connection with the audit of our financial statements as of and for the year ended **December 31, 2021**,

**December 31, 2023**, we identified a material weakness in our internal control over financial reporting. Specifically, the Company did not **design and maintain effective adequate** internal controls related with respect to the review of its revenue recognition evaluation resulting from a unique contract for a new product offering change in services provided to a new customer. **customer, due to untimely communication between cross-functional teams.** This deficiency resulted in a pre-filing adjustment related to the timing of revenue recognition for that contract in the Company's consolidated financial statements for the year ended **December 31, 2021** **December 31, 2023**, and could have resulted in a material misstatement of the annual or interim consolidated financial statements not being prevented or detected. Accordingly, the Company's management determined that this control deficiency constituted **constitutes** a material **weakness weakness.** Management is in the process of developing a full remediation plan and implemented a remediation plan. As a result of has begun enhancing certain controls to include refinements and improvements to the remediation activities and controls in place as of December 31, 2022, we have remediated this material weakness. However, completion of remediation does not provide related to deficiency, but there can be no assurance that our remediated controls the measures we take will continue to operate properly remediate the material weakness or that our financial statements additional material weaknesses will be free from error. In addition, prior to not arise in the Business Combination, FCAC identified a future. The material weakness in its internal will not be considered remediated until management designs and implements effective controls over financial reporting relating to the accounting that operate for a significant sufficient period of time and unusual transaction related to the warrants it issued in connection with its initial public offering September 2020, which we believe management has been remediated. concluded, through testing, that these controls are effective.

We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting, including remediation of the described material **weakness, which includes hiring additional accounting and financial personnel to implement such processes and controls. weakness.** In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight. If any of these new or improved controls and systems do not perform as expected, we may not be able to remediate the identified material weakness or may experience additional material weaknesses in our controls.

Our current controls and any new controls that we develop may be inadequate because of changes in conditions in our business. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure **to remediate our current material weakness or** to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting and complete required remediations also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on Nasdaq.

Rules adopted by the SEC pursuant to Section 404 of the Sarbanes-Oxley Act require an annual assessment of internal control over financial reporting, and for certain issuers an attestation of this assessment by the issuer's independent registered public accounting firm. The standards that must be met for management to assess the internal control over financial reporting as effective are evolving and complex, and require significant documentation, testing, and possible remediation to meet the detailed standards. We expect to incur significant expenses and to devote resources to Section 404 compliance on an ongoing basis. It is difficult for us to predict how long it will take or costly it will be to complete the assessment of the effectiveness of our internal control over financial reporting for each year and to remediate any deficiencies in our internal control over financial reporting. As a result, we may not be able to complete the assessment and remediation process on a timely basis. In addition, although attestation requirements by our independent registered public accounting firm are not presently applicable to us we could become subject to these requirements in the future and we may encounter problems or delays in completing the implementation of any resulting changes to internal control over financial reporting. In the event that our Chief Executive Officer or Chief Financial Officer determine that our internal control over financial reporting is not effective as defined under Section 404, we cannot predict how regulators will react or how the market prices of our shares will be affected; however, we believe that there is a risk that investor confidence and share value may be negatively affected.

Our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting until after we are no longer an "emerging growth company" as defined in the JOBS Act. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed or operating. Any failure to remediate the identified material weakness and maintain effective disclosure controls and internal control over financial reporting could have an adverse effect on our business and results of operations and could cause a decline in the price of our common stock.

***Our business, financial condition, and results of operations may fluctuate on a quarterly and annual basis, which may result in a decline in our stock price if such fluctuations result in a failure to meet the expectations of securities analysts or investors.***

Our operating results have in the past and could in the future vary significantly from quarter-to-quarter and year-to-year and may fail to match our past performance, our projections or the expectations of securities analysts because of a variety of factors, many of which are outside of our control and, as a result, should not be relied upon as an indicator of future performance. As a result, we may not be able to accurately forecast our operating results and growth rate. Any of these events could cause the market price of our common stock to fluctuate. Factors that may contribute to the variability of cause our operating results to fluctuate include but are not limited to: our ability to attract new clients and partners, retain existing clients and partners and maximize engagement and enrollment with existing and future clients; changes in our sales and implementation cycles, especially in the case of our large clients; new solution introductions and expansions, or challenges with such introductions; changes in our pricing or fee policies or those of our competitors; the timing and success of new solution introductions by us or our competitors or announcements by competitors or other third parties of significant new products or acquisitions or entrance into certain markets; any other change in the competitive landscape of our industry, including consolidation among our competitors; increases in operating expenses that we may incur to grow and expand our operations and to remain competitive; our ability to successfully expand our business, whether domestically or internationally; breaches of security or privacy; changes in stock-based compensation expenses; the amount and timing of operating costs and capital expenditures related to the expansion of our business; adverse litigation judgments, settlements, or other litigation-related costs; changes in the legislative or regulatory environment, including with respect to privacy or data protection, or enforcement by government regulators, including fines, orders, or consent decrees; the cost and potential outcomes of ongoing or future regulatory investigations or examinations, or of future litigation; changes in our effective tax rate; our ability to make accurate accounting estimates and appropriately recognize revenue for our solutions for which there are no relevant comparable products; changes in accounting standards, policies, guidance, interpretations, or principles; instability in the financial markets; general economic conditions, both domestic and international; volatility in the global financial markets; political, economic, and social instability, including terrorist activities and public health emergencies (such as the COVID-19 pandemic), and any disruption these events may cause to the global economy; and changes in business or macroeconomic conditions. risk factors discussed throughout this section. The impact of one or more of the foregoing or other these factors may cause our operating results to vary significantly.

***Changes in accounting principles may cause previously unanticipated fluctuations in our financial results, and the implementation of such changes may impact our ability to meet our financial reporting obligations. obligations.***

We prepare our financial statements in accordance with GAAP, which are subject to interpretation or changes by the Financial Accounting Standards Board ("FASB"), the SEC, and other various bodies formed to promulgate and interpret appropriate accounting principles. New accounting pronouncements and changes in accounting principles have occurred in the past and are expected to occur in the future which may have a significant effect on our financial results. Furthermore, any difficulties in implementation of changes in accounting principles, including the ability to modify our accounting systems, could cause us to fail to meet our financial reporting obligations, which could result in regulatory discipline and harm investors' confidence in us.

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

The preparation of financial statements in conformity with GAAP and our key metrics require management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes and amounts reported in our key metrics. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity and the amount of revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to allowance for doubtful accounts, assessment of the useful life and recoverability of long-lived assets, fair value of guarantees included in revenue arrangements and fair values of stock-based awards, warrants, contingent consideration, and income taxes. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our common stock.

#### **Risks Related to Owning Our Securities**

***The trading price of our common stock and warrants may be volatile.***

The trading price of our securities could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control. Any of the factors listed below could have a material adverse effect on your investment in our securities may if such securities trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline.

Factors affecting the trading price of our securities may include:

- actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in the market's expectations about our operating results;
- failure to meet our projections;
- success of competitors;
- operating results failing to meet the expectations of securities analysts or investors in a particular period;



- changes in financial estimates and recommendations by securities analysts concerning us or the industry in which we operate in general;
- operating and stock price performance of other companies that investors deem comparable to us;
- ability to market new and enhanced products and services on a timely basis;
- changes in laws and regulations affecting our business;
- commencement of, or involvement in, litigation;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of shares of our common stock available for public sale;
- any major change in the Sharecare Board;
- sales of substantial amounts of Sharecare common stock by our directors, executive officers or significant stockholders or the perception that such sales could occur; and
- general economic and political conditions such as recessions, inflation, interest rates, fuel prices, international currency fluctuations and acts of war (such as the recent Russian invasion of Ukraine) Ukraine and the conflicts in the Gaza Strip and Middle East) or terrorism.

Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general, and Nasdaq specifically, have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, you may not be able to sell your securities at or above the price at which it was acquired. A loss of investor confidence in the market for the stocks of other companies which investors perceive to be similar to Sharecare could depress our stock price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

***There can be no assurance that our securities will continue to be listed on Nasdaq or that we will be able to comply with the continued listing standards of Nasdaq.***

If we fail to satisfy the continued listing requirements of Nasdaq, such as minimum financial and other continued listing requirements and standards, including those regarding minimum stockholders' equity, minimum share price, and certain corporate governance requirements, Nasdaq may take steps to delist our common stock. Such a delisting would likely have a negative effect on the price of our common stock and would impair your ability to sell or purchase our common stock when you wish to do so. In the event of a delisting, we would expect to take actions to restore our compliance with Nasdaq's listing requirements, but we can provide no assurance that any such action taken by us would allow our common stock to become listed again, stabilize the market price or improve the liquidity of our common stock, prevent our common stock from dropping below the Nasdaq minimum bid price requirement, or prevent future non-compliance with Nasdaq's listing requirements.

For example, for time periods during 2023, our common stock closed below \$1.00 per share. If the minimum bid price of our common stock were to remain below \$1.00 per share for thirty (30) consecutive trading days, Nasdaq will promptly send Sharecare a deficiency notice and Sharecare may not be able to regain compliance with the applicable requirements. If our common stock continues to trade at such low levels or Nasdaq delists the Company's securities from trading on its exchange for failure to meet the listing standards, the Company and our stockholders could face significant negative consequences including:

- limited availability of market quotations for the Company's securities;
- a determination that our common stock is a "penny stock" which will require brokers trading in our common stock to adhere to more stringent rules;
- possible reduction in the level of trading activity in the secondary trading market for shares of our common stock;
- institutional investors may have reduced interest in investing in our common stock or may not be allowed under their internal policies to invest in our common stock;
- a limited amount of analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

***Shareholder activism efforts or unsolicited offers from a third-party could cause a material disruption to our business and financial results.***

We may be subject to various legal and business challenges due to actions instituted by shareholder activists or unsolicited third-party offers. Perceived uncertainties as to our future direction as a result of shareholder activism may lead to the perception of a change in the direction of the business or other instability and may affect our relationships with vendors, prospective and existing customers, prospective and current employees and others. Proposed or future laws and regulations may increase the chance we become the target of shareholder activist campaigns. If shareholder activist campaigns are initiated against us, our response to such actions could be costly and time-consuming, which could divert the attention and resources of the Board, Chief Executive Officer and senior management from the pursuit of our business strategies, which could harm our business, negatively impact our stock price, and have an adverse effect on our business and financial results.

***We may in the future issue additional shares of common stock (including upon the exercise of warrants or conversion of our preferred stock) which would increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.***

As of December 31, 2022 December 31, 2023, we had (i) public warrants and private placement warrants outstanding to purchase up to an aggregate of 17,433,334 shares of common stock, (ii) warrants to purchase up to 1,038,678 1,171,661 shares of common stock that were issued in connection with Legacy Sharecare warrant agreements with customers and (iii) 5,000,000 shares of Series A convertible preferred stock, par value \$0.0001 per share (the "Series A Preferred Stock"), that are currently convertible into 5,000,000 shares of common stock. We may also issue a substantial number of additional shares of common stock (or securities convertible, exercisable or exchangeable for common stock) in the future, including in connection with contractual relationships with customers, acquisitions, pursuant to compensation arrangements (including under the

Sharecare, Inc. 2021 Omnibus Incentive Plan) or as a result of financing transactions. For example, we have entered into, and may in the future enter into, contractual arrangements with certain customers and other parties and earnout arrangements in connection with acquisitions that, in each case, provide for the issuance of warrants and/or common stock upon achievement of specified milestones. As of **December 31, 2022** **December 31, 2023**, these agreements provide for the issuance of up to **6,173,886** **3,238,675** shares of common stock (which amount includes Earnout Shares (as defined herein)) and **9,008,594** **6,353,577** warrants to purchase shares of common stock. With respect to these arrangements, there were **167,107** **107,085** warrants earned but not issued as of **December 31, 2022** **December 31, 2023**.

The issuance of additional shares of our common stock as a result of any of the aforementioned transactions may result in dilution to the holders of our common stock and increase in the number of shares eligible for resale in the public market. Sales of a substantial number of such shares in the public markets may adversely affect the market price of our common stock, the impact of which is increased as the value of our stock price increases.

***We may redeem our unexpired warrants prior to their exercise at a time that is disadvantageous to holders, thereby making such warrants worthless.***

We will have the ability to redeem outstanding public warrants at any time prior to their expiration, at a price of \$0.01 per warrant, if the closing price of our common stock equals or exceeds \$18.00 per share for any 20 trading days within a 30 trading-day period ending on the third business day prior to the date we give notice of redemption. If and when the warrants become redeemable by us, we may exercise the redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding warrants could force holders to (i) exercise the warrants and pay the exercise price therefor at a time when it may be disadvantageous to do so, (ii) sell the warrants at the then-current market price when the holder might otherwise wish to hold on to such warrants or (iii) accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, is likely to be substantially less than the market value of the warrants. None of the private placement warrants will be redeemable by us so long as they are held by their initial purchasers or their permitted transferees.

***There can be no assurance that the warrants will be in the money at the time they become exercisable, and they may expire worthless.***

The exercise price for the vast majority of our outstanding warrants is \$11.50 per share of common stock. There can be no assurance that our warrants will be in the money prior to their expiration, and therefore may expire worthless.

***Any future series of our preferred stock may have rights and preferences that are senior, or in addition, to the rights and preferences of our common stock.***

Our Charter authorizes the issuance by us of up to 15,000,000 shares of preferred stock (including 5,000,000 shares of Series A Preferred Stock). In connection with the consummation of the Business Combination, 5,000,000 shares of Series A Preferred Stock were issued upon conversion of Legacy Sharecare's Series D redeemable convertible preferred stock (the "Legacy Sharecare Series D Preferred Stock") pursuant to terms of the Merger Agreement. The Series A Preferred Stock has, and any future series of preferred stock may have, rights, preferences and privileges that are senior, or in addition, to the rights, preferences and privileges of our common stock. For example, the Series A Preferred Stock has a right to receive, upon a liquidation of Sharecare, a preference amount out of the assets available for distribution to stockholders before any distribution can be made to holders of our common stock. If we were to file for bankruptcy, holders of our preferred stock that remain outstanding would have a claim in bankruptcy that is senior to any claim holders of our common stock would have. The Series A Preferred Stock is also subject to mandatory redemption by us on the fifth anniversary of its issue date. Future series of preferred stock may also have rights to dividends in priority to dividends on our common stock. These rights, preferences and privileges of holders of our preferred stock could negatively affect the investment of holders of common stock. Holders of common stock could potentially not receive dividends that they might otherwise have received and could receive less proceeds in connection with any future sale of Sharecare, in liquidation or on any other basis.

***If securities analysts do not publish research or reports about our business or if they downgrade our stock or our sector, our stock price and trading volume could decline.***

The trading market for our common stock relies, in part, on the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts. Furthermore, if one or more of the analysts who cover us downgrade our stock or our industry, or the stock of any of our competitors, or publish inaccurate or unfavorable research about our business, the price of our stock could decline. If one or more of these analysts stops covering us or fails to publish reports on us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline. If securities analysts do not publish research or reports about our business or if they downgrade our stock or our sector, our stock price and trading volume could decline.

***Anti-takeover provisions contained in our Charter as well as provisions of Delaware law, could impair a takeover attempt.***

Our Charter contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. Sharecare is also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together these provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. These provisions include:

- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- a classified board of directors with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of the Sharecare Board;
- the right of the Sharecare Board to elect a director to fill a vacancy created by the expansion of the Sharecare Board or the resignation, death or removal of a director in certain circumstances, which prevents stockholders from being able to fill vacancies on the Sharecare Board;

- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders; and
- the requirement that a meeting of stockholders may only be called by the Chair of the Sharecare Board, our Chief Executive Officer, or the Sharecare Board pursuant to a resolution adopted by a majority of the Sharecare Board, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors.

These provisions, alone or together, could delay hostile takeovers and changes in control of Sharecare or changes in the Sharecare Board and our management. As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation Law (the "DGCL"), which prevents some stockholders holding more than 15% of outstanding Sharecare common stock from engaging in certain business combinations without approval of the holders of substantially all of Sharecare common stock. Any provision of the Charter or bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of common stock and could also affect the price that some investors are willing to pay for common stock.

***Our Charter designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings and the federal district courts as the sole and exclusive forum for other types of actions and proceedings, in each case, that may be initiated by our stockholders, which could limit our stockholders' ability to obtain what such stockholders believe to be a favorable judicial forum for disputes with us or our directors, officers or other employees.***

The Charter provides that, unless Sharecare consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any stockholder to bring (i) any derivative action or proceeding brought on behalf of Sharecare, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of Sharecare to Sharecare or Sharecare's stockholders, (iii) any action asserting a claim against Sharecare, its directors, officers or employees arising pursuant to any provision of the DGCL, the Charter or the bylaws, or (iv) any action asserting a claim against Sharecare, its directors, officers or employees governed by the internal affairs doctrine, except any action (A) as to which the Court of Chancery in the State of Delaware determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), (B) which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, (C) for which the Court of Chancery does not have subject matter jurisdiction, or (D) any action arising under the Securities Act, as to which the Court of Chancery and the federal district court for the District of Delaware shall have concurrent jurisdiction. Any person or entity purchasing or otherwise acquiring an interest in any shares of Sharecare's capital stock shall be deemed to have notice of and to have consented to the forum provisions in the Charter. These choice-of-forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that he, she or it believes to be favorable for disputes with Sharecare or Sharecare's directors, officers or other employees, which may discourage such lawsuits. We note that there is uncertainty as to whether a court would enforce these provisions and that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Section 22 of the Securities Act creates concurrent jurisdiction for state and federal courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

Alternatively, if a court were to find these provisions of the Charter or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and board of directors.

## ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

## ITEM 1C. CYBERSECURITY

### Risk Management and Strategy

We recognize the critical role of developing, implementing, and maintaining cybersecurity measures to protect our information technology networks and systems and the sensitive data of our partners, clients, and members. To manage cybersecurity risks, we use a multi-layered security approach, involving data privacy, application security, physical and environmental security, network access controls, monitoring and incident reporting, administrative and service availability controls, and regulatory compliance. As part of this multi-layered approach, Sharecare utilizes a managed service for its Security Operations Center that monitors all security related events collected in our Security Information and Event Management (SIEM) system 24x7. The SIEM application correlates events from the various systems and applications looking for indicators of compromise, and if found, initiates our incident response protocols. Through data protection, high availability, and built-in redundancy, Sharecare mitigates risks to application availability and minimizes accidental data loss or destruction during a cybersecurity incident, business interruption, or other event.

As we utilize third-party service providers for important aspects related to the collection, storage and transmission of sensitive data, we require a risk based vendor management process to ensure the safety of our sensitive data that they store or process. We conduct a formal vendor management process on all third-party service providers that provide services that utilize or create sensitive information, which includes initial and yearly risk assessments performed by experienced third party risk management personnel, annual vendor assessments of performance including onsite review of security programs for vendors that handle sensitive customer data, and entering into Business Associate Agreements with an Information Security Addendum and Data Use Agreements in contracts for vendors that process sensitive Sharecare information that define security requirements, incident reporting, corrective action management and handling of data.

As of December 31, 2023, we have not detected any cybersecurity threats, including prior incidents, that have materially impacted the Company, our business or our financial results. For an examination of cybersecurity threats that could potentially have a material impact on us, please refer to our Risk Factors discussion in the section titled, "Security breaches, loss of data, and other disruptions could compromise sensitive information related to our business, partners, clients, or members, or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and reputation."

## Governance

Our Audit Committee oversees the Company's policies and monitoring programs relating to data privacy and security, including cyber or technology related attacks or malfunctions and reviews and discusses with management the Company's risk exposures pertaining to data privacy and security, and management's risk management policies. Our cybersecurity management team provides periodic updates to the Audit Committee, which occur no less than annually. Such updates include information related to threat landscape, risks, initiatives, and security incidents. In the event that any matter requires escalation, such matter would be brought to the Board; however, no matter has required such escalation since the Business Combination.

## ITEM 2. PROPERTIES

We are party to an office lease agreement effective through 2028 for approximately 16,304 square feet of office space that houses our corporate headquarters in Atlanta, Georgia. We also lease additional office space around the world, including in Tennessee, California, Florida, Arizona, New York, and Germany, Massachusetts. We believe our facilities are sufficient for our current needs and that, should it be needed, suitable additional or alternative space will be available to accommodate our operations.

## ITEM 3. LEGAL PROCEEDINGS

From time-to-time, we may be subject to various legal proceedings and claims that arise in the normal course of our business activities. Although the results of these legal proceedings, claims, and investigations cannot be predicted with certainty, we do not believe that the final outcome of any matters that we, or any of our subsidiaries, are currently involved in are reasonably likely to have a material adverse effect on our business, financial condition or results of operations. Regardless of final outcomes, however, any such proceedings, claims and investigations may nonetheless impose a significant burden on management and employees and be costly to defend, with unfavorable preliminary or interim rulings.

The section entitled "Legal Matters" in Note 13 to Sharecare's consolidated financial statements included elsewhere in this Annual Report on Form 10-K is incorporated by reference herein.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## Part II

## ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

### Market Information for our Securities

Sharecare's common stock and public warrants are currently listed on Nasdaq under the symbols "SHCR" and "SHCRW," respectively. The closing price of Sharecare's common stock and public warrants on March 24, 2023 March 22, 2024 was \$2.20 \$0.93 and \$0.24, \$0.03, respectively.

### Holders of our Securities

As of March 24, 2023 March 22, 2024, there were approximately 193 183 holders of record of our common stock, one holder of record of our Series A Preferred Stock and approximately 35 34 holders of record of our warrants. The number of holders of record does not include a substantially greater number of "street name" holders or beneficial holders whose common stock and warrants are held of record by banks, brokers and other financial institutions. There is no public market for our Series A Preferred Stock.

### Dividend Policy

We have not paid any cash dividends on our common stock to date. The payment of cash dividends is dependent upon Sharecare's revenue and earnings, if any, capital requirements and general financial condition. Our Series A Preferred Stock may have priority over our common stock with respect to dividends, and our Senior Secured Credit Agreement also imposes certain restrictions on our ability to pay dividends. The payment of any cash dividends is within the discretion of the Sharecare Board. The Sharecare Board is not currently contemplating and does not anticipate declaring any stock dividends in the foreseeable future.

### Issuer Purchases of Equity Securities

On May 11, 2022 May 31, 2023, the Sharecare Board authorized announced that it had re-authorized a \$50 million share stock repurchase program. Repurchases under The stock repurchase program has a 12-month term from May 31, 2023 to May 31, 2024. As of December 31, 2023, a dollar value of approximately \$40.8 million in shares authorized remain available to be repurchased. There were no other repurchase programs announced as of December 31, 2023.

The following table provides information about the program may be made in the Company's discretion from time to time in the open market prior to December 31, 2022, in privately negotiated transactions, or otherwise, in accordance with all securities laws and regulations, with the amount and timing purchases of repurchases depending on market conditions and corporate needs. During the three months ended December 31, 2022, we purchased 150,602 shares of our common stock at a per-share purchase price of \$1.66, during the year ended December 31, 2023:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced program	Approximate dollar value of shares that may yet be purchased under the program
October 1, 2023 through October 31, 2023	—	\$ —	—	\$ 40,774,500
November 1, 2023 through November 30, 2023	—	\$ —	—	\$ 40,774,500
December 1, 2023 through December 31, 2023	—	\$ —	—	\$ 40,774,500
Totals	7,443,035	\$ 1.24	7,443,035	\$ 40,774,500

#### Unregistered Sales of Equity Securities and Use of Proceeds

There were no unregistered sales of equity securities which have not been previously disclosed in a Quarterly Report on Form 10-Q or a Current Report on Form 8-K during the period covered by this report.

#### Securities Authorized for Issuance Under Equity Compensation Plans

Information relating to compensation plans under which our common stock is authorized for issuance is set forth under Part III, Item 12 of this Annual Report on Form 10-K and such information is incorporated by reference herein.

#### ITEM 6. RESERVED

None.

#### ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the financial condition and results of operations of Sharecare, Inc. (for purposes of this section, "the Company," "Sharecare," "we," "us," and "our") should be read together with the Company's consolidated financial statements as of and for the years ended **December 31, 2022**, **December 31, 2023**, **2021**, **2022**, and **2020**, **2021**, in each case together with the accompanying notes thereto, included elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described under the section entitled "Risk Factors." Actual results may differ materially from those contained in any forward-looking statements.

#### Cautionary Statement Regarding Forward-Looking Statements

This Annual Report on Form 10-K includes forward-looking statements regarding, among other things, the plans, strategies and prospects, both business and financial, of Sharecare. These statements are based on the beliefs and assumptions of our management. Although we believe that our plans, intentions, and expectations reflected in or suggested by these **forward-**

**looking forward-looking** statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties, and assumptions. Generally, statements that are not historical facts, including statements concerning possible or assumed future actions, business strategies, events or results of operations, are forward-looking statements. These statements may be preceded by, followed by or include the words "believes," "estimates," "expects," "forecasts," "may," "will," "should," "seeks," "plans," "scheduled," "anticipates," "possible," "continue," "might," "potential" or "intends" or similar expressions. Forward-looking statements contained in this report include, but are not limited to, statements regarding our expectations as to:

- our **ability to realize the benefits expected from the Business Combination;**
- **our** business, operations and financial performance, including:
  - expectations with respect to our financial and business performance, including financial projections and business metrics and any underlying assumptions thereunder;
  - future business plans and growth opportunities, including revenue opportunities available from new or existing clients and expectations regarding the enhancement of platform capabilities and addition of new solution offerings;
  - developments and projections relating to our competitors and the digital healthcare industry;
  - the impact of rising inflation, increasing interest rates, public health emergencies, **such as the COVID-19 pandemic**, **financial institution disruptions** and other **macroeconomic** **macroeconomics** factors on our business and the actions we may take in response thereto;
  - our expectations regarding anticipated and future partnerships or other relationships with third parties and future **acquisitions**, as well as potential strategic reviews **we may conduct**; **acquisitions**;
  - our future capital requirements and sources and uses of cash, including potential share repurchases and our ability to obtain additional capital in the future and fully access our Revolving Facility; and

- our ability to recognize performance-based revenue;
- our status as an EGC and our intention to take advantage of accommodations available to EGCs under the JOBS Act;
- our success in retaining or recruiting, or changes required in, our officers, key employees or directors, including and the success of our ability to increase our headcount as we expand our business; workplace globalization efforts; and
- the other estimates and matters described in this Annual Report on Form 10-K in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

These forward-looking statements are based on information available as of the date of this report, and current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties. Important factors could cause actual results to differ materially from those indicated or implied by forward-looking statements include, but are not limited to, those set forth in the section entitled "Risk Factors" in this Annual Report on Form 10-K. For example, the Company's expectations regarding future performance assume business currently under contract and satisfaction by our customers of their contractual obligations under those agreements, which is not within the Company's control. If a customer fails to satisfy its contractual obligations, actual results could be negatively impacted. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Should one or more of these risks or uncertainties materialize, or should any of the underlying assumptions prove incorrect, actual results may vary in material respects from those expressed or implied by these forward-looking statements. You should not place undue reliance on these forward-looking statements.

## Overview

We are a leading digital healthcare platform company that helps members consolidate people access, navigate and manage various components of unify resources to improve their health and well-being in one place, regardless of where they are on in their health journey. Our comprehensive and data-driven interoperable ecosystem is designed to help people, providers, employers, health plans, government organizations, and communities optimize individual and population-wide well-being by enabling positive behavior change. Driven by our philosophy that we are "all together better", at Sharecare, we are committed to supporting each individual through the lens of their personal health and ensuring high-quality care is more accessible and affordable for everyone.

Our digital first ecosystem is centered on the person. We believe everyone's health and well-being is inherently interconnected. Just as a person's physical health is inextricably linked to their mental and emotional health, an individual's health is also connected to a greater collective that includes their employer, providers, insurers, colleagues, family, friends, and local communities. However, these groups have historically remained disconnected with various stakeholders providing potentially hundreds of fragmented point solutions, each addressing only one or two specific health-related objectives. By integrating fragmented point solutions and bringing together disparate stakeholders across the healthcare ecosystem into one connected, interoperable ecosystem unifies virtual care platform, we believe that we can fulfill the elements role of individual a unifier and community health so everyone can live better, longer leverage smartphone technology to foster a frictionless user-friendly experience that engages people across the dynamic continuum of their healthcare needs. We are driven by our philosophy that we are "All Together Better" as well as our goal to turn individual progress into community transformation. Given a unique blend of expertise across technology, media, and healthcare, we have through a number of strategic acquisitions and integration of key technologies and capabilities over the last ten years, built our platform into what we believe is the most comprehensive and seamless experience currently available in the digital healthcare space.

Our business combines business-to-business and direct-to-consumer sales models and functions on a more distinctive business-to-business-to-person model. Focusing on the individual, we aim to provide a solution that we believe is more comprehensive than other digital platforms by bringing together scientifically validated clinical programs and engaging content to deliver a personalized experience for our members, whether they come to us by way of the workplace, the exam room, or the living room.

We derive revenue from multiple stakeholders and while we are focused on the individual's unique experience, our platform is purpose-built to seamlessly connect stakeholders to the health management tools they need to drive engagement, establish sustained participation, increase satisfaction, reduce costs, and improve outcomes. As we expand our offerings and look to further develop our technologies, we continue to consider the distinct needs of each client channel as well as opportunities to better connect and cross-sell while we grow and integrate our solutions into one seamless platform.

Our operations are mostly domestic to the United States, but we do derive some revenue from international operations, mostly from Brazil. The revenue for 2022 from international operations was \$14.6 million, or approximately 3% of total revenues.

Our one platform can be disaggregated into three client channels:

- **Enterprise Solutions:** Our enterprise channel includes a range of clients — from large employers and healthcare systems to government agencies and health plans — that use our platform to engage with their populations, dynamically measure the impact of that engagement, and efficiently deliver health and wellness services.
- **Provider Solutions:** Our suite of data and information-driven solutions for healthcare providers are is tailored to improve productivity and efficiency and enhance patient care and management while upholding the latest compliance, security, and privacy standards.
- **Life Sciences:** Our robust platform and suite of digital products and medical expert knowledge provides members with personalized information, programs, and resources to improve their health and well-being, and affords sponsors the opportunity to integrate their brands into Sharecare's consumer experience in a highly contextual, relevant, and targeted environment.

## Recent Developments Affecting Comparability

### COVID-19 Impact

We continue to closely monitor the impact of the COVID-19 pandemic on all aspects of our business. With the emergence of COVID-19 variants and increased vaccination rates, the status of ongoing measures varies widely depending on the country and locality.



The pandemic has not had a significant negative impact to our consolidated financial position, results of operations, and cash flows related to this matter. As a result of the broader economic impact, customers may be facing liquidity issues and may be slower to pay or altogether withdraw from their commitments. However, the long-term financial impact related to the pandemic remains uncertain.

Given the volatility of the circumstances surrounding the pandemic, Sharecare has evaluated potential risks to its business plan. Further economic slowdown could delay Sharecare's sales objectives for new business for its digital product. In addition, Sharecare may be impacted by currency fluctuations with the biggest impact thus far being to the Brazilian Real.

#### Key Factors and Trends Affecting our Operating Performance

Our financial condition and results of operations have been, and will continue to be, affected by a number of factors, including our success with respect to the following:

- Expanding our Footprint. We believe that our current client base represents a small fraction of potential clients that could benefit from our highly differentiated solutions. We will continue to invest in our sales and marketing

efforts and leverage our partner relationships to continue to acquire new clients, including individuals, providers, employers, health plans, government organizations, and communities.

- Expanding our Existing Client Relationships. We also believe that there is significant opportunity to generate growth by maintaining and expanding our relationships with existing clients, including:

- increasing engagement and enrollment of eligible members with our existing enterprise clients through continued sales and marketing efforts, including targeted next-generation digital modeling and marketing,

and capitalizing on insights from claims ingestion (the process by which we receive and process information from our clients), population risk stratification and incentives management;

- facilitating intervention with Sharecare+, our high-touch, digital-first advocacy driving high quality experience, care, and value support;
- promoting our marketplace of existing targeted digital therapeutics to close gaps in care in high-cost areas, (with incremental fee per enrollee), which we believe represents a \$1 billion revenue opportunity within our currently contracted clients; and
- expanding our relationships with our top 25 provider clients with an opportunity to extend our provider products and services to more than 8,500 additional healthcare sites.
- Offering Additional Solutions. We believe there is significant opportunity to cross-sell our provider solutions to existing accounts, including deploying our value-based care and payment integrity solutions solution to approximately 6,000 health system clients.
- Growing our Platform. We are constantly evaluating the marketplace for ways to broaden and enhance our client and member experience, improve clinical results, and increase revenue through product innovation, partnerships, and acquisitions. We intend to continue to leverage our expertise through adding digital therapeutics partnerships as well as the acquisition of products and services that are directly relevant to our existing clients. Additionally, we believe our strong and embedded client relationships provide us with unique perspectives into their evolving needs and the needs of their populations. For example, in January 2023, we recently launched Sharecare+, our digital-first, comprehensive advocacy solution designed to deliver value through benefits navigation, clinical engagement, virtual care, and chronic case and utilization management, and have entered into a multi-year strategic partnership with an affiliate of one of the largest payers to integrate our solution into their health guide services for hundreds of thousands of their members. management.
- Evolving our Products to Cater to an Evolving Industry. As the digital healthcare industry grows, we closely monitor evolving consumer trends and organizations' needs so that we may adapt our platform to better suit our clients' demands. Since March 2020, the COVID-19 pandemic greatly accelerated the demand for virtual care solutions and resulted in rapid growth and increased adoption of digital health technologies, which Sharecare was in a unique position to undertake. By building on our deep expertise in handling and managing mass health data, we launched a suite of distinct but complementary digital tools and programs to address the evolving emotional, educational, clinical, and operational challenges introduced by the pandemic. We intend to continue to look for opportunities to leverage our platform and expertise to provide first-mover solutions to evolving and future demands in the digital healthcare industry.
- Acquisitions. We believe that our proven track record of successful acquisitions coupled with the flexibility and capabilities of our platform positions us to continue opportunistically pursuing attractive M&A opportunities. We believe this potential is further accentuated by our multiple client channels and constantly expanding member base. Future acquisitions could drive value and growth in a host of ways, including access to new customers and potential cross-sell opportunities; unlocking new customer channels or geographies; adding new solutions to serve our existing client base; and adding new capabilities to enhance our existing solution offering or the efficiency of our platform. In addition, we believe our acquisition track record demonstrates our ability to realize synergies and optimize performance of potential M&A partners.
- Globalization Efforts and Cost Savings. We have begun certain globalization efforts across Through our Provider and Enterprise channels that will be rolled out throughout 2023. Through these globalization efforts, we believe there is opportunity to achieve approximately \$30 million in annualized cost savings, which will include

both operating and capitalized expense reductions. We expect some of these efforts across our Provider and Enterprise channels have begun to yield cost savings, to be realized during 2023, beginning which began in the first quarter of 2023 and increasing increased as we progress progressed throughout the year. The global shared service center is expected to become fully operational during the first half of 2024.

- **Contract Dispute.** We are currently in a contract dispute with a customer over an attempted termination by that party of a contract we believe is non-terminable, with remaining fees owed to the Company totaling \$50 million over the life of the contract. The counterparty has withheld payment of outstanding invoices and has indicated it does not intend to make any additional payments to the Company under the contract. We believe the contract unambiguously prohibits termination by the counterparty or the withholding of any fees payable to the Company

and counterparty's failure to remit payments and repudiation of future payment obligations constitutes a clear and material breach of the contract. Therefore, we have disputed the purported termination and are vigorously pursuing recovery of the amounts owed under the contract plus damages from the counterparty. We also have other commercial contracts related to advocacy services with certain subsidiaries of the same party that we believe have been breached by such subsidiaries, and we are in the process of taking action to enforce our rights and remedies under the applicable contracts. That contract dispute relates to pricing, amounts owed under the contracts and related matters and is not related to issues regarding the delivery of services by Sharecare. However, it became unfeasible for us to continue to deliver contracted services during the fourth quarter of 2023, which had a negative impact on our fourth quarter 2023 financial results. These disputes are expected to continue to impact our financial results, and we are unable to estimate the probability of a favorable or unfavorable outcome with respect to the disputes at this time. We also expect to incur additional costs as we pursue our legal rights and remedies.

## Components of Our Results of Operations

### Revenue

The enterprise channel provides employers and health plans with health management programs for large populations, including digital engagement, telephonic coaching, incentives, biometrics, digital therapeutics, home health offerings, advocacy solutions, and subscriptions to the Sharecare platform. Revenue is recognized on a per member per month ("PMPM") basis or as services are provided. Provider revenue is primarily based on health document requests filled in the health data services business line, as well as subscription fees for various technology related services that assist providers with performance and maximizing reimbursement. Life sciences revenue is generated mostly through ad sponsorships to Sharecare's extensive member database.

### Costs of Revenue

Costs of revenue primarily consist of costs incurred in connection with delivering our various revenue generating activities, including personnel related expenses, activities. Costs are primarily driven by volumes related to requests, engagement, and incentive fulfillment. The major components that make up our cost of revenue are personnel costs to support program delivery as well as customer service along with share-based compensation for employees engaged in delivering products and services to customers, data management fees related to file processing, and variable fees to deliver specific services that may require third party vendors, direct marketing, fulfillment, transaction fees, costs associated with exiting a contract, settlement of contractual obligations, or other costs that can be reduced to offset a decline in revenue. Because our growth strategy includes substantial opportunity to scale low-personnel cost products, we would anticipate future revenue to grow at a faster rate than cost of revenue as those low-personnel cost products mature. Costs of revenue do not include depreciation or amortization, which are accounted for separately.

### Sales and Marketing Expenses

Sales and marketing expenses consist primarily of employee-related expenses, including salaries, benefits, commissions, employment taxes, travel, globalization efforts, and share-based compensation costs for our employees engaged in sales, account management, marketing, public relations and related support. In addition, these expenses include marketing sponsorships and engagement marketing spend. These expenses exclude any allocation of occupancy expense and depreciation and amortization.

We expect our sales and marketing expenses to increase fluctuate as we strategically invest to expand our business. We expect to hire additional sales personnel and related account management, business while also cutting back on marketing public relations and related support personnel to capture an increasing amount of our market opportunity and upsell/cross-sell within our existing client base, sponsorships. As we scale our sales and marketing personnel in the short- medium- to medium-term, long-term, we expect these expenses to increase fluctuate in both absolute dollars and as a percentage of revenue.

### Product and Technology Expenses

Product and technology expenses include personnel and related expenses for software engineering, information technology infrastructure, business intelligence, technical account management, project management, security, product development, globalization efforts, and share-based compensation. Product and technology expenses also include indirect hosting and related costs to support our technology, outsourced software, and engineering services. Our technology and development expenses exclude any allocation of occupancy expense and depreciation and amortization.

We expect our technology and development expenses to increase for the foreseeable future as we continue to invest in the development of our technology platform. platform with a more focused effort on the globalization of our technology teams, which has helped to reduce overall spend. This effort has resulted in significant decreases in both operating expenses and capital expenditures. Our technology and development expenses may fluctuate as a percentage of our total revenue from period to period partially due to the timing and extent of our technology and development expenses.

### General and Administrative Expenses



General and administrative expenses include personnel and related expenses for our executive, finance, legal, and human resources departments plus all indirect staff in the divisions not attributable to service delivery, sales and marketing, or product and technology, technology and our globalization efforts. They also include professional fees, share-based compensation, settlement of legal obligations, lease termination expense, enterprise resource planning implementation costs, acquisition related costs, rent, utilities and maintenance related maintenance-related costs. Our general and administrative expenses exclude any allocation of depreciation and amortization.

We expect our general and administrative expenses to increase for the foreseeable future following the completion of the Business Combination due to the additional legal, accounting, insurance, investor relations, and other costs that we will incur as a public company, as well as costs associated with continuing to grow our business. Our general and administrative expenses may fluctuate as a percentage of our total revenue from period to period partially due to the timing and extent of our general and administrative expenses.

#### Depreciation and Amortization

Depreciation and amortization consists primarily of depreciation of fixed assets, amortization of software, amortization of capitalized software development costs and amortization of acquisition-related intangible assets.

#### Interest Income

Interest income primarily relates to interest recognized on our money market and overnight interest-bearing accounts.

#### Interest Expense

Interest expense primarily relates to interest and fees incurred on our line of credit and the amortization of debt issuance costs.

#### Other Income (Expense)

Other income (expense) primarily relates to the guarantee expense of a standby letter of credit for a third party non-profit organization and changes in the fair value of contingent consideration and warrant liabilities.

#### Results of Operations

##### Comparison of the Years Ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021

The following table presents our Consolidated Statement of Operations for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, and the dollar and percentage change between the three years:

(in thousands)	Year Ended December 31,			2021 to 2022	2020 to 2021
	2022	2021	2020	% Change	% Change
Revenue	\$ 442,415	\$ 412,815	\$ 328,805	7 %	26 %
<b>Costs and operating expenses:</b>					
Costs of revenue (exclusive of amortization and depreciation below)	238,293	203,218	160,911	17 %	26 %
Sales and marketing	55,870	51,407	33,335	9 %	54 %
Product and technology	70,527	74,438	44,078	(5)%	69 %
General and administrative	171,811	136,594	83,238	26 %	64 %
Depreciation and amortization	45,256	32,601	24,684	39 %	32 %
<b>Total costs and operating expenses</b>	<b>581,757</b>	<b>498,258</b>	<b>346,246</b>	<b>17 %</b>	<b>44 %</b>
<b>Loss from operations</b>	<b>(139,342)</b>	<b>(85,443)</b>	<b>(17,441)</b>	<b>63 %</b>	<b>390 %</b>
<b>Other income (expense)</b>					
Interest income	1,867	96	71	1845 %	35 %
Interest expense	(2,431)	(27,662)	(31,037)	(91)%	(11)%
Loss on extinguishment of debt	—	(1,148)	—	100 %	— %
Other income (expense)	20,215	27,007	(9,709)	(25)%	(378)%
<b>Total other income (expense)</b>	<b>19,651</b>	<b>(1,707)</b>	<b>(40,675)</b>	<b>(1251)%</b>	<b>(96)%</b>
<b>Net loss before taxes and loss from equity method investment</b>	<b>(119,691)</b>	<b>(87,150)</b>	<b>(58,116)</b>	<b>37 %</b>	<b>50 %</b>
Income tax benefit	206	2,021	1,557	(90)%	30 %
Loss from equity method investment	—	—	(3,902)	n.m.	n.m.
<b>Net loss</b>	<b>\$ (119,485)</b>	<b>\$ (85,129)</b>	<b>\$ (60,461)</b>	<b>40 %</b>	<b>41 %</b>
Net loss attributable to noncontrolling interest in subsidiaries	(778)	(129)	(443)	503 %	(71)%
Net loss attributable to Sharecare, Inc.	\$ (118,707)	\$ (85,000)	\$ (60,018)	40 %	42 %

n.m. — Percentage

(in thousands)	Year Ended December 31,			2022 to 2023	2021 to 2022
	2023	2022	2021	% Change	% Change
Revenue	\$ 445,251	\$ 442,415	\$ 412,815	1 %	7 %
<b>Costs and operating expenses:</b>					
Costs of revenue (exclusive of amortization and depreciation below)	254,545	238,293	203,218	7 %	17 %
Sales and marketing	57,420	55,870	51,407	3 %	9 %
Product and technology	70,046	70,527	74,438	(1)%	(5)%
General and administrative	138,008	171,811	136,594	(20)%	26 %
Depreciation and amortization	61,207	45,256	32,601	35 %	39 %
<b>Total costs and operating expenses</b>	<b>581,226</b>	<b>581,757</b>	<b>498,258</b>	<b>— %</b>	<b>17 %</b>
<b>Loss from operations</b>	<b>(135,975)</b>	<b>(139,342)</b>	<b>(85,443)</b>	<b>(2)%</b>	<b>63 %</b>
<b>Other income (expense):</b>					
Interest income	6,296	1,867	96	237 %	1845 %
Interest expense	(1,760)	(2,431)	(27,662)	(28)%	(91)%
Loss on extinguishment of debt	—	—	(1,148)	— %	100 %
Other income	1,218	20,215	27,007	(94)%	(25)%
<b>Total other income (expense)</b>	<b>5,754</b>	<b>19,651</b>	<b>(1,707)</b>	<b>(71)%</b>	<b>(1251)%</b>
<b>Loss before income tax benefit</b>	<b>(130,221)</b>	<b>(119,691)</b>	<b>(87,150)</b>	<b>9 %</b>	<b>37 %</b>
Income tax benefit	209	206	2,021	1 %	(90)%
<b>Net loss</b>	<b>\$ (130,012)</b>	<b>\$ (119,485)</b>	<b>\$ (85,129)</b>	<b>9 %</b>	<b>40 %</b>
Net loss attributable to non-controlling interest in subsidiaries	(1,514)	(778)	(129)	95 %	503 %
Net loss attributable to Sharecare, Inc.	\$ (128,498)	\$ (118,707)	\$ (85,000)	8 %	40 %

## Comparison of the Years Ended December 31, 2023 and 2022

### Revenue

Revenue increased \$2.8 million, or 1%, from \$442.4 million for the year ended December 31, 2022 to \$445.3 million for the year ended December 31, 2023. Revenue growth was driven primarily by increased volumes in audit and release of information records within the provider channel and new revenues for advocacy services in enterprise. Offsetting these increases was a decline in our home health services along with pricing pressures in population health within the enterprise channel.

The channel revenue changed as follows: the enterprise channel decreased by \$14.7 million (from \$258.6 million for 2022 to \$243.9 million for 2023), the provider channel increased by \$15.1 million (from \$104.2 million for 2022 to \$119.3 million for 2023) and the life sciences channel increased by \$2.4 million (from \$79.6 million for 2022 to \$82.0 million for 2023). The enterprise channel decrease of 6% was primarily attributable to the decision to reduce unprofitable nurse on demand locations, the repricing of a core legacy contract, and the ceasing of our Brazil operations. In addition, as outlined in the footnotes of the Company's audited financial statements and as discussed above under Key Factors and Trends Affecting our Operating Performance - Contract Dispute, there was an \$8.0 million negative impact to revenue in the year ended December 31, 2023 as compared to what was expected from contracted advocacy services under a single contract pending the resolution of certain contractual matters, and a related \$6.2 million contract asset impairment charge that was recorded as a reduction to revenue because of the uncertainty as to whether, or when, the services under that contract might resume. The provider channel increase of 15% was attributable to new customers and the volume of records processed by the medical record audit business. The life sciences channel increase of 3% was attributable to growth in core pharma advertising spend.

### Costs and Expenses

#### Costs of Revenue

Costs of revenue increased \$16.2 million, or 7%, from \$238.3 million for the year ended December 31, 2022 to \$254.5 million for the year ended December 31, 2023. The percentage increase in costs of revenue was higher than the percentage increase in revenue primarily from cost composition in association with the Company's new advocacy services.

#### Sales and Marketing

Sales and marketing expense increased \$1.5 million, or 3%, from \$55.9 million for the year ended December 31, 2022 to \$57.4 million for the year ended December 31, 2023. The increase included a \$2.4 million increase in non-cash, share-based compensation and \$0.7 million of travel, software and general office expenses, all tied to increased staffing. Offsetting these increases was a \$1.5 million reduction in marketing sponsorships and corporate events.

#### *Product and Technology*

Product and technology expenses decreased \$0.5 million, or 1%, from \$70.5 million for the year ended December 31, 2022 to \$70.0 million for the year ended December 31, 2023. This was driven by an increase in severance expense tied to globalization and cost savings efforts of \$2.2 million and non-cash share-based compensation of \$1.0 million, which were offset by a \$3.0 million reduction in platform, software and hardware expense.

#### *General and Administrative*

General and administrative expense decreased \$33.8 million, or 20%, from \$171.8 million for the year ended December 31, 2022 to \$138.0 million for the year ended December 31, 2023. Decreases were attributable to several one-time expenses impacting 2022, including non-cash, share-based compensation expense of \$25.8 million tied to mostly one-time executive compensation plans and an acquisition-related payroll expense for our home health division of \$4.0 million. In addition, expenses tied to reorganization and other one-time costs decreased \$4.6 million and external recruitment fees fell \$1.0 million.

#### *Depreciation and Amortization*

Depreciation and amortization increased \$16.0 million, or 35%, from \$45.3 million for the year ended December 31, 2022 to \$61.2 million for the year ended December 31, 2023. The increase was related to the increased focus on developing our platform over the last few years utilizing capitalized staffing, and to a \$2.9 million impairment charge on acquired intellectual property that was recognized in the fourth quarter of 2023, due to a change **not meaningful** in the timing and magnitude of cash flows expected to be generated using the intellectual property.

#### *Interest Income*

Interest income increased \$4.4 million, or 237% from \$1.9 million for the year ended December 31, 2022 to \$6.3 million for the year ended December 31, 2023. The increase is attributable to investing in money market and overnight interest-bearing accounts and higher prevailing interest rates throughout 2023 as compared to the prior year.

#### *Interest Expense*

Interest expense decreased \$0.6 million, or 28%, from \$2.4 million for the year ended December 31, 2022 to \$1.8 million for the year ended December 31, 2023. The decrease is primarily attributable to decreased amortization of deferred financing fees.

#### *Other Income*

Other income decreased \$19.0 million, or 94%, from \$20.2 million of income for the year ended December 31, 2022 to \$1.2 million of income for the year ended December 31, 2023. The decrease in income was mostly related to non-cash mark-to-market adjustments to contingent consideration and warrant liabilities where the adjustment is tied to the change in the per share price of the Company's common stock. See Note 1 to Sharecare's consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

### **Comparison of the Years Ended December 31, 2022 and 2021**

#### **Revenue**

Revenue increased **\$29.6 million**, or 7%, from **\$412.8 million** for the year ended December 31, 2021 to **\$442.4 million** for the year ended **December 31, 2022**. Revenue growth of \$69.1 million was driven by contributions from new product lines, including advocacy, and newly acquired products, such as home health, as well as organic growth in existing lines. Offsetting this growth was a negative impact of \$39.5 million attributable to suspension of services related to health security and medical home care.

The channel revenue changed as follows: enterprise channel increased by \$15.2 million (from \$243.4 million for 2021 to \$258.6 million for 2022), the provider channel increased by \$13.3 million (from **\$90.9 million** for 2021 to \$104.2 million for 2022) and the life sciences channel increased by \$1.1 million (from **\$78.5 million** for **2021** to **\$79.6 million** for **2022**). Increases in the enterprise channel were attributable to a combination of new product and client gains in the digital, advocacy and home health areas, partially offset by the aforementioned impact of suspended service lines. The provider channel increase was attributable to increased volumes and new customers within our existing product lines, mostly in the medical record audit business. The life sciences channel increase was attributable to both the consumer and behavioral health services divisions.

#### **Costs and Expenses**

##### *Costs of Revenue*

Costs of revenue increased **\$35.1 million**, or 17%, from **\$203.2 million** for the year ended December 31, 2021 to **\$238.3 million** for the year ended December 31, 2022. The percentage increase in costs of revenue was higher than the percentage increase in revenue primarily from shifts in product mix, with increases in home health care, advocacy and medical record audits, offset by the suspension of services in health security.

##### *Sales and Marketing*

Sales and marketing expense increased \$4.5 million, or 9%, from \$51.4 million for the year ended December 31, 2021 to **\$55.9 million** for the year ended December 31, 2022. The increase was primarily related to a \$3.1 million increase in staffing and related personnel expense, \$2.2 million of additional marketing sponsorships and advertising costs, and \$1.9 million in additional non-cash share-based compensation expense. The increases were offset by a \$2.9 million **reduction in** spend related to engagement marketing and sales consulting in **2021** that was not repeated in 2022.

### Product and Technology

Product and technology expenses decreased \$3.9 million, or 5%, from \$74.4 million for the year ended December 31, 2021 to \$70.5 million for the year ended December 31, 2022. The decrease was related to an \$8.8 million reduction in share-based compensation and a reduction of \$1.2 million from the optimization of staff and contract services. Offsetting the decrease was \$2.1 million in increased platform and software fees to support deployment of new technologies and new revenue streams, along with \$4.0 million in severance and reorganization expense tied to the optimization of staff and contractors.

### General and Administrative

General and administrative expense increased \$35.2 million, or 26%, from \$136.6 million for the year ended December 31, 2021 to \$171.8 million for the year ended December 31, 2022. Non-cash, share-based compensation expense accounted for \$29.4 million of the increase. Staffing costs and related personnel expenses increased \$5.5 million, tied to prior year acquisitions, growth and compliance needs. Insurance, tax and administrative expenses increased \$3.9 million with the majority of the increase tied to business insurance required as a public company. Professional fees increased \$2.0 million, primarily related to the delivery and ramp of new product lines. Offsetting these increases was \$2.1 million of reduced facility footprint and \$3.5 million of non-recurring, reorganization and non-operational expense reduction.

### Depreciation and Amortization

Depreciation and amortization increased \$12.7 million, or 39%, from \$32.6 million for the year ended December 31, 2021 to \$45.3 million for the year ended December 31, 2022. The increase was related to our continued investment in product enhancements and new products, as well as amortization incurred on recently acquired intangible assets.

### Interest Expense

Interest expense decreased \$25.3 million, or 91%, from \$27.7 million for the year ended December 31, 2021 to \$2.4 million for the year ended December 31, 2022. The decrease is attributable to the retirement of debt in 2021 in connection with the consummation of the Business Combination.

### Other Income (Expense)

Other income and expense decreased \$6.8 million, or 25%, from \$27.0 million of income for the year ended December 31, 2021 to \$20.2 million of income for the year ended December 31, 2022. This decrease activity was mostly related to non-cash mark-to-market adjustments to contingent consideration and warrant liabilities where the adjustment is tied to the change in the per share price of the Company's common stock. See Note 1 to Sharecare's consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

## Comparison of the Years Ended December 31, 2021 and 2020

### Revenue

Revenue increased \$84.0 million, or 26%, from \$328.8 million for the year ended December 31, 2020 to \$412.8 million for the year ended December 31, 2021. Revenue growth of \$115.0 million was driven by contributions from new product lines, including digital therapeutics and health security programs, and newly acquired products, such as home health, as well as organic growth in existing lines. Offsetting this growth was a negative impact of \$30.3 million attributable to COVID-19,

which includes reduced services and the attrition of one contract related to a previous acquisition. The COVID-19 impact is primarily attributable to customers' overall concern about the economy that affected long-term contract decisions.

The channel revenue changed as follows: enterprise channel increased by \$55.1 million (from \$188.3 million for 2020 to \$243.4 million for 2021), the provider channel increased by \$11.6 million (from \$79.3 million for 2020 to \$90.9 million for 2021) and the life sciences channel increased by \$17.4 million (from \$61.1 million for 2020 to \$78.5 million for 2021). Increases in the enterprise channel (29%) were attributable to a combination of new product and client gains in the digital, digital therapeutics, health security, home health and community programs, partially offset by the aforementioned impact of COVID-19 and contract attrition from a previous acquisition. The provider channel increase (15%) was attributable to new products in the payment integrity area, continued recovery in demand for our services as compared to the prior year, and increased volumes and new customers within our existing product lines. The life sciences channel increase (28%) was due to adding new customer brands and increased pharmaceutical advertising spend.

### Costs and Expenses

#### Costs of Revenue

Costs of revenue increased \$42.3 million, or 26%, from \$160.9 million for the year ended December 31, 2020 to \$203.2 million for the year ended December 31, 2021. The increase was due to the corresponding increase in sales.

#### Sales and Marketing

Sales and marketing expense increased \$18.1 million, or 54%, from \$33.3 million for the year ended December 31, 2020 to \$51.4 million for the year ended December 31, 2021. The increase was primarily related to a \$10.6 million increase in salaries and commissions as we ramp sales efforts and \$4.7 million in consulting and sponsorship expenses to advance engagement metrics and provide sales and marketing support for growth and new product rollout. Also contributing to the increase was \$1.4 million in additional non-cash share-based compensation expense and \$1.1 million of additional non-recurring expense related to our transition to being a public company.

### Product and Technology

Product and technology expenses increased \$30.4 million, or 69%, from \$44.1 million for the year ended December 31, 2020 to \$74.4 million for the year ended December 31, 2021. The largest variance was non-cash share-based compensation expense of \$12.1 million, mostly related to acquisitions. The continued investment in product and technology staffing and outside contract services accounted for \$9.0 million of the increase, of which \$5.7 million derived from acquisitions. The remaining increase includes a non-operational expense of \$4.7 million along with incremental platform and consulting fees of \$4.5 million as we ramp new technologies and user volume increases.

### General and Administrative

General and administrative expense increased \$53.4 million, or 64%, from \$83.2 million for the year ended December 31, 2020 to \$136.6 million for the year ended December 31, 2021. The increase was due mostly to non-recurring costs of becoming a public company, acquisition-related expenses and non-cash share-based compensation expenses totaling \$37.7 million. Personnel expenses increased \$11.7 million related to compensation restoration for employees who had previously accepted salary reductions in connection with prior period COVID-19 related cost reductions and increased headcount to support public company processes in the current period. The remainder of the increase is mostly related to business insurance and other cost increases, associated with being a public company.

#### Depreciation and Amortization

Depreciation and amortization increased \$7.9 million, or 32%, from \$24.7 million for the year ended December 31, 2020 to \$32.6 million for the year ended December 31, 2021. The increase was related to our continued investment in product enhancements and new products, as well as amortization expense incurred on recently acquired intangible assets.

#### Interest Expense

Interest expense decreased \$3.4 million, or 11%, from \$31.0 million for the year ended December 31, 2020 to \$27.7 million for the year ended December 31, 2021. The decrease is attributable to the retirement of our debt either through the conversion to common stock or through its repayment during the year ended December 31, 2021.

#### Other Income (Expense)

Other income and expense fluctuated \$36.7 million from \$9.7 million of expense for the year ended December 31, 2020 to \$27.0 million of income for the year ended December 31, 2021. This activity was mostly related to non-cash mark-to-market adjustments to contingent consideration and warrant liabilities where the adjustment is tied to the change in the per share price of the Company's common stock. See Note 1 to Sharecare's consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

#### Non-GAAP Financial Measures

In addition to our financial results determined in accordance with U.S. GAAP, we believe the non-GAAP measures adjusted EBITDA, adjusted net income (loss), loss, and adjusted earnings (loss) loss per share, ("adjusted EPS"), are useful in evaluating our operating performance. We use adjusted EBITDA, adjusted net income (loss), loss, and adjusted EPS loss per share to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that these non-GAAP financial measures, when taken together with the corresponding

GAAP financial measures, provide meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our business, results of operations, or outlook. In particular, we believe that the use of adjusted EBITDA, adjusted net income (loss), loss, and adjusted EPS loss per share is helpful to our investors as they are metrics used by management in assessing the health of our business and our operating performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool, and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, other companies, including companies in our industry, may calculate similarly-titled non-GAAP measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as a tool for comparison. The reconciliations of adjusted EBITDA, adjusted net income (loss), loss, and adjusted EPS loss per share to net income (loss), loss, the most directly comparable financial measure stated in accordance with GAAP, are provided below. Investors are encouraged to review the reconciliations and not to rely on any single financial measure to evaluate our business.

#### Adjusted EBITDA

Adjusted EBITDA is a key performance measure that management uses to assess our operating performance. Because adjusted EBITDA facilitates internal comparisons of our historical operating performance on a more consistent basis, we use this measure for business planning purposes.

We calculate adjusted EBITDA as net income (loss) loss adjusted to exclude (i) depreciation and amortization, (ii) interest income, (iii) interest expense, (iv) income tax (benefit) expense, (v) loss on extinguishment of debt, (vi) other (income) expense (non-operating), (vii) loss from equity method investments, (viii) share-based compensation, (ix) warrants issued with revenue contracts, (x) amortization of non-cash payment for research and development, (xi) net costs associated with exiting contracts, (xii) non-operating, non-recurring costs, (xiii) reorganizational and severance costs, and (xiv) acquisition-related costs. We do not view the items excluded as representative of normal, recurring, cash operating expenses necessary to operate our ongoing lines of business and services.

Non-operating, non-recurring costs for the yearended December 31, 2023 include costs of our ERP system implementation, costs of contractual obligations associated with a financially distressed vendor, and costs related to certain legal matters. The ERP and legal matter costs are recorded in general and administrative operating expense and the financially distressed vendor costs are recorded in cost of revenue in the Consolidated Statement of Operations and Comprehensive Loss for each respective period presented.

Legal matter costs include attorney fees associated with a dispute that arose from a prior acquisition and attorney fees associated with the submission of an unsolicited acquisition offer as filed in the Schedule 13D with the SEC on October 11, 2023. These matters have unique facts and circumstances that are not directly related to our operations. We do not consider these costs to be normal, recurring, cash operating expenses necessary to operate our business.

The ERP implementation is viewed as a transformational undertaking due to the extensive scope and inherent change management involved to transition to a new single-solution ERP system from the disparate legacy systems. These costs consist of internal and third-party costs of the ERP implementation and do not include capitalized costs, depreciation and/or amortization, or costs to support or maintain software applications or systems once they are in productive use. The ERP system is fully implemented, and such costs are not expected to recur in the foreseeable future. We do not consider these costs to be normal, recurring, cash operating expenses necessary to operate our business.

Financially distressed vendor costs include financial support from us to a vendor in response to the vendor's financial difficulties, which absent such support would have resulted in an interruption of our service to our customers. Because we are committed to providing uninterrupted service to our customers, and to minimizing the risk of such a disruption, we made additional, advance payments to the vendor beyond those that were due to the vendor in association with services procured from the vendor. We ceased procuring services from the vendor in Q2 2023 and subsequent to that period no further amounts were paid. Because the costs of the additional payments made to the vendor were

incremental to the costs incurred by us to deliver service to our customers, we do not consider them to be normal, recurring, cash operating expenses necessary to operate our business.

Reorganizational and severance costs are a component of our Globalization Efforts and Cost Savings as described in Key Factors and Trends Affecting our Operating Performance. These costs are due to efforts to globalize and centralize our workforce and will be fully operational during the first half of 2024. We have never had a global shared service center and view this undertaking as outside the scope of normal operations. Costs include salary, benefits, equity and bonus compensation, and other employee costs for those who were identified to be terminated or those working on the transformational efforts. These costs were recorded in sales and marketing, product and technology, and general and administrative operating expenses in the Consolidated Statement of Operations and Comprehensive Loss for the periods presented, based on the employee's respective job function. Because these costs are part of a specific and unprecedented initiative, we do not consider these expenses to be normal, recurring, cash operating expenses necessary to operate our business.

Certain prior period adjusted EBITDA add-back reconciliation amounts have been reclassified to new add-back line items in order to conform to the current period presentation and to more accurately describe the nature of the expenses year-over-year. These reclassifications had no effect on the previously reported adjusted EBITDA totals, amounts year-over-year.

The following table presents a reconciliation of adjusted EBITDA from the most comparable GAAP measure, net loss, for each of the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 (in thousands):

		Year Ended December 31,					
		2022	2021	2020			
		Year Ended December 31,			Year Ended December 31,		
		2023			2023	2022	2021
Net loss	Net loss	\$ (119,485)	\$(85,129)	\$(60,461)			
Add:	Add:						
Depreciation and amortization	Depreciation and amortization						
Depreciation and amortization	Depreciation and amortization						
Depreciation	Depreciation	45,256	32,601	24,684			
Interest income	Interest income	(1,867)	(96)	(71)			
Interest expense	Interest expense	2,431	27,662	31,037			
Income tax benefit	Income tax benefit	(206)	(2,021)	(1,557)			
Loss on extinguishment of debt	Loss on extinguishment of debt	—	1,148	—			
Other (income) expense	Other (income) expense	(20,215)	(27,007)	9,709			
Loss from equity method investments	Loss from equity method investments	—	—	3,902			
Other income	Other income						
Share-based compensation	Share-based compensation	69,628	46,780	19,160			
Warrants issued with revenue contracts <sup>(a)</sup>	Warrants issued with revenue contracts <sup>(a)</sup>	62	79	1,188			
Warrants issued with revenue contracts	Warrants issued with revenue contracts						



Amortization of non-cash payment for research and development	Amortization of non-cash payment for research and development	2,460	1,235	—
Net costs associated with exiting contracts <sup>(b)</sup>		3,839	—	—
Non-operating, non-recurring costs <sup>(c)</sup>		14,360	10,592	2,081
Reorganizational and severance costs <sup>(d)</sup>		13,681	1,504	2,553
Non-operating, non-recurring costs <sup>(a)</sup>				
Reorganizational and severance costs <sup>(b)</sup>				
Acquisition-related costs	Acquisition-related costs	5,832	19,680	106
Adjusted EBITDA <sup>(e)</sup>		\$ 15,776	\$ 27,028	\$ 32,331
Adjusted EBITDA <sup>(c)(d)</sup>				

- (a) Represents For the non-cash value year ended December 31, 2023, primarily represents costs related to legal matters of warrants issued \$1.9 million, the ERP implementation of \$1.0 million, and contractual obligations of \$0.9 million. For the year ended December 31, 2022, primarily represents costs related to clients for meeting specific revenue thresholds, legal matters of \$3.5 million, new business opportunities of \$2.6 million, and the ERP implementation of \$1.5 million.
- (b) For the year ended December 31, 2022 December 31, 2023, previously undisclosed first quarter net costs were included for comparability purposes and to display trends associated with exiting contracts during the period.
- (c) For 2022, primarily represents costs related to the settlement of legal obligations, new business opportunities, and lease termination. For 2021 and 2020, primarily represents costs related to the settlement of legal obligations.
- (d) For 2022, primarily represents costs related to globalizing a portion the Company's workforce of \$26.8 million and severance of \$5.2 million. For the workforce and severance. For 2021 and 2020, year ended December 31, 2022, primarily represents costs related to severance, globalizing the Company's workforce of \$9.6 million and severance of \$1.2 million.
- (e) (c) Includes non-cash amortization associated with contract liabilities recorded in connection with acquired businesses.
- (d) Effective September 30, 2023, we no longer exclude costs associated with exiting a contract, lease terminations, and indirect globalization employee costs from our computation of Adjusted EBITDA. For the year ended December 31, 2022, these costs totaled \$3.8 million, \$4.7 million, and \$1.5 million, respectively. Adjusted EBITDA for 2022 has been recast to conform to the current period computation methodology.

#### Adjusted Net Income (Loss)

Adjusted net income (loss) loss is a key performance measure that management uses to assess our operating performance. Because adjusted net income (loss) loss facilitates internal comparisons of our historical operating performance on a more consistent basis, we use this measure for business planning purposes and to evaluate our performance.

We calculate adjusted net income (loss) loss as net income (loss) loss attributable to Sharecare, Inc. adjusted to exclude (i) amortization of acquired intangibles, (ii) amortization of deferred financing fees, (iii) change in fair value of warrant liability and contingent consideration, (iv) loss from equity method investments, (v) share-based compensation, (vi) (v) warrants issued with revenue contracts, (vii) (vi) amortization of non-cash payment for research and development, (viii) net costs associated with exiting contracts, (ix) (vii) non-operating, non-recurring costs, (x) (viii) reorganizational and severance costs, and (xi) acquisition related (ix) acquisition-related costs. We do not view the items excluded as representative of normal, recurring, cash operating expenses necessary to operate our ongoing operations, lines of business and services.

See Adjusted EBITDA above for the discussion of the nature of costs underlying the categories of non-operating, non-recurring costs, and reorganizational and severance costs.

Certain prior period adjusted net income (loss) add-back loss reconciliation amounts have been reclassified to new add-back line items in order to conform to the current period presentation and to more accurately describe the nature of the expenses amounts year-over-year. These reclassifications had no effect on the previously reported adjusted net income (loss) totals.

#### Adjusted EPS Loss Per Share

Adjusted **EPS loss per share** is a key performance measure that management uses to assess our operating performance. Because adjusted **EPS loss per share** facilitates internal comparisons of our historical operating performance on a more consistent basis, we use this measure for business planning purposes and to evaluate our performance.

We calculate **Adjusted EPS adjusted loss per share** as adjusted net **income (loss), loss**, as defined above, divided by the number of weighted average common shares outstanding - basic and diluted. We do not view the items excluded as representative of **normal, recurring, cash operating expenses necessary to operate our ongoing operations**.

#### lines of business and services.

The following table presents a reconciliation of adjusted net loss and adjusted **EPS loss per share** from the most comparable GAAP measure, net loss, for **each of** the years ended **December 31, 2022** December 31, 2023, **2021** 2022 and **2020** 2021 (in thousands, except share numbers and per share amounts):

		Year Ended December 31,		
		2022	2021	2020
		Year Ended December 31,		
		2023	2022	2021
Net loss attributable to Sharecare, Inc.	Net loss attributable to Sharecare, Inc.	\$ (118,707)	\$ (85,000)	\$ (60,822)
Add:	Add:			
Amortization of acquired intangibles <sup>(a)</sup>	Amortization of acquired intangibles <sup>(a)</sup>	6,526	5,321	3,851
Amortization of acquired intangibles <sup>(a)</sup>	Amortization of acquired intangibles <sup>(a)</sup>			
Amortization of deferred financing fees	Amortization of deferred financing fees	280	15,537	6,801
Change in fair value of warrant liability and contingent consideration	Change in fair value of warrant liability and contingent consideration	(18,492)	(26,123)	9,647
Loss from equity method investments	Loss from equity method investments	—	—	3,902
Share-based compensation	Share-based compensation	69,628	46,780	19,160
Warrants issued with revenue contracts <sup>(b)</sup>	Warrants issued with revenue contracts <sup>(b)</sup>	62	79	1,188
Warrants issued with revenue contracts	Warrants issued with revenue contracts			
Amortization of non-cash payment for research and development	Amortization of non-cash payment for research and development	2,460	1,235	—
Net costs associated with exiting contracts <sup>(c)</sup>	Net costs associated with exiting contracts <sup>(c)</sup>	3,839	—	—
Non-operating, non-recurring costs <sup>(d)</sup>	Non-operating, non-recurring costs <sup>(d)</sup>	14,360	10,592	2,081
Reorganizational and severance costs <sup>(e)</sup>	Reorganizational and severance costs <sup>(e)</sup>	13,681	1,504	2,553

Non-operating, non-recurring costs <sup>(b)</sup>				
Reorganizational and severance costs <sup>(c)</sup>				
Acquisition-related costs	Acquisition-related costs	5,832	19,680	106
Adjusted net loss <sup>(f)</sup>		\$ (20,531)	\$ (10,395)	\$ (11,533)
Adjusted net loss <sup>(d)(e)</sup>				
Weighted-average common shares outstanding, basic and diluted				
Weighted-average common shares outstanding, basic and diluted				
Weighted-average common shares outstanding, basic and diluted				
Weighted-average common shares outstanding, basic and diluted	Weighted-average common shares outstanding, basic and diluted	348,103,491	281,026,365	215,094,037
Loss per share	Loss per share	\$ (0.34)	\$ (0.30)	\$ (0.28)
Loss per share				
Loss per share				
Adjusted loss per share	Adjusted loss per share	\$ (0.06)	\$ (0.04)	\$ (0.05)

- (a) Represents non-cash expenses related to the amortization of intangibles in connection with acquired businesses.
- (b) Represents For the non-cash value year ended December 31, 2023, primarily represents costs related to legal matters of warrants issued \$1.9 million, the ERP implementation of \$1.0 million, and contractual obligations of \$0.9 million. For the year ended December 31, 2022, primarily represents costs related to clients for meeting specific revenue thresholds, legal matters of \$3.5 million, new business opportunities of \$2.6 million, and the ERP implementation of \$1.5 million.
- (c) For the year ended December 31, 2022 December 31, 2023, previously undisclosed first quarter net costs were included for comparability purposes and to display trends associated with exiting contracts during the period.
- (d) For 2022, primarily represents costs related to the settlement of legal obligations, new business opportunities, and lease termination. For 2021 and 2020, primarily represents costs related to the settlement of legal obligations.
- (e) For 2022, primarily represents costs related to globalizing a portion the Company's workforce of \$26.8 million and severance of \$5.2 million. For the workforce and severance. For 2021 and 2020, year ended December 31, 2022, primarily represents costs related to severance, globalizing the Company's workforce of \$9.6 million and severance of \$1.2 million.
- (f) (d) The income tax effect of the Company's non-GAAP reconciling items are offset by valuation allowance adjustments of the same amount given the Company is in a full valuation allowance position.
- (e) Effective September 30, 2023, we no longer exclude costs associated with exiting a contract, lease terminations, and indirect globalization employee costs from our computation of Adjusted Loss. For the year ended December 31, 2022, these costs totaled \$3.8 million, \$4.7 million, and \$1.5 million, respectively. Adjusted Loss for 2022 has been recast to conform to the current period computation methodology.

## Liquidity and Capital Resources

We measure liquidity in terms of our ability to fund the cash requirements of our business operations, including working capital and capital expenditure needs, share repurchases, contractual obligations and other commitments, with cash flows from operations and other sources of funding. Our ability to expand and grow our business will depend on many factors, including our working capital needs and the evolution of our operating cash flows.

We had \$182.5 million \$128.2 million in cash and cash equivalents as of December 31, 2022 December 31, 2023. Our principal commitments as of December 31, 2022 December 31, 2023, consist of operating leases and purchase commitments. The Company maintains its Senior Secured Credit Agreement. As of December 31, 2022 December 31, 2023, there was \$51.1 million \$54.3 million available for borrowing under the Revolving Facility. See Note 8 and Note 13 to Sharecare's consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

We believe our cash on hand which includes the cash we obtained as a result of the Business Combination, will be sufficient to meet our operating cash flow, working capital, and capital expenditure requirements, and to fund share repurchases in the short-term i.e. (i.e., the 12 months from the date of this Annual Report on Form 10-K, 10-K). Our long-term liquidity needs include cash necessary to support our business growth and contractual commitments. We believe that the potential financing capital available to us in the future is sufficient to fund our long-term liquidity needs, however, we are continually reviewing our capital resources to determine whether we can meet our short- and long-term goals, and we may require additional capital to do so. We may also need additional cash resources due to potential changes in business conditions or other developments, including unanticipated regulatory developments, significant acquisitions, and competitive pressures. We expect our capital expenditures and working capital requirements to continue to increase in the immediate future as we seek to expand our solution offerings. To the extent that our current resources are insufficient to satisfy our cash requirements, we may need to seek additional equity or debt financing. If the needed financing is not available, or if the terms of financing are less desirable than we expect, we may be forced to decrease our level of investment in new product offerings and related marketing initiatives or to scale back our existing operations, which could have an adverse impact on our business and financial prospects. See Note 1 to Sharecare's audited consolidated financial statements and the "Risk Factors — Risks Related to Financing and Tax — We may require additional capital to support business growth, and this capital might not be available on acceptable terms, if at all." included elsewhere in this Annual Report on Form 10-K

The following table summarizes our cash flow activities for the periods presented:

		Year Ended December 31,					Year Ended December 31,	
		Year Ended December 31,					Year Ended December 31,	
(in thousands)	(in thousands)	2022	2021	2020	(in thousands)	2023	2022	2021
Net cash (used in)/provided by operating activities		\$(49,657)	\$ (54,103)	\$ 14,761				
Net cash used in operating activities								
Net cash used in investing activities	Net cash used in investing activities	\$(44,354)	\$(112,387)	\$(19,171)				
Net cash provided by financing activities		\$ 5,511	\$ 415,220	\$ 3,770				
Net cash (used in) provided by financing activities								

#### Operating Activities

Net cash used in operating activities for the year ended December 31, 2023 was \$14.0 million. Cash used during this period included the \$130.0 million net loss for the year ended December 31, 2023, offset by non-cash items of \$115.0 million which were attributable to depreciation and amortization expense, amortization of contract liabilities, lease right-of-use asset expense, amortization of non-cash payment for research and development, change in fair value of warrant liability and contingent consideration, and share-based compensation. In addition, changes in operating assets and liabilities of \$1.0 million resulted in net cash used, attributable to accounts receivable and other receivables, accounts payable and accrued expenses, and deferred revenue.

Net cash used in operating activities for the year ended December 31, 2022 was \$49.7 million. Cash used during this period included the \$119.5 million net loss for the year ended December 31, 2022, offset by non-cash items of \$103.2 million which were attributable to depreciation and amortization expense, amortization of contract liabilities, lease right-of-use asset expense, change in fair value of warrant liability and contingent consideration, and share-based compensation. In addition, changes in operating assets and liabilities of \$33.4 million resulted in net cash used, attributable to accounts receivable and other receivables, prepaid expense and other assets, accounts payable and accrued expenses, and deferred revenue.

Net cash used in operating activities for the year ended December 31, 2021 was \$54.1 million. Cash used during this period included the \$85.1 million net loss for the year ended December 31, 2021, offset by non-cash items of \$58.5 million which were attributable to depreciation and amortization expense, write-off of deferred financing fees and debt discount, amortization of contract liabilities, change in fair value of warrant liability and contingent consideration, share-based compensation, and payment of PIK paid-in-kind ("PIK") interest. In addition, changes in operating assets and liabilities of \$27.4 million resulted in net cash used, attributable to increases in accounts receivable and other receivables, prepaid expense and other assets. Accounts receivable increased primarily due to increased revenue. Prepaid expense and other assets increased primarily due to non-cash

payment for upfront research and development costs related to the issuance of shares of Legacy Sharecare Series D Preferred Stock (see Note 10 to Sharecare's consolidated financial statements included elsewhere in this Annual Report on Form 10-K).

Net cash provided by operating activities for the year ended December 31, 2020 was \$14.8 million, an increase of \$12.2 million from \$2.6 million of cash provided by operating activities for the year ended December 31, 2019. Cash provided during this period included the \$60.5 million net loss for the year ended December 31, 2020, net of non-cash items (which increased \$40.1 million between periods). This was partially offset by net cash used in changes in operating assets and liabilities of \$6.9 million between periods, attributable to deferred revenue, accounts receivable and other receivables, and accounts payable and accrued expenses.

### Investing Activities

Net cash used in investing activities for the year ended December 31, 2023 was \$28.8 million compared to \$44.4 million of net cash used in investing activities for the year ended December 31, 2022. The year-over-year decrease in cash outflows was primarily due to reduced cash paid for capitalized internal-use software and purchased property and equipment.

Net cash used in investing activities for the year ended December 31, 2022 was \$44.4 million compared to \$112.4 million of net cash used in investing activities for the year ended December 31, 2021. The year-over-year decrease in cash outflows was primarily due to cash paid for our acquisitions of CareLinx and doc.ai in 2021.

Net cash used in investing activities for the year ended December 31, 2021 was \$112.4 million compared to \$19.2 million of net cash used in investing activities in 2020. The increase in cash outflows was primarily due to cash paid for our acquisitions of CareLinx and doc.ai and increases in cash paid for capitalized internal-use software costs.

### Financing Activities

Net cash used in investing financing activities for the year ended December 31, 2020 December 31, 2023 was \$19.2 million \$11.7 million, primarily due to cash paid for our acquisition of Visualize Health. shares repurchased.

#### Financing Activities

Net cash provided by financing activities for the year ended December 31, 2022 December 31, 2022 was \$5.5 million, primarily due to cash received from the exercise of stock options.

Net cash provided by financing activities for the year ended December 31, 2021 was \$415.2 million, primarily due to cash received from the Reverse Recapitalization of our merger with FCAC.

Net cash provided by financing activities for the year ended December 31, 2020 was \$3.8 million, primarily due to cash received from the drawdown on our Senior Secured Credit Agreement, offset by the partial repayment of our outstanding indebtedness.

### Contractual Obligations

There were no material changes to contractual obligations since last presented as of December 31, 2021. The December 31, 2022 except for the Company still maintains its entering into Amendment Number Nine to the Senior Secured Credit Agreement. See Note 8 and Note 16 to Sharecare's consolidated financial statements included elsewhere in this Annual Report. Agreement (the "Ninth Amendment"). Additionally, we have contractual obligations related to leases and purchase obligations with certain service providers. See Note 6 and Note 13 to Sharecare's consolidated financial statements included elsewhere in this Annual Report on form 10-K.

### Financing Arrangements

In March 2017, we refinanced our existing debt through the execution Senior Secured Credit Agreement

The Company's senior secured revolving credit facility (the "Revolving Facility") is governed by a Credit Agreement, dated as of March 9, 2017 (as amended, the "Senior Secured Credit Agreement"), among the Company, certain subsidiaries of the Company, as borrowers (the "Borrowers"), the lenders named therein and Wells Fargo Bank, National Association, as administrative agent. On February 10, 2023, the company renewed its Senior Secured Credit Agreement. The Senior Secured Credit Agreement provides for was due to mature on February 10, 2023 and the Company entered into the Ninth Amendment to the Senior Secured Credit Agreement which extends the maturity date of the Senior Secured Credit Agreement to February 10, 2026. The total commitments under the Revolving Facility with total commitments remain unchanged at \$60.0 million as a result of \$60.0 million. the Ninth Amendment but the sub-limit for letters of credit has increased from \$10.0 million to \$15.0 million. Availability under the Revolving Facility is generally subject to a borrowing base based on a percentage of applicable eligible receivables. Borrowings under the Revolving Facility generally bear interest at a rate equal to, at the applicable Borrower's option, either (a) a base rate plus a margin of 0.75%, or (b) a rate based on LIBOR, in each case, the 1, 3, or 6-month Secured Overnight Financing Rate (SOFR) plus an applicable margin, 1.75%. The applicable margin is based on a fixed charge coverage ratio and ranges from (i) 1.75% to 2.25% for U.S. base rate loans and (ii) 2.75% to 3.25% for LIBOR. The Ninth Amendment amends other terms of the existing Senior Secured Credit Agreement, was scheduled including eliminating minimum liquidity and minimum EBITDA covenants, increased thresholds for certain permitted transactions, modifications to mature on February 10, 2023 (see Note 16 Subsequent Events).

In connection with the consummation of the Business Combination, Legacy Sharecare, the reporting and other Borrowers, the Lenders and the Administrative Agent entered into Amendment Number Six to the Senior Secured Credit Agreement (the "Sixth Amendment"). Pursuant to the Sixth Amendment, the Administrative Agent and Lenders provided certain consents with respect to the consummation of the Business Combination and related transactions and certain amendments were made to the terms of the Senior Secured Credit Agreement to reflect the Business Combination and related transactions. The Company and certain other subsidiaries of Legacy Sharecare executed joinders to become a party to the Senior Secured Credit Agreement as required by the Sixth Amendment in July 2021.

In connection with the consummation of the Business Combination, we repaid all outstanding amounts under the Senior Secured Credit Agreement. In the future, we may incur additional borrowings under the Senior Secured Credit Agreement. See Note 8 and Note 16 to Sharecare's consolidated financial statements included elsewhere in this Annual Report on Form 10-K. changes.

The Senior Secured Credit Agreement contains a number of customary affirmative and negative covenants, and we were in compliance with those covenants as of **December 31, 2022** **December 31, 2023**. As of **December 31, 2022** **December 31, 2023**, there were **no \$0.5 million** borrowings outstanding under the Revolving Facility.

### Critical Accounting Estimates

Our financial statements are prepared in accordance with GAAP. The preparation of the consolidated financial statements in conformity with GAAP requires management to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. We evaluate our significant estimates on an ongoing basis, including, but not limited to, revenue recognition, the valuation of assets and liabilities acquired in business combinations, the valuation of common stock prior to the Business Combination, share-based compensation, and income taxes. We base our estimates on historical experience, known trends, and other market-specific or relevant factors that we believe to be reasonable under the circumstances. Changes in estimates are recorded in the period in which they become known. Actual results may differ from those estimates or assumptions.

We believe that the accounting policies described below involve a significant degree of judgment and complexity. Accordingly, we believe these are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations. For further information, see Note 1 to Sharecare's consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

### Revenue Recognition

Revenue is recognized when control of the promised good or service is transferred to the client, in an amount that reflects the consideration we expect to be entitled to in exchange for that good or service. Sales and usage-based taxes are excluded from revenue. We serve a diverse group of clients. We are the principal in all outstanding revenue arrangements except for CareLinx. CareLinx has B2C and B2B2C service lines for which CareLinx is generally the agent and we recognize the commission revenue based on the amount billed using the "as-invoiced" practical expedient.

### Enterprise Revenue

The enterprise channel provides employers and health plans with health management programs for large populations, including digital engagement, telephonic coaching, incentives, biometrics, digital therapeutics, home care health offerings, advocacy solutions, and subscriptions to the Sharecare platform. Revenue is recognized on a PMPM basis or as services are provided. Member participation fees are generally determined by multiplying the contractually negotiated member rate by the number of members eligible for services during the month. Member participation rates are established during contract negotiations with clients, often based on a portion of the value the programs are expected to create. Contracts with health plans, health care systems and government organizations generally range from three to five years with several comprehensive strategic agreements extending for longer periods. Contracts with larger employer clients typically have two-to-four-year terms.

Health management program contracts often include a fee for the subscription of the Sharecare digital platform and various other platforms under doc.ai, which may also be sold on a stand-alone basis. These services allow members to access Sharecare's proprietary mobile application with a comprehensive suite of health and wellness management programs, content, and tools. Revenue is recognized on a per member or a fixed fee basis as the services are provided.

Sharecare's Blue Zones Project is a community well-being improvement initiative designed to change the way people experience the world around them by encouraging and promoting better lifestyle choices, such as commuting, eating, and social habits. Because healthier environments naturally nudge people toward healthier choices, Blue Zones Project focuses on influencing the Life Radius®, the area close to home in which people spend 90% of their lives. Blue Zones Project best practices use people, places, and policy as levers to transform those surroundings. These contracts normally include two performance obligations, the discovery period and the subsequent content delivery, for each year of engagement. The revenue is recognized based on the relative standalone selling price of the performance obligations evenly over time. These contracts do not include termination clauses and often have two-to-four-year terms.

Sharecare's doc.ai offering unlocks the value of health data through licensing artificial intelligence modules and through the creation of products for a portfolio of clients including payors, pharma, and providers. These contracts generally include two performance obligations. The software license and maintenance/support are considered one series of distinct performance obligations and professional services is considered a separate distinct performance obligation. Revenue is recognized for all identified performance obligations as services are delivered.

Sharecare's CareLinx offerings are focused on connecting caregivers with facilities or individuals that are in need of additional support. These services are generally considered a series of distinct performance obligations. Revenue is recognized for all identified performance obligations as billed using the "as-invoiced" practical expedient.

Certain contracts place a portion of fees at risk based on achieving certain performance metrics, such as cost savings, and/or clinical outcomes improvements (performance-based). We use the most likely amount method to estimate variable consideration for these performance guarantees. We include in the transaction price some, or all, of an amount of a variable consideration amount only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. We utilize customer data to measure performance.

In the event that performance levels are not met by the end of the measurement period, typically one year, some or all of the performance-based fees are required to be refunded. During the settlement process under a contract, which generally occurs six to eight months after the end of a contract year, performance-based fees are reconciled and settled.

Clients are generally billed monthly for the entire amount of the fees contractually due for the prior month's enrollment, which typically includes the amount, if any, that is performance-based and may be subject to refund should performance targets not be met. Fees for participation are typically billed in the month after the services are provided. Deferred revenues arise from contracts that permit upfront billing and collection of fees covering the entire contractual service period, generally six months to a year. A limited number of contracts provide for certain performance-based fees that cannot be billed until after they are reconciled with the client.

### Provider Revenue

Our provider channel revenue is primarily based on the volume of health document requests fulfilled and recognized upon satisfactory delivery to the client. In addition, provider revenue is derived from subscription fees for various technology-related services that assist providers with efficiency and productivity and enhanced patient care. Subscription fees are recognized ratably over the contractual period.



Our life sciences channel generates revenue mostly through ad sponsorships and content delivery. Content delivery revenue is recognized when the content is delivered to the client. Ad sponsorship revenue is recognized when the contractual page views or impressions are delivered and the transaction has met the criteria for revenue recognition.

Certain customer transactions may contain multiple performance obligations that may include delivery of content, page views, and ad sponsorship over time. To account for each of these elements separately, the delivered elements must be capable of being distinct and must be distinct in the context of the contract.

### Business Combinations

We account for business acquisitions in accordance with ASC Topic 805, Business Combinations. We measure the cost of an acquisition as the aggregate of the acquisition date fair values of the assets transferred and liabilities assumed and equity instruments issued. Transaction costs directly attributable to the acquisition are expensed as incurred. We record goodwill for the excess of (i) the total costs of acquisition and fair value of any noncontrolling interests over (ii) the fair value of the identifiable net assets of the acquired business.

The acquisition method of accounting requires us to exercise judgment and make estimates and assumptions based on available information regarding the fair values of the elements of a business combination as of the date of acquisition, including the fair values of identifiable intangible assets, deferred tax asset valuation allowances, liabilities related to uncertain tax positions, and contingencies. We must also refine these estimates within a one-year measurement period, to reflect any new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. Estimates and assumptions that we must make in estimating the fair value of future acquired technology, user lists, and other identifiable intangible assets include future cash flows that we expect to generate from the acquired assets. If the subsequent actual results and updated projections of the underlying business activity change compared with the assumptions and projections used to develop these values, we could record impairment charges. In addition, we have estimated the economic lives of certain acquired assets and these lives are used to calculate depreciation and amortization expense. If our estimates of the economic lives change, depreciation or amortization expenses could be accelerated or slowed, which could materially impact our results of operation.

### Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in a business combination. Goodwill is tested for impairment at the reporting unit level, which is the same or one level below the operating segment. We have one operating segment and two reporting units. We identify our reporting units by assessing whether there are components of our operating segment which constitute businesses for which discrete financial information is available and reviewed regularly by the segment managers and consider whether such components should be aggregated into a single reporting unit. We test goodwill for impairment at least annually during the fourth fiscal quarter, or more frequently if indicators of impairment exist during the fiscal year. Events or circumstances which could trigger an impairment review include a significant decline in market capitalization, adverse change in legal factors or in the business climate, loss of key customers, an adverse action or assessment by a regulator, unanticipated competition, a loss of key personnel, significant changes in the manner of our use of the acquired assets or the strategy for our overall business, significant negative industry or economic trends or significant underperformance relative to expected historical or projected future results of operations. When testing goodwill for impairment, we first perform a qualitative assessment. If we determine it is not more likely than not that a reporting unit's fair value is less than its carrying amount, then no further analysis is necessary. If we determine it is more likely than not that a reporting unit's fair value is less than its carrying amount, then we compare the estimated fair value of the reporting unit with its carrying amount, including goodwill. If the estimated fair value of the reporting unit exceeds its carrying amount, goodwill is not considered to be impaired. If, however, the fair value of the reporting unit is less than its carrying amount, the difference between the carrying value and the fair value would be recorded as an impairment loss. Any impairment loss is limited to the carrying amount of goodwill allocated to the reporting unit.

We estimate the fair value of our reporting units using a weighted approach that considers a discounted cash flow method and a market multiple method, and a similar transactions method. Under the discounted cash flow approach, we project future cash flows which are discounted using a weighted-average cost of capital analysis that reflects current market conditions, adjusted for specific reporting unit risks (primarily the uncertainty of achieving projected operating cash flows), in arriving at the fair value of the reporting unit. Under the market multiple approach, we estimate a fair value based on comparable companies' market multiples of revenues and under the similar transactions method we estimate a fair value using market multiples of revenue for comparable companies, for which information is available about recent market transactions.

Management's judgment utilized in the goodwill impairment evaluation is critical. The computations require management to make estimates and assumptions and actual results may differ significantly, particularly if there are significant adverse changes in the operating environment. Critical assumptions that are used as part of a quantitative goodwill evaluation include:

- The potential future revenue, EBITDA and cash flows of the reporting unit. The projections use management's assumptions about economic and market conditions over the projected period as well as our estimates of future performance and reporting unit revenue, gross margin, expenses and other factors. The resulting revenue, EBITDA and cash flow estimates are based on our most recent business operating plans, and various growth rates are assumed for years beyond the current business plan period. These operating plans include plans to grow our sales, plans to globalize the Company's workforce, plans to reduce operating costs, and plans for enhancements to our technology and platform infrastructure. We believe that the assumptions, estimates and rates used in our fiscal 2023 impairment evaluations are reasonable; however, variations in the assumptions, estimates and rates could result in significantly different estimates of fair value.
- Selection of an appropriate discount rate. Calculating the present value of future cash flows requires the selection of an appropriate discount rate, which is based on a weighted-average cost of capital analysis. The discount rate is affected by changes in short-term interest rates and long-term yield as well as variances in the typical capital structure of marketplace participants. Given current economic conditions, it is possible that the discount rate will fluctuate in the near term. We engaged third party experts to assist in the determination of the weighted-average cost of capital used to discount the cash flows for the goodwill impairment tests. The discount rates (weighted-average cost of capital) used to discount the cash flows for the annual 2023 impairment tests of our reporting units were 15.0% and 16.0%, respectively.

As a result of both the interim and annual tests performed in 2023, the Company determined the fair values of each of our reporting units exceeded their respective book values in excess of approximately 10% and there was no impairment. Our evaluation of goodwill did not result in impairment charges being recorded in fiscal 2022 or fiscal 2021.

### New Accounting Pronouncements

See Note 1 to Sharecare's consolidated financial statements included elsewhere in this Annual Report.

### Emerging Growth Company Accounting Election

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable. Following the consummation of the Business Combination, we **expect to remain have remained** an emerging growth company **at least through the end of the 2023 fiscal year** and expect to continue to take advantage of the benefits of the extended transition period. This may make it difficult or impossible to compare our financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions for emerging growth companies because of the potential differences in accounting standards used. For additional information, see “Risk Factors — Risks Related to Being a Public Company — We are an ‘emerging growth company,’ and our election to comply with the reduced disclosure requirements as a public company may make our common stock less attractive to investors.” included elsewhere in this Annual Report on Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have in the past and may in the future be exposed to certain market risks, including interest rate, foreign currency exchange, and financial instrument risks, in the ordinary course of our business. Currently, these risks are not material to our financial condition or results of operations, but they may be in the future.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Sharecare, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Sharecare, Inc. (the Company) as of **December 31, 2022** **December 31, 2023**, and **2021**, **2022**, the related consolidated statements of operations and comprehensive loss, redeemable noncontrolling interest, redeemable convertible preferred stock and stockholders' equity (deficit), and cash flows for each of the three years in the period ended **December 31, 2022** **December 31, 2023**, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company **on December 31, 2022**, **at December 31, 2023** and **2021**, **2022**, and the results of its operations and its cash flows for each of the three years in the period ended **December 31, 2022** **December 31, 2023**, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2011.

Atlanta, Georgia

March 30, 2023 29, 2024

SHARECARE, INC.  
CONSOLIDATED BALANCE SHEETS  
(In thousands, except share and per share amounts)

		As of December 31,	
		2022	2021
As of December 31,		As of December 31,	
2023		2023	2022
Assets	Assets		
Current assets:	Current assets:		
Current assets:			
Current assets:			
Cash and cash equivalents	Cash and cash equivalents	\$ 182,508	\$ 271,105
Accounts receivable, net (net of allowance for doubtful accounts of \$7,197 and \$6,212, respectively)		116,877	103,256
Cash and cash equivalents			
Cash and cash equivalents			
Accounts receivable, net (net of allowance for doubtful accounts of \$8,544 and \$7,197, respectively)			
Other receivables	Other receivables	4,114	5,327
Prepaid expenses	Prepaid expenses	12,612	8,819
Other current assets	Other current assets	4,515	2,459
Total current assets	Total current assets	320,626	390,966
Property and equipment, net	Property and equipment, net	5,082	4,534
Other long-term assets (Note 4)	Other long-term assets (Note 4)	20,362	12,173
Intangible assets, net	Intangible assets, net	163,114	155,086
Goodwill	Goodwill	191,817	192,442
Total assets	Total assets	\$ 701,001	\$ 755,201

Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Equity	Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Equity		
Current liabilities:	Current liabilities:		
Current liabilities:			
Current liabilities:			
Accounts payable			
Accounts payable			
Accounts payable	Accounts payable	\$ 8,838	\$ 27,155
Accrued expenses and other current liabilities (Note 4)	Accrued expenses and other current liabilities (Note 4)	81,627	51,653
Deferred revenue	Deferred revenue	9,032	11,655
Contract liabilities, current	Contract liabilities, current	1,535	4,597
Total current liabilities	Total current liabilities	101,032	95,060
Contract liabilities, noncurrent		—	1,745
Warrant liabilities	Warrant liabilities	2,441	10,820
Long-term debt (Note 8)	Long-term debt (Note 8)	—	419
Other long-term liabilities	Other long-term liabilities	16,723	24,116
Total liabilities	Total liabilities	120,196	132,160
Commitments and contingencies (Note 13)	Commitments and contingencies (Note 13)		
Series A redeemable convertible preferred stock, \$0.0001 par value; 5,000,000 shares authorized; 5,000,000 shares issued and outstanding, aggregate liquidation preference of \$50,000 as of December 31, 2022 and 2021		58,205	58,205

Series A redeemable convertible preferred stock, \$0.0001 par value; 5,000,000 shares authorized; 5,000,000 shares issued and outstanding, aggregate liquidation preference of \$50,000 as of December 31, 2023 and 2022			
Stockholders' equity:	Stockholders' equity:		
Common stock, \$0.0001 par value; 600,000,000 and 600,000,000 shares authorized; 354,463,620 and 345,788,707 shares issued and outstanding as of December 31, 2022 and 2021, respectively		35	35
Common stock, \$0.0001 par value; 600,000,000 and 600,000,000 shares authorized; 353,430,357 and 354,463,620 shares issued and outstanding as of December 31, 2023 and 2022, respectively			
Common stock, \$0.0001 par value; 600,000,000 and 600,000,000 shares authorized; 353,430,357 and 354,463,620 shares issued and outstanding as of December 31, 2023 and 2022, respectively			
Common stock, \$0.0001 par value; 600,000,000 and 600,000,000 shares authorized; 353,430,357 and 354,463,620 shares issued and outstanding as of December 31, 2023 and 2022, respectively			
Additional paid-in capital	Additional paid-in capital	1,120,024	1,042,164
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(2,794)	(2,061)
Accumulated deficit	Accumulated deficit	(595,820)	(477,113)
Total Sharecare, Inc. stockholders' equity	Total Sharecare, Inc. stockholders' equity	521,445	563,025
Noncontrolling interest in subsidiaries	Noncontrolling interest in subsidiaries	1,155	1,811

Total stockholders' equity	Total stockholders' equity	522,600	564,836
Total liabilities, redeemable convertible preferred stock and stockholders' equity	Total liabilities, redeemable convertible preferred stock and stockholders' equity	\$ 701,001	\$ 755,201

The accompanying notes are an integral part of these consolidated financial statements.

**SHARECARE, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(In thousands, except share and per share amounts)

	Year Ended December 31,		
	2022	2021	2020
Revenue	\$ 442,415	\$ 412,815	\$ 328,805

	Year Ended December 31,			Year Ended December 31,		
	2023	2022	2021	2023	2022	2021
Revenue (inclusive of \$55,688, \$46,605, and \$77,221 of related party revenue for the years ended December 31, 2023, 2022, and 2021, respectively)						
Costs and operating expenses:						
Costs of revenue (exclusive of depreciation and amortization below)	238,293	203,218	160,911			
Costs of revenue (exclusive of depreciation and amortization; inclusive of \$28,634, \$18,010, and \$0 of related party costs of revenue for the years ended December 31, 2023, 2022, and 2021, respectively)						
Costs of revenue (exclusive of depreciation and amortization; inclusive of \$28,634, \$18,010, and \$0 of related party costs of revenue for the years ended December 31, 2023, 2022, and 2021, respectively)						
Costs of revenue (exclusive of depreciation and amortization; inclusive of \$28,634, \$18,010, and \$0 of related party costs of revenue for the years ended December 31, 2023, 2022, and 2021, respectively)						
Sales and marketing	55,870	51,407	33,335			
Product and technology	70,527	74,438	44,078			
General and administrative	171,811	136,594	83,238			



Depreciation and amortization	Depreciation and amortization	45,256	32,601	24,684
Total costs and operating expenses	Total costs and operating expenses	581,757	498,258	346,246
Loss from operations	Loss from operations	(139,342)	(85,443)	(17,441)
Other income (expense):	Other income (expense):			
Other income (expense):				
Other income (expense):				
Interest income				
Interest income				
Interest income	Interest income	1,867	96	71
Interest expense	Interest expense	(2,431)	(27,662)	(31,037)
Loss on extinguishment of debt	Loss on extinguishment of debt	—	(1,148)	—
Other income (expense)		20,215	27,007	(9,709)
Other income				
Total other income (expense)	Total other income (expense)	19,651	(1,707)	(40,675)
Loss before income tax benefit and loss from equity method investment				
Loss before income tax benefit				
Income tax benefit	Income tax benefit	206	2,021	1,557
Loss from equity method investment		—	—	(3,902)
Net loss	Net loss	(119,485)	(85,129)	(60,461)
Net loss attributable to noncontrolling interest in subsidiaries				
Net loss attributable to non-controlling interest in subsidiaries				
Net loss attributable to Sharecare, Inc.	Net loss attributable to Sharecare, Inc.	\$ (118,707)	\$ (85,000)	\$ (60,018)
Net loss per share attributable to common stockholders, basic and diluted				
Net loss per share attributable to common stockholders, basic and diluted				

Net loss per share attributable to common stockholders, basic and diluted	Net loss per share attributable to common stockholders, basic and diluted	\$	(0.34)	\$	(0.30)	\$	(0.28)
Weighted-average common shares outstanding, basic and diluted	Weighted-average common shares outstanding, basic and diluted	348,103,491	281,026,365	215,094,037			
Net loss	Net loss	\$	(119,485)	\$	(85,129)	\$	(60,461)
Net loss							
Net loss							
Other comprehensive loss adjustments:	Other comprehensive loss adjustments:						
Foreign currency translation	Foreign currency translation	(611)	(1,486)	(241)			
Foreign currency translation							
Foreign currency translation							
Comprehensive loss	Comprehensive loss	(120,096)	(86,615)	(60,702)			
Comprehensive loss attributable to noncontrolling interest in subsidiaries		(656)	(256)	(1,184)			
Comprehensive loss attributable to non-controlling interest in subsidiaries							
Comprehensive loss attributable to Sharecare, Inc.	Comprehensive loss attributable to Sharecare, Inc.	\$	(119,440)	\$	(86,359)	\$	(59,518)

The accompanying notes are an integral part of these consolidated financial statements.

**SHARECARE, INC.**  
**CONSOLIDATED STATEMENTS OF REDEEMABLE NONCONTROLLING INTEREST, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)**  
(In thousands, except share amounts)

	Redeemable Noncontrolling Interest	Redeemable Convertible Preferred Stock		Accumulated						
		Shares	Amount	Common Stock		Additional Paid-In Capital	Other Comprehensive Income (Loss)	Accumulated Deficit	Noncontrolling Interest in Subsidiaries	Total Stockholders' Equity (Deficit)
				Shares	Amount					
Balance at December 31, 2019	\$ —	—	\$ —	211,051,406	\$ 22	\$ 339,583	\$ (1,202)	\$ (332,095)	\$ 3,251	\$ 9,559
Stock options exercised	—	—	—	352,658	—	338	—	—	—	338
Beneficial conversion feature in connection with convertible debt	—	—	—	—	—	(135)	—	—	—	(135)

Issuance of redeemable noncontrolling interest for and stock for Visualize Health acquisitions	5,040	—	—	—	—	584	—	—	—	584
Change in fair value of redeemable noncontrolling interest in subsidiaries	960	—	—	—	—	(960)	—	—	—	(960)
Issuance of stock for Mindsciences acquisition	—	—	—	3,386,990	—	7,548	—	—	—	7,548
Issuance of stock for Wellstar investment	—	—	—	890,732	—	6,745	—	—	—	6,745
Issuance of stock for WhitehatAI acquisition	—	—	—	1,425,171	—	2,160	—	—	—	2,160
Issuance of warrants in connection with debt and revenue arrangements	—	—	—	—	—	1,097	—	—	—	1,097
ASC 810-10 Visualize Health NCI Attribution	—	—	—	—	—	(7)	—	—	—	(7)
Share-based compensation	—	—	—	—	—	19,160	—	—	—	19,160
Redemption of Visualize Health put options	(974)	—	—	—	—	—	—	—	—	—
Expiration of Visualize Health put options	(1,026)	—	—	—	—	890	—	—	136	1,026
Net income (loss) attributable to noncontrolling interest in subsidiaries	—	—	—	—	—	—	—	—	(443)	(443)
Currency translation adjustment	—	—	—	—	—	—	500	—	(741)	(241)
Net income (loss) attributable to Sharecare, Inc.	—	—	—	—	—	—	—	(60,018)	—	(60,018)
Other	—	—	—	—	—	131	—	—	—	131

Balance at December 31, 2020	Balance at December 31, 2020	\$	4,000	—	\$	—	217,106,957	\$	22	\$	377,134	\$	(702)	\$	(392,113)	\$	2,203	\$	(13,456)
Stock options exercised	Stock options exercised	—	—	—			15,067,237	2		15,432	—	—	—	—	—	—	15,434		
Stock options exercised																			
Stock options exercised																			
Issuance of common stock for doc.ai acquisition																			
Issuance of common stock for doc.ai acquisition																			
Issuance of common stock for doc.ai	Issuance of common stock for doc.ai	—	—	—			8,435,301	1		81,292	—	—	—	—	—	—	81,293		

acquisition	acquisition										
Settlement of contingent liability on WhitehatAI earnout	Settlement of contingent liability on WhitehatAI earnout	—	—	—	—	—	595	—	—	—	595
Settlement of contingent liability on WhitehatAI earnout											
Settlement of contingent liability on WhitehatAI earnout											
Issuance of Series D redeemable convertible preferred stock, net of issuance costs and antidilution provision											
Issuance of Series D redeemable convertible preferred stock, net of issuance costs and antidilution provision											
Issuance of Series D redeemable convertible preferred stock, net of issuance costs and antidilution provision	Issuance of Series D redeemable convertible preferred stock, net of issuance costs and antidilution provision	—	4,453,659	51,754	—	—	—	—	—	—	—
Issuance of stock for Carelinx acquisition	Issuance of stock for Carelinx acquisition	—	—	—	1,262,475	—	10,348	—	—	—	10,348
Issuance of stock for Carelinx acquisition											
Issuance of stock for Carelinx acquisition											
Issuance of stock for doc.ai antidilution provision											
Issuance of stock for doc.ai antidilution provision											
Issuance of stock for doc.ai antidilution provision	Issuance of stock for doc.ai antidilution provision	—	—	—	1,052,398	—	12,682	—	—	—	12,682
Issuance of stock for Series D antidilution provision	Issuance of stock for Series D antidilution provision	—	546,341	6,451	—	—	—	—	—	—	—
Issuance of stock for Series D antidilution provision											
Issuance of stock for Series D antidilution provision											
Issuance of warrants in connection with debt and revenue arrangements											
Issuance of warrants in connection with debt and revenue arrangements											

Issuance of warrants in connection with debt and revenue arrangements	Issuance of warrants in connection with debt and revenue arrangements	—	—	—	—	—	79	—	—	—	79
Common stock issued to settle contingent consideration from acquisitions in prior years	Common stock issued to settle contingent consideration from acquisitions in prior years	—	—	—	1,078,213	—	—	—	—	—	—
Common stock issued to settle contingent consideration from acquisitions in prior years											
Common stock issued to settle contingent consideration from acquisitions in prior years											
Common stock issued upon vesting of restricted stock units											
Common stock issued upon vesting of restricted stock units											
Common stock issued upon vesting of restricted stock units	Common stock issued upon vesting of restricted stock units	—	—	—	31,250	—	—	—	—	—	—
Conversion of warrants to common shares	Conversion of warrants to common shares	—	—	—	11,647,316	1	11,480	—	—	—	11,481
Conversion of warrants to common shares											
Conversion of warrants to common shares											
Conversion of convertible notes to common shares											
Conversion of convertible notes to common shares											
Conversion of convertible notes to common shares	Conversion of convertible notes to common shares	—	—	—	37,695,910	4	136,395	—	—	—	136,399
Business Combination and Private Placement financing, net of issuance costs	Business Combination and Private Placement financing, net of issuance costs	—	—	—	57,451,915	6	376,570	—	—	—	376,576
Business Combination and Private Placement financing, net of issuance costs											
Business Combination and Private Placement financing, net of											

Placement financing, net of issuance costs											
Cumulative effect of adopting ASU 2021-08											
Cumulative effect of adopting ASU 2021-08											
Cumulative effect of adopting ASU 2021-08	Cumulative effect of adopting ASU 2021-08	—	—	—	—	—	—	—	593	—	593
Dissolution of redeemable noncontrolling interest for Visualize Health	Dissolution of redeemable noncontrolling interest for Visualize Health	(4,000)	—	—	—	895,435	—	4,136	—	—	(136) 4,000
Dissolution of redeemable noncontrolling interest for Visualize Health											
Dissolution of redeemable noncontrolling interest for Visualize Health											
Share-based compensation											
Share-based compensation											
Share-based compensation	Share-based compensation	—	—	—	—	—	—	46,780	—	—	— 46,780
Other	Other	—	—	—	—	66,555	—	(988)	—	—	— (988)
Other											
Other											
Currency translation adjustment											
Currency translation adjustment											
Currency translation adjustment	Currency translation adjustment	—	—	—	—	—	—	—	(1,341)	—	(145) (1,486)
Repurchased shares of common stock related to exercise of employee stock options	Repurchased shares of common stock related to exercise of employee stock options	—	—	—	—	(6,002,255)	(1)	(29,771)	—	—	— (29,772)
Repurchased shares of common stock related to exercise of employee stock options											
Repurchased shares of common stock related to exercise of employee stock options											
Net income (loss) attributable to noncontrolling interest in subsidiaries											
Net income (loss) attributable to noncontrolling interest in subsidiaries											
Net income (loss) attributable to noncontrolling interest in	Net income (loss) attributable to noncontrolling interest in	—	—	—	—	—	—	—	(18)	—	(111) (129)



Interest in subsidiaries	Interest in subsidiaries											
Net income (loss) attributable to Sharecare, Inc.	Net income (loss) attributable to Sharecare, Inc.	—	—	—	—	—	—	—	(85,593)	—	(85,593)	
Net income (loss) attributable to Sharecare, Inc.												
Net income (loss) attributable to Sharecare, Inc.												
Balance at December 31, 2021												
Balance at December 31, 2021												
Balance at December 31, 2021	Balance at December 31, 2021	\$	—	5,000,000	\$ 58,205	345,788,707	\$ 35	\$ 1,042,164	\$ (2,061)	\$ (477,113)	\$ 1,811	\$ 564,836
Stock options exercised	Stock options exercised	—	—	—	—	9,421,590	—	10,829	—	—	—	10,829
Stock options exercised												
Stock options exercised												
CareLinx working capital adjustment												
CareLinx working capital adjustment												
CareLinx working capital adjustment	CareLinx working capital adjustment	—	—	—	—	(92,495)	—	(658)	—	—	—	(658)
Issuance of stock for WhitehatAI earnout	Issuance of stock for WhitehatAI earnout	—	—	—	—	132,587	—	—	—	—	—	—
Issuance of stock for WhitehatAI earnout												
Issuance of stock for WhitehatAI earnout												
Issuance of stock for doc.ai escrow shares												
Issuance of stock for doc.ai escrow shares												
Issuance of stock for doc.ai escrow shares	Issuance of stock for doc.ai escrow shares	—	—	—	—	677,680	—	—	—	—	—	—
Issuance of warrants in connection with debt and revenue arrangements												
Issuance of warrants in connection with debt and revenue arrangements												
Issuance of warrants in connection with debt and revenue arrangements	Issuance of warrants in connection with debt and revenue arrangements	—	—	—	—	—	—	62	—	—	—	62
Issuance of warrants in connection with debt and revenue arrangements												
Issuance of warrants in connection with debt and revenue arrangements												
Common stock issued upon vesting of restricted stock units												
Common stock issued upon vesting of restricted stock units												

Common stock issued upon vesting of restricted stock units	Common stock issued upon vesting of restricted stock units	—	—	—	857,343	—	—	—	—	—	—
Share-based compensation	Share-based compensation	—	—	—	—	—	72,011	—	—	—	72,011
Share-based compensation											
Share-based compensation											
Other											
Other											
Other	Other	—	—	—	(5,097)	—	—	—	—	—	—
Currency translation adjustment	Currency translation adjustment	—	—	—	—	—	—	(733)	—	122	(611)
Currency translation adjustment											
Currency translation adjustment											
Repurchased shares of common stock related to exercise of stock options											
Repurchased shares of common stock related to exercise of stock options											
Repurchased shares of common stock related to exercise of stock options	Repurchased shares of common stock related to exercise of stock options	—	—	—	(2,166,093)	—	(4,135)	—	—	—	(4,135)
Shares repurchased	Shares repurchased	—	—	—	(150,602)	—	(249)	—	—	—	(249)
Shares repurchased											
Shares repurchased											
Net income (loss) attributable to noncontrolling interest in subsidiaries											
Net income (loss) attributable to noncontrolling interest in subsidiaries											
Net income (loss) attributable to noncontrolling interest in subsidiaries	Net income (loss) attributable to noncontrolling interest in subsidiaries	—	—	—	—	—	—	—	—	(778)	(778)
Net income (loss) attributable to Sharecare, Inc.	Net income (loss) attributable to Sharecare, Inc.	—	—	—	—	—	—	—	(118,707)	—	(118,707)
Net income (loss) attributable to Sharecare, Inc.											
Net income (loss) attributable to Sharecare, Inc.											
Balance at December 31, 2022	Balance at December 31, 2022	\$ —	5,000,000	\$ 58,205	354,463,620	\$ 35	\$ 1,120,024	\$ (2,794)	\$ (595,820)	\$ 1,155	\$ 522,600
Balance at December 31, 2022											

Balance at December 31, 2022

Stock options exercised  
Stock options exercised  
Stock options exercised  
Cumulative effect of adopting ASU  
2016-13  
Cumulative effect of adopting ASU  
2016-13  
Cumulative effect of adopting ASU  
2016-13  
Issuance of warrants in connection  
with debt and revenue  
arrangements  
Issuance of warrants in connection  
with debt and revenue  
arrangements  
Issuance of warrants in connection  
with debt and revenue  
arrangements  
Common stock issued upon vesting  
of restricted stock units  
Common stock issued upon vesting  
of restricted stock units  
Common stock issued upon vesting  
of restricted stock units  
Share-based compensation  
Share-based compensation  
Share-based compensation  
Other  
Other  
Other  
Currency translation adjustment  
Currency translation adjustment  
Currency translation adjustment  
Repurchased shares of common  
stock related to exercise of stock  
options  
Repurchased shares of common  
stock related to exercise of stock  
options  
Repurchased shares of common  
stock related to exercise of stock  
options  
Shares repurchased  
Shares repurchased  
Shares repurchased  
Net income (loss) attributable to  
noncontrolling interest in  
subsidiaries  
Net income (loss) attributable to  
noncontrolling interest in  
subsidiaries  
Net income (loss) attributable to  
noncontrolling interest in  
subsidiaries

Net income (loss) attributable to  
Sharecare, Inc.

Net income (loss) attributable to  
Sharecare, Inc.

Net income (loss) attributable to  
Sharecare, Inc.

Balance at December 31, 2023

Balance at December 31, 2023

Balance at December 31, 2023

The accompanying notes are an integral part of these consolidated financial statements.

**SHARECARE, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands, except share and per share amounts)

	Year Ended December 31,		
	2022	2021	2020
<b>Cash flows from operating activities:</b>			
Net loss	\$ (119,485)	\$ (85,129)	\$ (60,461)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization expense	45,256	32,601	24,684
Non-cash interest expense	967	4,680	20,776
Write-off of deferred financing fees and debt discount	—	12,063	—
Loss on extinguishment of debt	—	1,148	—
Amortization of contract liabilities	(4,380)	(5,616)	(5,678)
Accretion of contract liabilities	880	1,561	2,053
Lease right-of-use asset expense	5,911	—	—
Loss from equity method investment	—	—	3,902
Change in fair value of warrant liability and contingent consideration	(18,492)	(26,123)	9,647
Share-based compensation	69,628	46,780	19,160
Deferred income taxes	(227)	(2,196)	(1,604)
Payment of PIK interest	(1,106)	(8,717)	—
Other	4,783	2,270	1,094
Changes in operating assets and liabilities:			
Accounts receivable, net and other receivables	(16,188)	(31,469)	8,104
Prepaid expenses and other assets	(3,926)	(4,810)	(378)
Accounts payable and accrued expense	(8,904)	9,381	9,239
Operating lease liabilities	(1,751)	—	—
Deferred revenue	(2,623)	(527)	(15,777)
Net cash provided by (used in) used in operating activities	(49,657)	(54,103)	14,761
<b>Cash flows from investing activities:</b>			
Acquisition of Visualize Health	—	—	(2,000)
Acquisition of MindSciences	—	—	140
Acquisition of CareLinx	—	(54,774)	—
Acquisition of doc.ai	—	(16,784)	—
Purchases of property and equipment	(3,687)	(2,423)	(1,814)
Capitalized internal-use software costs	(40,667)	(38,406)	(15,497)
Net cash used in investing activities	(44,354)	(112,387)	(19,171)
<b>Cash flows from financing activities:</b>			

Proceeds from issuance of redeemable convertible preferred stock and warrants, net of issuance costs	—	50,000	6,774
Proceeds from issuance of debt	—	20,000	38,000
Repayment of debt	—	(66,350)	(40,000)
Net proceeds from Reverse Recapitalization with Falcon Capital Acquisition Corp.	—	426,240	—
Proceeds from exercise of common stock options	6,692	5,964	336
Repurchased shares of common stock related to exercise of employee stock options	—	(19,581)	—
Payments for shares repurchased	(250)	—	—
Payments on financing lease obligations	(931)	(1,052)	(1,268)
Financing costs	—	(1)	(72)
Net cash provided by financing activities	5,511	415,220	3,770
Effect of exchange rates on cash and cash equivalents	(97)	(228)	(435)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(88,597)</b>	<b>248,502</b>	<b>(1,075)</b>
Cash and cash equivalents at beginning of period	271,105	22,603	23,678
Cash and cash equivalents at end of period	<u>\$ 182,508</u>	<u>\$ 271,105</u>	<u>\$ 22,603</u>
<b>Supplemental disclosure of cash flow information:</b>			
Cash paid for interest	\$ 1,112	\$ 19,946	\$ 9,942
Cash paid for income taxes	\$ 24	\$ 52	\$ 162

**Noncash financing activities:**

CareLinx working capital adjustment	\$ 659	\$ —	\$ —
Deferred offering costs not yet paid	\$ —	\$ —	\$ 2,071

	Year Ended December 31,		
	2023	2022	2021
<b>Cash flows from operating activities:</b>			
Net loss	\$ (130,012)	\$ (119,485)	\$ (85,129)
Adjustments to reconcile net loss to net cash (used in) operating activities:			
Depreciation and amortization expense	61,207	45,256	32,601
Non-cash interest expense	549	967	4,680
Write-off of deferred financing fees and debt discount	—	—	12,063
Loss on extinguishment of debt	—	—	1,148
Amortization of contract liabilities	(1,804)	(4,380)	(5,616)
Accretion of contract liabilities	272	880	1,561
Lease right-of-use asset expense	3,163	5,911	—
Amortization of non-cash payment for research and development	4,760	2,459	1,236
Change in fair value of warrant liability and contingent consideration	(3,521)	(18,492)	(26,123)
Share-based compensation	46,945	69,628	46,780
Deferred income taxes	(187)	(227)	(2,196)
Payment of PIK interest	—	(1,106)	(8,717)
Other	3,623	2,324	1,034
Changes in operating assets and liabilities:			
Accounts receivable, net and other receivables	(15,186)	(16,188)	(31,469)
Prepaid expenses and other assets	7,319	(3,926)	(4,810)
Accounts payable and accrued expense	13,238	(8,904)	9,381
Operating lease liabilities	(825)	(1,751)	—
Deferred revenue	(3,515)	(2,623)	(527)
Net cash used in operating activities	<u>(13,974)</u>	<u>(49,657)</u>	<u>(54,103)</u>
<b>Cash flows from investing activities:</b>			
Acquisition of CareLinx	—	—	(54,774)

Acquisition of doc.ai	—	—	(16,784)
Purchases of property and equipment	(1,627)	(3,687)	(2,423)
Capitalized internal-use software costs	(27,148)	(40,667)	(38,406)
Net cash used in investing activities	(28,775)	(44,354)	(112,387)
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of redeemable convertible preferred stock and warrants, net of issuance costs	—	—	50,000
Proceeds from issuance of debt	—	—	20,000
Repayment of debt	—	—	(66,350)
Net proceeds from Reverse Recapitalization with Falcon Capital Acquisition Corp.	—	—	426,240
Proceeds from exercise of common stock options	518	6,692	5,964
Repurchased shares of common stock related to exercise of employee stock options	—	—	(19,581)
Payments for shares repurchased	(10,975)	(250)	—
Payments on financing lease obligations	(1,270)	(931)	(1,053)
Net cash (used in) provided by financing activities	(11,727)	5,511	415,220
Effect of exchange rates on cash and cash equivalents	155	(97)	(228)
<b>Net (decrease) increase in cash and cash equivalents</b>	(54,321)	(88,597)	248,502
Cash and cash equivalents at beginning of period	182,508	271,105	22,603
Cash and cash equivalents at end of period	<u>\$ 128,187</u>	<u>\$ 182,508</u>	<u>\$ 271,105</u>
<b>Supplemental disclosure of cash flow information:</b>			
Cash paid for interest	\$ 674	\$ 1,112	\$ 19,946
Cash paid for income taxes	\$ 34	\$ 24	\$ 52
<b>Noncash financing activities:</b>			
CareLinx working capital adjustment	\$ —	\$ 659	\$ —

The accompanying notes are an integral part of these consolidated financial statements.

**Sharecare, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2022 2023**

## 1. Nature of Business and Significant Accounting Policies

### Nature of Business

Sharecare, Inc. ("Sharecare" or the "Company") was founded in 2009 to develop an interactive health and wellness platform and began operations in October 2010. Sharecare's virtual health platform is designed to help people, patients, providers, employers, health plans, government organizations, and communities optimize individual and population-wide well-being by driving positive behavior change. The platform is designed to connect each stakeholder to the health management tools they need to drive engagement, establish sustained participation, increase satisfaction, reduce costs, and improve outcomes. Sharecare bridges scientifically validated clinical programs with content to deliver a personalized experience for its members, beginning with the RealAge® test, Sharecare's health risk assessment that shows members the true age of their body, capitalizing on people's innate curiosity of how "young" they are to draw them into the platform. The Sharecare platform provides members with a personalized action plan to guide and educate them on the habits and behaviors making the biggest impact, both positive and negative, on their RealAge. Sharecare provides the resources members need to manage their health through lifestyle or disease management and coaching programs, such as diabetes management and smoking cessation, well-being solutions, such as financial health and anxiety management; care navigation tools such as find-a-doctor, prescription savings, clinical decision support, medical records, home care, and more. In January 2023, Sharecare recently launched Sharecare+, a digital-first, comprehensive advocacy solution designed to deliver value through benefits navigation, clinical engagement, virtual care, and chronic case and utilization management. Additionally, Sharecare provides secure, automated release of information, audit and business consulting services to streamline the medical records process for medical facilities. Sharecare delivers value via its provider, enterprise, and life sciences channels.

### SPAC Transaction

On July 1, 2021, Falcon Capital Acquisition Corp., the Company's predecessor and a Delaware corporation ("FCAC"), consummated the business combination (the "Business Combination") pursuant to the terms of the Agreement and Plan of Merger, dated February 12, 2021 (the "Merger Agreement"), with Sharecare, Inc., a Delaware corporation ("Legacy Sharecare"), FCAC Merger Sub Inc., a Delaware corporation and a wholly-owned subsidiary of FCAC ("Merger Sub"), and the stockholder representative. Immediately upon the completion of the Business Combination and the other transactions contemplated by the Merger Agreement (the "Transactions"), Merger Sub merged with and into Legacy Sharecare with Legacy Sharecare surviving the merger as a wholly-owned subsidiary of the Company (as successor to FCAC). In addition, in connection with the consummation of the Business Combination, the Company changed its name to "Sharecare, Inc." and Legacy Sharecare changed its name to "Sharecare Operating Company, Inc."

Pursuant to the Merger Agreement, FCAC acquired all of the outstanding equity interests of Legacy Sharecare in a transaction valued at approximately \$3.82 billion. At Closing, closing, Legacy Sharecare stockholders received an aggregate of 271,051,959 shares of the Company's common stock, par value \$0.0001 per share (the "common stock")



and approximately \$91.7 million in cash consideration paid on a pro rata basis with respect to Cash Electing Shares (as defined in the Merger Agreement). As a result of the Business Combination, the Company received gross proceeds of over \$571 million, prior to transaction expenses and payment of cash consideration. The Business Combination is further described in Note 2.

During July 2021, the Company settled substantially all of its existing indebtedness, totaling \$178.4 million in connection with the consummation of the Business Combination and pursuant to the terms of the Merger Agreement. The Company still maintains a senior secured revolving credit facility (the "Revolving Facility") pursuant to the Senior Secured Credit Agreement (as defined herein).

#### Basis of Presentation and Consolidation Policy

The Company's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") and pursuant to the regulations of the U.S. Securities and Exchange Commission ("SEC").

Pursuant to the Merger Agreement, the merger between Merger Sub and Legacy Sharecare was accounted for as a reverse recapitalization in accordance with GAAP (the "Reverse Recapitalization"). Under this method of accounting, FCAC was treated as the "acquired" company and Legacy Sharecare was treated as the acquirer for financial reporting purposes.

#### Sharecare, Inc. Notes to Consolidated Financial Statements December 31, 2022

Accordingly, for accounting purposes, the Reverse Recapitalization was treated as the equivalent of Legacy Sharecare issuing stock for the net assets of FCAC, accompanied by a recapitalization. The net assets of FCAC are stated at historical cost, with no goodwill or other intangible assets recorded.

#### Sharecare, Inc. Notes to Consolidated Financial Statements December 31, 2023

Legacy Sharecare was determined to be the accounting acquirer in the Business Combination based on the following predominant factors at the time of the Transactions:

- Legacy Sharecare's existing stockholders have the greatest voting interest in the Company;
- The largest individual minority stockholder in the Company was a stockholder of Legacy Sharecare;
- Legacy Sharecare's directors represent the majority of the new board of directors of the Company;
- Legacy Sharecare's senior management is the senior management of the Company; and
- Legacy Sharecare is the larger entity based on historical revenue and has the larger employee base.

The consolidated assets, liabilities, and results of operations prior to the Reverse Recapitalization are those of Legacy Sharecare. The shares and corresponding capital amounts and losses per share, prior to the Reverse Recapitalization, have been retroactively restated based on shares reflecting the exchange ratio of 71.26 (the "Exchange Ratio") established in the Business Combination.

The consolidated financial statements include the accounts of Sharecare, Inc. and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

#### Segment Information

The Company operates as a single operating segment. The Company's chief operating decision maker is its chief executive officer, who reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance, and allocating resources for the entire company.

#### Change in Accounting Estimate

During the fourth quarter of 2022, the Company re-evaluated the remaining useful life of the prepaid research and development agreement and determined that it expects to realize the remaining \$6.0 million of benefits from the arrangement through December 31, 2023. As of December 31, 2022, \$4.8 million of benefits from the arrangement remained.

#### Use of Estimates

The preparation of these consolidated financial statements in conformity with GAAP requires the use of management estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions reflected in these consolidated financial statements are revenue recognition, the valuation of assets and liabilities acquired in business combinations, the valuation of common stock prior to the Business Combination, stock-based compensation, and income taxes. The Company bases its estimates on historical experience, known trends, and other market-specific or other relevant factors that it believes to be reasonable under the circumstances. On an ongoing basis, management evaluates its estimates, as there are changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Actual results may differ from those estimates or assumptions.

## Concentration of Credit Risk

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company's cash deposits are held with well-known financial institutions and may exceed federally insured limits. The Company grants credit to its customers during the normal course of business and generally requires no collateral from its customers.

Domestic revenues from operations represent approximately 97% 98%, 95% 97%, and 95% of total revenue during the years ended December 31, 2022 December 31, 2023, 2022 and 2021, respectively. For the years ended December 31, 2023 and 2020, respectively. One 2022, no customer accounted for 9% more than 10% of our total revenue. For the year ended December 31, 2021, one customer accounted for 11%, and 16% of the Company's total revenues during revenue.

As of December 31, 2023, there was one customer with whom we currently have active disputes, that individually accounted for 37% of the Company's accounts receivable, net. For the years ended December 31, 2022, 2021 and 2020, respectively.

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As of December 31, 2022 and 2021, there was one no customer that individually accounted for 7% and 11%, respectively, more than 10% of the Company's accounts receivable, net.

## Fair Value Measurements

The carrying value of the Company's financial instruments, including cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximates fair value due to their short-term nature.

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The Company measures financial assets and liabilities at fair value at each reporting period using a fair value hierarchy that requires management to maximize the use of observable inputs and minimize the use of unobservable inputs. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between willing market participants at the measurement date. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

- Level 1 — Quoted prices in active markets for identical assets or liabilities
- Level 2 — Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3 — Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability

### Assets and Liabilities that are Measured at Fair Value on a Non-recurring Basis

Assets and liabilities that may be measured at fair value on a non-recurring basis relate primarily to the Company's tangible fixed assets, equity method investment, and other intangible assets. For these assets, the Company does not periodically adjust the carrying value to fair value except in the event of impairment. When the Company determines that an impairment has occurred, the carrying value of the asset is reduced to its fair value and an impairment charge is recorded within operating income (loss) in the Consolidated Statements of Operations and Comprehensive Loss.

Further, in connection with business combinations and asset acquisitions, the values of certain assets acquired have been recorded at fair value using Level 3 inputs. The fair values of definite-lived intangible assets acquired in these acquisitions were estimated primarily based on the income approach. The income approach estimates fair value based on the present value of the cash flows that an asset is expected to generate in the future. The Company develops internal estimates for the expected cash flows from acquired assets and estimates of discount rates used in the present value calculations. In certain instances, the Company also estimates fair value based on market multiples of comparable companies, when using the market approach.

## Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments with original maturities of three months or less from the date of purchase. Cash equivalents generally consist of investments in money market funds.

## Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable, net, consists of trade accounts receivable which are due under normal trade terms requiring payment, typically within 45 days from the invoice date. Bad debts The allowance for doubtful accounts is based on management's estimate for expected credit losses for outstanding trade accounts receivable and is recorded as an offset to accounts receivable. Changes in the allowance for doubtful accounts are provided for classified as general and administrative expense in the Consolidated Statements of Operations and Comprehensive Loss. The Company determines expected credit losses based on historical write-off experience, and management's evaluation an analysis of the aging of outstanding accounts receivable at the end of each year. It is reasonably possible that the estimates will change in the near term. Management evaluates whether accounts are

delinquent on a case-by-case basis receivables, customer payment patterns, and adjusts based on historical experience. expectations of changes in macro-economic conditions and customer-specific information that may impact the collectability of outstanding receivables. The Company reassesses the adequacy of the allowance for doubtful accounts each reporting period.

The changes in the allowance for doubtful accounts are as follows (in thousands):

	Year Ended December 31,	
	2023	2022
Allowance for doubtful accounts – beginning balance	\$ 7,197	\$ 6,212
Provision for doubtful accounts	3,023	3,210
Amounts written off and other adjustments	(1,676)	(2,225)
Allowance for doubtful accounts – ending balance	\$ 8,544	\$ 7,197

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	Year Ended December 31,	
	2022	2021
Allowance for doubtful accounts – beginning balance	\$ 6,212	\$ 5,707
Provision for doubtful accounts	3,210	3,029
Amounts written off and other adjustments	(2,225)	(2,524)
Allowance for doubtful accounts – ending balance	\$ 7,197	\$ 6,212

#### Property and Equipment

Property and equipment are recorded at the original acquisition cost and depreciated over their estimated useful lives using the straight-line method. Repairs Repair and maintenance costs are expensed as incurred.

#### Business Combinations

The Company accounts for business acquisitions in accordance with ASC Topic 805, Business Combinations. The Company measures the cost of an acquisition as the aggregate of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree, the liabilities assumed by the acquirer from the acquiree, and the equity instruments issued by the acquirer. Transaction costs directly attributable to the acquisition are expensed as incurred. The Company records goodwill for the excess of (i) the total costs of acquisition and fair value of any noncontrolling interests over (ii) the fair value of the identifiable net assets of the acquired business.

#### Other Long-Term Assets

As of December 31, 2022 December 31, 2023 and 2021 2022, other long-term assets included security deposits associated with the leasing of office space, tax credits that can be used to reduce the Company's foreign taxable income (or that are receivable in cash if not used within three years), and other long-term assets related to a recent acquisition.

As of December 31, 2022, other long-term assets included operating lease right-of-use assets due to the adoption of ASC 842 (Note 6), and a contract asset that was deemed to be fully impaired in the fourth quarter of 2023 due to the cessation of services in connection with a revenue contract, pending the resolution of an asset acquired from a active contractual dispute, and the uncertainty related party to whether or when such services might resume (Note 14).

As of December 31, 2021, other long-term assets included a non-cash payment for up-front research and development costs related to the issuance of Series A redeemable convertible preferred stock. Amortization for the non-cash payment for up-front research and development costs is recorded to product and technology in the Consolidated Statements of Operations and Comprehensive Loss on a straight-line basis. See table in Note 4.

#### Intangible Assets

The Company amortizes identified intangible assets with finite lives over their respective useful lives on a straight-line basis which approximates the pattern in which the economic benefits are consumed. Intangible assets deemed to have indefinite lives are not amortized, but are subjected to annual tests of impairment or more frequently if indicators of impairment are identified.

In the fourth quarter of 2023, certain intellectual property was determined to be impaired due to a change in the timing and magnitude of cash flows expected to be generated using the intellectual property (Notes 7 and 14).

Intangible assets have useful lives within the following ranges:

Internal use software	3–5 years
Technology – features/content	7–15 years
Trade name	4–indefinite years
Customer relationships	9–16 years

#### Contract Liabilities

In connection with certain acquisitions, the Company has recognized current and noncurrent contract liabilities, representing off-market values associated with certain wellness program royalty agreements (amortization will continue through 2023). Additionally, the prior year balances as agreements. Amortization of December 31, 2021 and December 31, 2020 included certain these contract liabilities related to office lease agreements prior to for the adoption year ended December 31, 2023 was \$1.8 million and was included within cost of ASC 842 revenues in the current year. Consolidated Statements of Operations and Comprehensive Loss. Amortization of these contract liabilities for the year ended December 31, 2022 was \$4.4 million. Of that amount, \$1.8 million was included within cost of revenues and \$2.6 million was included in general and administrative expenses in the Consolidated Statements of Operations

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and Comprehensive Loss. Amortization of these contract liabilities for during the year ended December 31, 2021 was \$5.6 million. Of that amount, \$1.7 million was included within cost of revenues and \$3.9 million was included in general and administrative expenses in the Consolidated Statements of Operations and Comprehensive Loss. Amortization of these contract liabilities during the year ended December 31, 2020 was \$5.7 million. Of that amount, \$1.7 million was included within cost of revenues and \$4.0 million was included in general and administrative expenses in the Consolidated Statements of Operations and Comprehensive Loss. Additionally, the Company has recognized certain contract liabilities due to a former related party in the amount of \$16.9 million, \$17.5 million related to service agreements, the entirety of which \$10.0 million is classified as current as of December 31, 2023 and recorded in accrued expenses and other current liabilities and \$6.9 million is classified as noncurrent and recorded in other long-term liabilities in the Consolidated Balance Sheets. Additionally, the prior year balances as of December 31, 2022 and December 31, 2021 included certain contract liabilities related to office lease agreements prior to the adoption of ASC 842.

#### Deferred Financing Fees, Net

In connection with obtaining loans in prior periods, the Company incurred and capitalized fees that were settled in cash and warrants. In addition, in connection with the modification of historical convertible debt instruments and through the

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issuance of convertible debt instruments, the Company had a beneficial conversion feature on its Series B, Series B-3 and Series B-4 Convertible Notes that were outstanding prior to the Business Combination. The financing fees and beneficial conversion features were amortized over the life of the loans as a component of interest expense. In July 2021, the Company's Series B, Series B-3 and Series B-4 Convertible Notes were fully converted into common stock in connection with the consummation of the Business Combination (see Note 8). During the year ended December 31, 2023, expense recognized in the Consolidated Statement of Operations and Comprehensive Loss related to deferred financing fees totaled less than \$0.1 million, which represented the amortization of deferred financing fees. During the year ended December 31, 2022, expense recognized in the Consolidated Statement of Operations and Comprehensive Loss related to deferred financing fees totaled \$0.3 million, which represented primarily consisted of the amortization loss on conversion of financing fees. debt. During the year ended December 31, 2021, expense recognized in the Consolidated Statement of Operations and Comprehensive Loss related to deferred financing fees totaled \$15.5 million, which primarily consisted of the loss on conversion of debt. During the year ended December 31, 2020, expense recognized in the Consolidated Statement of Operations and Comprehensive Loss related to deferred financing fees totaled \$6.8 million, which represented the amortization of deferred financing fees and beneficial conversion features.

#### Income Taxes

The Company accounts for income taxes using the asset and liability method under which deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities with consideration given to net operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using the enacted tax rates that are expected to be in effect when the differences are expected to reverse.

The Company assesses the likelihood that deferred tax assets will be recovered from future taxable income, and a valuation allowance is established when necessary to reduce deferred tax assets to the amounts more likely than not expected to be realized. The Company classifies its deferred income taxes as noncurrent on the Consolidated Balance Sheets.

#### Deferred Revenue

The Company records contract liabilities, pursuant to ASC 606 which consist of deferred revenue and contract billings in excess of earned revenue. revenue, pursuant to ASC 606.

Deferred revenues arise from contracts that permit upfront billing and the collection of fees covering the entire contractual service period, which is generally six to twelve months and in advance of the satisfaction of the performance obligations identified within the related contract. As of **December 31, 2022**, **December 31, 2023** and **2021**, 2022, such fees were **\$9.0 million**, **\$5.5 million** and **\$11.7 million**, **\$9.0 million**, respectively. The Company recognized \$4.7 million of revenue during the year ended December 31, 2023 that was included in deferred revenue at December 31, 2022. The Company recognized \$6.4 million of revenue during the year ended December 31, 2022 that was included in deferred revenue at December 31, 2021. The Company recognized \$7.7 million of revenue during the year ended December 31, 2021 that was included in deferred revenue at December 31, 2020.

#### Revenue Recognition

Revenue is recognized when control of the promised good or service is transferred to the customer, in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for that good or service. Sales and usage-based taxes are excluded from revenue. The Company serves a diverse group of clients. We are the principal in all outstanding revenue arrangements except for certain CareLinx revenue arrangements, for which such amounts are not material. CareLinx has B2C (business-to-consumer) and B2B2C (business-to-business-to-consumer) service lines for which CareLinx is the agent and we recognize the commission revenue based on the amount billed using the "as-invoiced" practical expedient.

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#### Enterprise Revenue

The Company provides employers and health plans with health management programs for their employee base or covered population, including digital engagement, telephonic coaching, incentives, biometrics, patient care managed health, and advocacy solutions. Revenue is recognized **overtime** over time on a per member per month ("PMPM") basis for a portion of revenue and based on individual product offerings being purchased by each individual customer which may vary based on the timing of delivery of services against those performance obligations. Member participation fees are generally determined by multiplying the contractually negotiated member rate by the number of members eligible for services during the month. Member participation rates are established during contract negotiations with customers, often based on a portion of the value the programs are expected to create. Contracts with health plans and integrated health care systems generally range from three-to-five-years with several comprehensive strategic agreements extending for longer periods. Contracts with self-insured employers typically have two-to-four-year terms.

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Health management program contracts often include a fee for the subscription of the Sharecare digital platform which may also be sold on a stand-alone basis. This service allows members to access the proprietary health engagement mobile application with a comprehensive suite of health and wellness management programs, content, and tools. Revenue is recognized on a per member or a fixed fee basis over time as the services are provided.

The Company provides customers with Blue Zones Project solutions, a turnkey program for communities to apply the Blue Zone Project program principles, enabling community sponsors such as health plans, employers, and health systems with a way to improve the health of their community in a tangible, measurable way. These contracts generally include two performance obligations, the discovery period and the subsequent content delivery for each year of engagement. The revenue is recognized based on the relative standalone selling price of the performance obligations evenly over time. These contracts do not include termination clauses and often have two-to-four-year terms.

The Company's doc.ai offering unlocks the value of health data through licensing artificial intelligence modules and through the creation of products for a portfolio of clients including payors, pharma, and providers. These contracts generally include two performance obligations. The software license and maintenance/support are considered one series of distinct performance obligations and professional services is considered a separate distinct performance obligation. Revenue is recognized for all identified performance obligations over time as services are delivered.

The Company's CareLinx offerings are focused on connecting caregivers with facilities or individuals that are in need of additional support. These services are generally considered a series of distinct performance obligations. Revenue is recognized for all identified performance obligations as billed using the "as-invoiced" practical expedient.

Certain contracts place a portion of fees at risk based on achieving certain performance metrics, such as customer cost savings, and/or clinical outcomes improvements (performance-based). The Company uses the most likely amount method to estimate variable consideration for these performance guarantees. The Company includes in the transaction price some, or all, of a variable consideration amount only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Company utilizes customer data to measure performance. Performance-based fees subject to refund that the Company has not recognized as revenues are generally due to either the: (1) data from the customer is insufficient or incomplete to measure performance; or (2) interim performance measures indicate that it is not probable that the Company will meet the relevant performance target(s). As of **December 31, 2022**, **December 31, 2023** and **2021**, 2022, such fees included within deferred revenue were **\$4.4 million**, **\$4.9 million** and **\$3.9 million**, **\$4.4 million**, respectively.

Customers are generally billed monthly for the entire amount of the fees contractually due for the prior month's enrollment, which typically includes the amount, if any, that is performance-based and may be subject to refund should performance targets not be met. Fees for participation are typically billed in the month after the services are provided. Deferred revenues arise from contracts that permit upfront billing and collection of fees covering the entire contractual service period, generally six months to a year. A limited number of contracts provide for certain performance-based fees that cannot be billed until after they are reconciled with the customer.

In the event that performance measures are not met by the end of the measurement period, typically one year, some or all of the performance-based fees are required to be refunded. During the settlement process under a contract, which generally occurs six to eight months after the end of a contract year, performance-based fees are reconciled and settled.

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Approximately \$7.7 million, \$7.5 million, \$10.0 million \$7.7 million, and \$12.5 million \$10.0 million of revenues recognized during the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively, were performance-based. As of December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, the cumulative amount of performance-based revenues that had met the criteria for recognition and had been recognized but had not yet been settled with customers, totaled \$6.3 million \$3.0 million, \$5.7 million \$6.3 million and \$7.3 million \$5.7 million, respectively, all of which were based on actual results. During the year ended December 31, 2022 December 31, 2023, \$1.4 million \$1.9 million was recognized in revenue that related to services provided prior to December 31, 2021 December 31, 2022.

*Provider Revenue*

Provider revenue is primarily based on services which provide data and information-driven solutions for healthcare providers that are tailored to improve productivity and efficiency and enhance patient care and management while upholding the latest compliance, security, and privacy standards. Revenue is based on the volume of health document requests fulfilled and recognized upon satisfactory delivery to the customer. In addition, provider revenue is derived from subscription fees for

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various technology-related services that assist providers with efficiency, productivity, quality, performance and risk-adjustment tools, billing contract compliance and enhanced patient care. Subscription fees are recognized ratably over a one-to-three-year contractual period.

*Life Sciences Revenue*

The Company generates life sciences revenue mostly through ad sponsorships and content delivery. Content delivery revenue is recognized when the content is delivered to the customer. Ad sponsorship revenue is recognized when the contractual page views or impressions are delivered and the transaction has met the criteria for revenue recognition.

Certain customer transactions may contain multiple performance obligations that may include delivery of content, page views, and ad sponsorship over time. To account for each of these elements separately, the delivered elements must be capable of being distinct and must be distinct in the context of the contract.

*Remaining Performance Obligations*

Remaining performance obligations represent contracted revenues that are non-cancellable and have not yet been recognized due to unsatisfied or partially satisfied performance obligations. This includes deferred revenues and amounts that will be invoiced and recognized as revenues in future periods. As of December 31, 2022 December 31, 2023, future estimated revenue related to performance obligations with terms of more than one year that are unsatisfied or partially unsatisfied at the end of the reporting period was approximately \$110.3 million \$70.1 million. As of December 31, 2022 December 31, 2023, the Company expects to recognize revenue on approximately 67% 90% of these unsatisfied performance obligations over the following 24 months and the remainder thereafter.

*Disaggregated Revenue*

The following table presents the Company's revenues disaggregated by revenue source (in thousands):

	Year Ended December 31,		
	2022	2021	2020
Enterprise	\$ 258,642	\$ 243,404	\$ 188,339
Provider	104,170	90,921	79,324
Life Sciences	79,603	78,490	61,142
Total Revenue	\$ 442,415	\$ 412,815	\$ 328,805

*One-Time Contribution*

For the year ended December 31, 2022, the Company recorded \$1 million of revenue to the Consolidated Statements of Operations and Comprehensive Loss related to a one-time contribution received during the fourth quarter of 2022 in connection with its development of a consumer-facing health education virtual reality experience.

	Year Ended December 31,		
	2023	2022	2021
Enterprise	\$ 243,942	\$ 258,642	\$ 243,404
Provider	119,343	104,170	90,921



Life Sciences	81,966	79,603	78,490
Total Revenue	\$ 445,251	\$ 442,415	\$ 412,815

## Foreign Currency

The functional currency of the Company's foreign subsidiaries is the respective local currency. All asset and liability accounts of the Company's foreign subsidiaries are translated into U.S. dollars using the exchange rate on the balance sheet date. Adjustments resulting from translating foreign functional currency financial statements into U.S. dollars are recorded as a

### Sharecare, Inc. Notes to Consolidated Financial Statements December 31, 2022

separate component on the Consolidated Statements of Operations and Comprehensive Loss. Equity transactions are translated using historical exchange rates. Expenses Revenue and expenses are translated using the average exchange rate during the year.

Foreign currency transaction gains (losses) are included in other expense in the Company's Consolidated Statements of Operations and Comprehensive Loss. Foreign currency transaction gains (losses) during the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 were immaterial.

## Advertising expense Expense

Advertising costs, which are expensed as incurred, totaled \$10.3 million \$10.5 million, \$10.3 million and \$8.8 million in 2023, 2022 and \$6.8 million in 2022, 2021, and 2020, respectively.

## Employee Benefit Plan

The Company has established a defined contribution savings plan under Section 401(k) of the Internal Revenue Code. This plan covers substantially all employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pretax basis, subject to legal limitations. Company contributions to the plan may be made at the discretion of the Company's board of directors, Sharecare Board. The Company contributed \$2.0 million \$1.6 million, \$1.5 million \$2.0 million and \$1.0 \$1.5 million during the years ended December 31, 2022 December 31, 2023, 2022 and 2021, and 2020, respectively.

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## Share-Based Payments

The Company measures compensation for all share-based payment awards granted to employees, directors, and nonemployees based on the estimated fair value of the awards on the date of grant. For awards that vest based on continued service, the service-based compensation cost is recognized on a straight-line basis over the requisite service period, which is generally the vesting period of the awards. For service vesting awards with compensation expense recognized on a straight-line basis, at no point in time does the cumulative grant date value of vested awards exceed the cumulative amount of compensation expense recognized. The grant date fair value of stock options that contain service or performance conditions is estimated using the Black-Scholes option-pricing model. The Company accounts for forfeitures as they occur.

For awards that contain performance conditions, compensation cost attributable to the period for which the requisite service has already been rendered is recognized in the period in which it becomes probable that the performance target will be achieved. Compensation cost for which requisite service has not yet been rendered, but for which it is probable that the performance target will be achieved, is recognized prospectively over the remaining requisite service period. In some cases, the period in which the performance target can be achieved is different than the requisite services period. Performance awards, for which the performance target is not achieved upon the date the employee stops rendering services, are forfeited.

For awards that vest upon a liquidity event or a change in control, the performance condition is not probable of being achieved until the event occurs. As a result, no compensation expense is recognized until the performance-based vesting condition is achieved, at which time the cumulative compensation expense will be recognized.

## Net Loss Per Share

The Company follows the two-class method when computing net loss per share as the Company has issued shares that meet the definition of participating securities. The two-class method determines net loss per share for each class of common and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income or loss available to common stockholders for the period to be allocated between common and other participating securities based upon their respective rights to receive dividends as if all income or losses for the period had been distributed. However, the Company's redeemable convertible preferred stock contractually entitles the holders of such shares to participate in dividends, but contractually does not require the holders of such shares to participate in losses of the Company. In periods in which the Company reports a net loss attributable to common stockholders, diluted net loss per share attributable to common stockholders is the same as basic net loss per share attributable to common stockholders since dilutive common shares are not assumed to have been issued, as their effect is anti-dilutive. The Company reported a net loss attributable to common stockholders for the years ended December 31, 2022 December 31, 2023, 2021 2022, and 2020 2021.

Basic net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding for the period. Diluted net loss attributable to common stockholders is computed by adjusting net losses attributable to common stockholders to reallocate

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undistributed earnings based on the potential impact of dilutive securities. Diluted net loss per share attributable to common stockholders is computed by dividing the diluted net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding for the period, including potential dilutive common shares.

**Other Income (Expense)**

For the years ended **December 31, 2022**, **December 31, 2023**, **2021**, **2022**, and **2020**, **2021**, other income (expense) consisted of the following (in thousands):

		Year Ended December 31,					
		2022	2021	2020			
		Year Ended December 31,			Year Ended December 31,		
		2023	2022	2021	2023	2022	2021
Re-measurement of contingent consideration	Re-measurement of contingent consideration	\$10,113	\$13,447	\$(6,211)			
Re-measurement of warrant liabilities	Re-measurement of warrant liabilities	8,379	12,676	(3,436)			
Other	Other	1,723	884	(62)			
Total other income (expense)	Total other income (expense)	<u>\$20,215</u>	<u>\$27,007</u>	<u>\$(9,709)</u>			

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**Accounting Standards Not Yet Adopted**

As an emerging growth company ("EGC"), the Jumpstart Our Business Startups Act ("JOBS Act") allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are applicable to private companies (that is, those that have not had a registration statement declared effective under the Securities Act of 1933, as amended (the "Securities Act"), or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company has elected to use this extended transition period under the JOBS Act until such time as the Company is no longer considered to be an EGC. The adoption dates discussed below reflect this election.

**Credit Losses.** In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"), which is intended to improve the timing, and enhance the accounting and disclosure, of credit losses on financial assets. This update modified the existing accounting guidance related to the impairment evaluation for available-for-sale debt securities, reinsurance recoverables, and accounts receivables and could result in the creation of an allowance for credit losses as a contra-asset account. The ASU requires a cumulative-effect change to retained earnings in the period of adoption, to the extent applicable. The amendments in ASU 2016-13 are effective for fiscal years beginning after December 15, 2022, including interim periods within the fiscal year. Based on the Company's evaluation, the adoption is not expected to have a material impact on the Company's consolidated financial statements.

**Recently Adopted Accounting Standards**

**Stock Compensation.** In June 2018, the FASB issued ASU No. 2018-07, Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting. The standard largely aligns the accounting for share-based payment awards issued to employees and non-employees by expanding the scope of ASC 718 to apply to non-employee share-based transactions, as long as the transaction is not effectively a form of financing. The Company adopted ASU 2018-07 on January 1, 2020, and the adoption did not have a material impact on the Company's consolidated financial statements.

In November 2019, the FASB issued ASU No. 2019-08, Compensation-Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Codification Improvements – Share Based Consideration Issued to a Customer. The update requires that an entity measure and classify share-based payment awards to a

customer by applying the guidance in Topic ASC 718. The Company adopted ASU 2019-08 on January 1, 2020, and the adoption did not have a material impact on the Company's consolidated financial statements.

**Business Combination.** In October 2021, the FASB issued ASU No. 2021-08, Business **Combination** **Combinations** (Topic 805): Accounting for Contracts Assets and Contract Liabilities from Contracts with Customers. The update requires acquiring entities to apply Topic 606 to recognize and measure contract assets and contract liabilities, such as deferred revenue, in a business combination and eliminates the requirement to recognize such items at fair value as of the acquisition date. For public business entities, the amendments in this update are effective for fiscal years beginning after December 15, 2022. Early adoption of the amendments is permitted, including adoption in an interim period. The Company elected to early adopt ASU No. 2021-08

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during the fourth quarter of 2021. As such, the Company retrospectively applied the update to all business combinations for which the acquisition date occurred on or after January 1, 2021. The adoption did not have a material impact on the Company's consolidated financial statements.

**Leases.** In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). Lessees are required to recognize most leases on their balance sheet as a right-of-use ("ROU") asset and a lease liability. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating leases or finance leases. Classification is based on criteria that are largely similar to those applied in prior lease accounting, but without explicit bright lines. Lessor accounting is similar to the current model but updated to align with certain changes to the lessee model and the revenue recognition guidance in ASC 606.

In July 2018, the FASB approved an additional optional transition method by allowing entities to initially apply the new leases standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. As of January 1, 2022, the Company adopted the standard using this optional transition method. The accounting for capital leases remained substantially unchanged. The Company **has** applied the available package of practical expedients, as well as the election not to apply recognition and measurement requirements to short-term leases. See Note 6 for further details.

**Income taxes.** In December 2019, the FASB issued ASU 2019-12, Simplifying the Accounting for Income Taxes. ASU 2019-12 eliminates certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. It also clarifies and simplifies other aspects of the accounting for income taxes. The Company adopted ASU 2019-12 on January 1, 2022, and the adoption did not have a material impact on the Company's consolidated financial statements.

**Credit Losses.** In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"), which is intended to improve the timing of recognition, and enhance the accounting and disclosure of credit losses on financial assets. This update modified the existing accounting guidance related to the impairment evaluation for available-for-sale debt securities, reinsurance recoverables, and accounts receivable and could result in the creation of an allowance for credit losses as a contra-asset account. The ASU requires a cumulative-effect change to retained earnings (accumulated deficit) in the period of adoption, to the extent applicable. The amendments in ASU 2016-13 are effective for fiscal years beginning after December 15, 2022, including interim periods within the fiscal year. The Company adopted ASU 2016-13 on January 1, 2023, and the adoption did not have a material impact on the Company's unaudited interim consolidated financial statements, with the primary impact being the increase in allowance for doubtful accounts related to our trade accounts receivable. The adoption adjustment was recorded to accumulated deficit, as shown in the Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit).

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## 2. Business Combination

As discussed in Note 1, on June 29, 2021, FCAC held a special meeting of stockholders (the "Special Meeting") at which the FCAC stockholders considered and adopted, among other matters, the Merger Agreement. On July 1, 2021, the parties to the Merger Agreement consummated the Transactions, with Legacy Sharecare surviving the merger as a wholly owned subsidiary of the Company.

Shares of Legacy Sharecare common stock issued and outstanding were canceled and converted into the right to receive 71.26 shares of common stock. Unless otherwise stated, the Exchange Ratio has been applied to the number of shares and share prices of Legacy Sharecare throughout these consolidated financial statements.

Prior to the Special Meeting, holders of 19,864,030 shares of FCAC's Class A common stock sold in FCAC's initial public offering exercised their right to redeem those shares for cash at a price of approximately \$10.00 per share, for an aggregate redemption price of approximately \$198.6 million. Immediately after giving effect to the Business Combination (including as a result of the redemptions described above), there were 333,875,179 issued and outstanding shares of the Company's common stock (excluding the Earnout Shares, as defined herein). In addition, at the closing of the Business Combination, the Company issued 5,000,000 shares of Series A Convertible Preferred Stock (the "Series A Preferred Stock") upon exchange of the shares of Legacy Sharecare Series D redeemable convertible preferred stock held by one investor in accordance with the terms of the Merger Agreement.

Pursuant to the Merger Agreement, 1,713,000 shares of common stock are held in escrow and shall be released to the sponsor of FCAC (the "Sponsor Earnout Shares"). In addition, 1,500,000 shares of common stock are held in escrow and shall be released to Legacy Sharecare stockholders and option holders (the **Sharecare** **Sharecare** Earnout **Shares** **Shares**) and, together with the Sponsor Earnout Shares, the "Earnout Shares"). The Earnout Shares are subject to release upon achieving certain triggering events as

defined in the Merger Agreement. The earnout conditions have not been satisfied as of **December 31, 2022** **December 31, 2023**. The Earnout Shares allocated to Legacy Sharecare stockholders are accounted for as liability instruments and classified within Level 1 as they are publicly traded and have an observable market price in an active market (see Note 3). The Earnout Shares allocated to the Legacy Sharecare option holders are classified as equity instruments and accounted for under ASC 718.

The Business Combination was accounted for as a Reverse Recapitalization, with no goodwill or other intangible assets recorded, in accordance with GAAP. Under this method of accounting, FCAC was treated as the "acquired" company for financial reporting purposes. Accordingly, for accounting purposes, the Business Combination was treated as the equivalent of Legacy Sharecare issuing stock for the net assets of FCAC, accompanied by a recapitalization. **The cash** **Cash** of \$146.4 million,

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which included cash previously held in the FCAC trust (net of redemptions), and working capital accounts of FCAC were recorded at historical cost, which approximates fair value. The Company also assumed **the** private placement warrants and public warrants (each as defined herein) from FCAC, which were recorded based on the acquisition date fair value (see Note 3). Cash paid for issuance costs and advisory fees were approximately \$54.0 million. Additionally, in connection with the Business Combination, the Company made one-time bonus payments of \$11.6 million to certain executives which has been recorded in General and Administrative expense, and resulted in a reduction in operating cash flows.

Upon the closing of the Business Combination, the Company's certificate of incorporation was amended and restated to, among other things, increase the total number of authorized shares of all classes of capital stock to 615,000,000 shares, of which 600,000,000 shares are designated as common stock, par value of \$0.0001 per share, and 15,000,000 shares are designated as preferred stock, par value of \$0.0001 per share, including 5,000,000 shares of Series A Preferred Stock.

In connection with the Business Combination, FCAC entered into subscription agreements, each dated as of February 12, 2021, with certain investors (the "Investors"), pursuant to which, among other things, FCAC issued and sold, in private placements, an aggregate of 42,560,000 shares of FCAC Class A common stock for \$10.00 per share (the "Private Placement"). The Private Placement closed immediately prior to the Business Combination. The shares of FCAC Class A common stock issued to the Investors became shares of the Company's common stock upon consummation of the Business Combination.

The following table reconciles the elements of the Business Combination to the net proceeds from Reverse Recapitalization with FCAC, as set forth in the Consolidated Statement of Cash Flows for the year ended December 31, 2021 (in thousands):

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	<b>Recapitalization</b>
Cash received from Private Placement financing	\$ 425,600
Cash paid to Legacy Sharecare stockholders	(91,698)
Cash received from FCAC trust and cash on hand, net of redemptions	146,363
Cash paid for issuance costs and advisory fees	(54,025)
Net proceeds from Reverse Recapitalization with FCAC	<u>\$ 426,240</u>

The following table reconciles the number of shares of common stock of FCAC to common stock of the Company immediately following the consummation of the Business Combination, as reflected on the Consolidated Statement of Redeemable Noncontrolling Interest, Redeemable Convertible Preferred Stock, and Stockholders' Equity (Deficit) for the year ended December 31, 2021 (share numbers are not in thousands):

	<b>Recapitalization</b>
Common stock, outstanding prior to Business Combination	34,500,000
FCAC Sponsor shares	5,627,250
Earnout Shares	3,213,000
Common stock of FCAC	43,340,250
Less: redemption of FCAC shares	(19,864,030)
Shares issued in Private Placement financing	42,560,000
Legacy Sharecare shares converted to common stock	271,051,959
Total shares of common stock immediately after Business Combination	<u>337,088,179</u>

### 3. Fair Value Measurements

The Company's financial instruments consist of cash equivalents, accounts receivable, accounts payable, accrued liabilities, warrant liabilities, and contingent consideration liabilities. Cash equivalents are comprised of money market funds stated at amortized cost, which approximates fair value at the balance sheet dates, due to the short period of time

to maturity. Accounts receivable, accounts payable, and accrued liabilities are stated at their carrying value, which approximates fair value due to the short time to the expected settlement date. The warrant liabilities and contingent consideration liabilities relate to previous acquisitions and the Business Combination and are recorded at estimated fair value.

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The following tables present the fair value hierarchy for assets and liabilities measured at fair value as of **December 31, 2022** **December 31, 2023** and **2022** (in thousands):

		December 31, 2022			
		Level			Total Fair
		Level 1	2	Level 3	Value
		December 31, 2023			
		Level 1			
		Level 1	Level 2	Level 3	Total Fair Value
<b>Cash equivalents</b>	<b>Cash equivalents</b>				
Money market funds	Money market funds				
Money market funds	Money market funds	\$10,526	\$ —	\$ —	\$10,526
Total cash equivalents at fair value	Total cash equivalents at fair value	\$10,526	\$ —	\$ —	\$10,526
<b>Liabilities</b>	<b>Liabilities</b>				
<b>Liabilities</b>	<b>Liabilities</b>				
Warrant liabilities	Warrant liabilities	\$ 2,441	\$ —	\$ —	\$ 2,441
Contingent consideration - other liabilities	Contingent consideration - other liabilities	—	—	1,879	1,879
Total liabilities at fair value	Total liabilities at fair value	\$ 2,441	\$ —	\$ 1,879	\$ 4,320

		December 31, 2021			
		Level 1	Level 2	Level 3	Total Fair Value
<b>Cash equivalents</b>					
Money market funds		\$ 10,955	\$ —	\$ —	\$ 10,955
Total cash equivalents at fair value		\$ 10,955	\$ —	\$ —	\$ 10,955
<b>Liabilities</b>					
Warrant liabilities		\$ 10,820	\$ —	\$ —	\$ 10,820
Contingent consideration - other liabilities		—	—	13,897	13,897
Total liabilities at fair value		\$ 10,820	\$ —	\$ 13,897	\$ 24,717

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	December 31, 2022			
	Level 1	Level 2	Level 3	Total Fair Value
<b>Cash equivalents</b>				
Money market funds	\$ 10,526	\$ —	\$ —	\$ 10,526
Total cash equivalents at fair value	<u>\$ 10,526</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 10,526</u>
<b>Liabilities</b>				
Warrant liabilities	\$ 2,441	\$ —	\$ —	\$ 2,441
Contingent consideration - other liabilities	—	—	1,879	1,879
Total liabilities at fair value	<u>\$ 2,441</u>	<u>\$ —</u>	<u>\$ 1,879</u>	<u>\$ 4,320</u>

The warrants included in the units issued in FCAC's initial public offering (the "public warrants") and the warrants issued by FCAC simultaneously with its initial public offering in a private placement (the "private placement warrants"), were both classified within Level 1 as they are publicly traded and have observable market prices in an active market. The public warrants and private placement warrants are both exercisable for one share of common stock at an exercise price of \$11.50.

Contingent consideration was classified within Level 3 as it was valued using certain unobservable inputs. The fair value of the contingent consideration is estimated based on the Company's stock price and the number of shares expected to be issued related to acquisitions in prior years. The fair value of the Earnout Shares allocated to Legacy Sharecare stockholders and FCAC Sponsors sponsors are included in contingent consideration and are estimated using a Monte Carlo simulation with inputs for the Company's stock price, expected volatility, risk-free rate, first and second earnout hurdles and expected term.

The following is a schedule of changes to the contingent consideration - other liabilities classified as Level 3 for the periods presented (in thousands):

December 31, 2020 2021	\$ 9,271	13,897
Contingent consideration from acquisition		10,305
Antidilution provision for Series D Preferred Stock		6,387
Settlement of contingent consideration for doc.ai acquisition HDS retained shares	(12,682)	(1,905)
Conversion Re-measurement of Series D Preferred Stock to Series A Preferred Stock contingent consideration (other (income) expense)	(6,451)	(10,113)
Contingent consideration in connection with the Business Combination December 31, 2022	21,109	1,879
Re-measurement of contingent consideration (other (income) expense)		(1,484)
December 31, 2023	\$	395

#### 4. Balance Sheet Components

##### Property and Equipment

As of December 31, 2023 and 2022, property and equipment, net consisted of the following (in thousands):

	Estimated Useful Lives (Years)	2023	2022
Computer hardware	3	\$ 9,408	\$ 10,171
Furniture/fixtures	5–7	1,666	1,345
Leasehold improvements	1–5	2,771	2,204
Property and equipment, gross		13,845	13,720
Less: accumulated depreciation		(10,470)	(8,638)
Property and equipment, net		<u>\$ 3,375</u>	<u>\$ 5,082</u>

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Settlement of contingent consideration for WhitehatAI earnout	(595)
Re-measurement of contingent consideration (other (income) expense)	(13,447)
December 31, 2021	13,897
Settlement of contingent consideration for Health Data Services ("HDS") retained shares	(1,905)
Re-measurement of contingent consideration (other (income) expense)	(10,113)
December 31, 2022	\$ 1,879

#### 4. Balance Sheet Components

##### Property and Equipment

As of December 31, 2022 and 2021, property and equipment, net consisted of the following (in thousands):

	Estimated Useful Lives (Years)	2022	2021
Computer hardware	3	\$ 10,171	\$ 14,379
Furniture/fixtures	5–7	1,345	2,055
Leasehold improvements	1–5	2,204	2,678
Other	Indefinite	—	18
Property and equipment, gross		13,720	19,130
Less: accumulated depreciation		(8,638)	(14,596)
Property and equipment, net		\$ 5,082	\$ 4,534

Depreciation expense during the years ended December 31, 2022, December 31, 2023, 2022, and 2021 and 2020 totaled \$2.9 million, \$3.2 million, \$2.7 million, and \$2.8 million \$2.7 million, respectively.

##### Long-term Assets

As of December 31, 2022, December 31, 2023 and 2021, 2022, long-term assets consisted of the following (in thousands):

	2022	2021
2023	2023	2022
Security deposits	\$ 572	\$ 690
Foreign tax credits	1,811	1,376
Research and development costs	—	6,081
Acquisition related assets	1,770	2,257
Operating lease right-of-use assets	7,755	—
Related party contract asset	5,802	—
Other	2,652	1,769
Total long-term assets	\$20,362	\$12,173

##### Accrued Expenses and Other Current Liabilities

As of December 31, 2022, December 31, 2023 and 2021, 2022, accrued expenses and other current liabilities consisted of the following (in thousands):

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		2022	2021		
2023				2023	2022
Accrued expenses	Accrued expenses	\$18,526	\$27,050		
Accrued compensation	Accrued compensation	23,762	16,428		
Accrued media costs	Accrued media costs	4,515	4,816		
Accrued taxes	Accrued taxes	1,602	1,396		
Operating lease liabilities, current	Operating lease liabilities, current	2,941	—		
Contract liabilities due to a related party, current	Contract liabilities due to a related party, current	10,000	—		
Accrued expenses due to a related party	Accrued expenses due to a related party	18,011	—		
Accrued other	Accrued other	2,270	1,963		
Total accrued expenses and other current liabilities	Total accrued expenses and other current liabilities	\$81,627	\$51,653		

## 5. Acquisitions

### 2021

doc.ai

On February 22, 2021, the Company acquired all outstanding equity interests of doc.ai Incorporated. The total purchase price in connection with the acquisition was \$120.6 million, consisting of \$29.0 million of cash (comprised of \$15.0 million due upon closing and \$14.0 million paid via a note payable), \$10.3 million of contingent consideration (comprised of up to 1,145,790 shares of common stock and up to 485,922 stock options), and \$81.3 million in the form of 9,039,117 shares of common stock (8,435,301 issued at closing and 603,816 shares to be issued at the first anniversary of the acquisition) and 2,444,361 stock options. The note payable and contingent consideration was settled on July 1, 2021 in connection with the Business Combination. The fair value of the assets acquired and liabilities assumed in connection with the acquisition are as follows (in thousands):

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Cash and cash equivalents	\$	12,217
Prepaid expenses		244
Other current assets		400
Developed technology		15,668
Customer relationships		17,389
Goodwill		85,811
Accounts payable and other accrued liabilities		(5,965)
Deferred revenue		(2,274)
Debt		(904)
Deferred tax liability		(1,688)
Other long-term liabilities		(302)
<b>Total</b>	<b>\$</b>	<b>120,596</b>

The fair value assigned to the developed technology was determined using the relief from royalty method. The fair value of the customer relationships was determined using the multi-period excess earnings method, which estimates the direct cash flow expected to be generated from the existing customers acquired. The Company incurred transaction-related expenses of \$0.8 million which were recorded under general and administrative expenses in the Consolidated Statement of Operations and Comprehensive Loss. The Company also incurred compensation expenses of \$8.8 million through the issuance of replacement stock options which were recorded under general and administrative expenses and product and technology expenses in the Consolidated Statement of Operations and Comprehensive Loss. Goodwill represents the excess of the purchase consideration over the estimated acquisition date fair value of the net tangible and identifiable intangible assets acquired and liabilities assumed. Goodwill also represents the future benefits as a result of the acquisition that will enhance the Company's products

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available to both new and existing customers and increase the Company's competitive position. The goodwill resulting from this acquisition is not tax deductible. The Company finalized its purchase accounting for the doc.ai acquisition during the fourth quarter of 2021.

*CareLinx*

On August 11, 2021, the Company acquired all outstanding equity interests of CareLinx Inc. ("CareLinx"). The total purchase price in connection with the acquisition was \$64.9 million, consisting of \$55.2 million of cash and \$9.7 million equity-based consideration, comprised of 1,169,980 shares of common stock and 295,758 stock options. The fair value of the assets acquired and liabilities assumed in connection with the acquisition are as follows (in thousands):

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Cash	\$	445
Accounts receivable		4,629
Other receivables		59
Prepaid expenses		234
Other current assets		300
Developed technology		14,800
Customer relationships		13,300
Trade name		2,600
Other long-term assets		1,789
Goodwill		31,349
Accrued expenses		(1,371)
Contract liabilities - current		(45)
Noncurrent contract liabilities		(53)
Other long-term liabilities		(3,125)
<b>Total</b>	<b>\$</b>	<b>64,911</b>

The fair value assigned to the developed technology was determined using the relief from royalty method. The fair value of customer relationships was determined using the multi-period excess earnings method, which estimates the direct cash flow expected to be generated from the existing customers acquired. The Company incurred transaction-related expenses of \$1.1 million which were recorded under general and administrative expenses in the Consolidated Statement of Operations and Comprehensive Loss. Goodwill represents the excess of the purchase consideration over the estimated acquisition date fair value of the net tangible and identifiable intangible assets acquired and liabilities assumed. Goodwill also represents the future benefits as a result of the acquisition that will enhance the Company's services available to both new and existing customers and increase the Company's competitive position. The goodwill resulting from this acquisition is not tax deductible. The Company finalized its purchase accounting for the CareLinx acquisition during the third quarter of 2022.

## 6. Leases

On January 1, 2022, the Company adopted ASU 2016-02, Leases (Topic 842) using the optional transition method resulting in a cumulative-effect adjustment to the Consolidated Balance Sheet at the adoption date. Comparative financial statements of prior periods have not been adjusted to apply the new accounting standard retrospectively. The new method of accounting was applied only to leases that have ongoing minimum lease commitments after January 1, 2022, excluding short-term leases. As of the adoption date, the Company recognized total ROU assets of \$8.1 million, with corresponding lease liabilities of \$9.2 million on the Consolidated Balance Sheet. The adoption did not impact the beginning accumulated deficit, or prior year Consolidated Statements of Operations and Comprehensive Loss and Statements of Cash Flows. Finance leases are immaterial.

The effect of the January 1, 2022 adoption on key financial statement line items as of December 31, 2022 is as follows (in thousands):

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	December 31, 2022			
	Financial position if ASU 2016-02 had not been adopted on January 1, 2022	As reported under ASU 2016-02 adoption	\$ Change	% Change
<b>Balance Sheet:</b>				
Prepaid expenses	\$ 13,042	\$ 12,612	\$ (430)	(3)%
Other long-term assets	\$ 12,552	\$ 20,362	\$ 7,810	62 %
<b>Total assets</b>	\$ 693,621	\$ 701,001	\$ 7,380	1 %
Accrued expenses and other current liabilities	\$ 78,688	\$ 81,627	\$ 2,939	4 %
Contract liabilities, current	\$ 1,308	\$ 1,535	\$ 227	17 %
Contract liabilities, noncurrent	\$ 209	\$ —	\$ (209)	(100)%
Other long-term liabilities	\$ 11,347	\$ 16,723	\$ 5,376	47 %
<b>Total liabilities</b>	\$ 111,863	\$ 120,196	\$ 8,333	7 %

Under Topic 842, the Company determines if an arrangement is a lease at contract inception. Operating lease ROU right-of-use (ROU) assets and liabilities are included in other long-term assets, accounts payable and accrued expenses, and other current liabilities, and other long-term liabilities in the Consolidated Balance Sheets. Finance lease ROU assets and liabilities are included in property and equipment, accounts payable and accrued expenses, and other long-term liabilities in the Consolidated Balance Sheets.

Operating lease ROU assets and lease liabilities are recognized based on the present value of the future fixed lease payments over the lease term at the commencement date. As most of the Company's leases do not provide an implicit rate, the Company used generally its quarterly incremental borrowing rate based on the information available that corresponds to each lease commencement date and lease term when determining the present value of future payments for operating leases.

The Company's operating leases principally involve office space. The Company leases office space in Berlin, Germany; and the following states: Arizona, California, Florida, Georgia, Maryland, Massachusetts, New York, North Carolina, Tennessee, and Washington under noncancellable operating leases expiring at various dates through December 2028.

These leases may contain variable non-lease components consisting of common area maintenance, operating expenses, insurance, and similar costs of the office space that we occupy. The Company has adopted the practical expedient to not separate these non-lease components from the lease components and instead account for them as a single lease component for all of the leases. The operating lease ROU assets include future fixed lease payments made as well as any initial direct costs incurred and exclude lease incentives. Variable lease payments are not included within the operating lease ROU assets or lease liabilities and are expensed in the period in which they are incurred. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for minimum lease payments on operating leases is recognized on a straight-line basis over the lease term. The Company has elected to not record operating lease ROU assets and liabilities for short-term leases that have a term of twelve months or less. Lease expense includes short-term lease cost which is not material to the Consolidated Financial Statements.

The components of operating lease costs, lease term and discount rate for the year ended December 31, 2022 are as follows (in thousands, except lease term and discount):

Sharecare, Inc. Notes to Consolidated Financial Statements December 31, 2022 2023	
	Year Ended December 31, 2022
Operating lease costs	\$ 6,225
Variable lease costs	2,010
Short-term lease expense	190
Total operating lease costs	\$ 8,425
Weighted-average remaining lease term (years):	
Operating leases	4.1
Weighted-average discount rate:	
Operating leases	4.5 %

Operating lease expense was \$6.2 million and \$6.4\$2.6 million, \$6.2 million, \$6.2 million for the years ended December 31, 2021 December 31, 2023, 2022, and 2020, respectively, under ASC 840. The 2021, respectively. As of December 31, 2023, the Company is also the lessor in three one non-cancelable sub-lease agreements with two companies for the Company's Tennessee office space and one company agreement for the CareLinx office space in California. Sublease income for year ended December 31, 2022 December 31, 2023 was \$2.1 million \$0.5 million.

Supplemental cash flow

Other information related to operating leases for the year ended December 31, 2022 December 31, 2023 is as follows (in thousands):

Supplemental Cash Flows Information		Year Ended December 31, 2022 December 31, 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Payments for operating leases included in cash from operating activities	\$	6,798 3,231
Assets obtained in exchange for lease obligations:		
Operating leases	\$	5,410 2,084
Weighted-average remaining lease term (years):		
Operating leases		4.8
Weighted-average discount rate:		
Operating leases		5.5 %

Estimated future minimum payment obligations for non-cancelable operating leases are as follows as of December 31, 2022 December 31, 2023 (in thousands):

Leases:	Operating Leases:	Operating Leases:	Operating Leases:	Operating Leases
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2023		\$ 3,282
2024	2024	1,663
2025	2025	1,245
2026	2026	1,248
2027	2027	1,212
2028		
Thereafter	Thereafter	457
Total undiscounted future cash flows	Total undiscounted future cash flows	9,107
Less: Imputed interest	Less: Imputed interest	(814)
Present value of lease liabilities	Present value of lease liabilities	\$ 8,293
Lease liabilities, current	Lease liabilities, current	2,941
Lease liabilities, current		
Lease liabilities, current		
Lease liabilities, noncurrent	Lease liabilities, noncurrent	5,352
Present value of lease liabilities	Present value of lease liabilities	\$ 8,293

The total future minimum rental payments related to the aforementioned subleases to be received as of December 31, 2022 is \$0.5 million.

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## 7. Goodwill and Other Intangible Assets

Intangible assets and the related accumulated amortization for each class of intangible assets as of **December 31, 2022**, **December 31, 2023** and **2021**, **2022** were as follows (in thousands):

	December 31, 2022			
	Cost	Accumulated Amortization	Net	Weighted Average Remaining Life
<b>Definite-lived, intangible assets</b>				
Technology – features/content	\$ 68,083	\$ (21,806)	\$ 46,277	7.8
Trade name	3,549	(1,534)	2,015	4.6
Customer relationships	77,849	(33,549)	44,300	9.1
Internal use software	156,661	(93,703)	62,958	2.1
Total definite-lived, intangible assets	<u>\$ 306,142</u>	<u>\$ (150,592)</u>	<u>\$ 155,550</u>	
<b>Intangible assets not subject to amortization</b>				
Internal use software projects in process	\$ 2,534	\$ —	\$ 2,534	
Indefinite-lived, trade names	<u>5,030</u>	<u>—</u>	<u>5,030</u>	

Total intangible assets not subject to amortization	\$ 7,564	\$ —	\$ 7,564
Total intangible assets	\$ 313,706	\$ (150,592)	\$ 163,114

	December 31, 2021			
	Cost	Accumulated Amortization	Net	Weighted Average Remaining Life
<b>Definite-lived, intangible assets</b>				
Technology – features/content	\$ 69,063	\$ (24,950)	\$ 44,113	9.2
Trade name	6,392	(3,932)	2,460	5.5
Customer relationships	77,849	(27,468)	50,381	9.9
Internal use software	121,218	(72,380)	48,838	2.4
Total definite-lived, intangible assets	\$ 274,522	\$ (128,730)	\$ 145,792	
<b>Intangible assets not subject to amortization</b>				
Internal use software projects in process	\$ 4,264	\$ —	\$ 4,264	
Indefinite-lived, trade names	5,030	—	5,030	
Total intangible assets not subject to amortization	\$ 9,294	\$ —	\$ 9,294	
Total intangible assets	\$ 283,816	\$ (128,730)	\$ 155,086	

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**Notes to Consolidated Financial Statements**  
**December 31, 2023**

	December 31, 2023			
	Cost	Accumulated Amortization	Net	Weighted Average Remaining Life (in years)
<b>Definite-lived, intangible assets</b>				
Technology – features/content	\$ 65,905	\$ (31,117)	\$ 34,788	8.8
Trade name	3,549	(1,979)	1,570	3.6
Customer relationships	77,849	(39,633)	38,216	8.8
Internal use software	186,620	(131,199)	55,421	1.9
Total definite-lived, intangible assets	\$ 333,923	\$ (203,928)	\$ 129,995	
<b>Intangible assets not subject to amortization</b>				
Internal use software projects in process	\$ 1,527	\$ —	\$ 1,527	
Indefinite-lived, trade names	5,030	—	5,030	
Total intangible assets not subject to amortization	\$ 6,557	\$ —	\$ 6,557	
Total intangible assets	\$ 340,480	\$ (203,928)	\$ 136,552	

	December 31, 2022			
	Cost	Accumulated Amortization	Net	Weighted Average Remaining Life (in years)
<b>Definite-lived, intangible assets</b>				
Technology – features/content	\$ 68,083	\$ (21,806)	\$ 46,277	7.8
Trade name	3,549	(1,534)	2,015	4.6
Customer relationships	77,849	(33,549)	44,300	9.1
Internal use software	156,661	(93,703)	62,958	2.1
Total definite-lived, intangible assets	\$ 306,142	\$ (150,592)	\$ 155,550	

<b>Intangible assets not subject to amortization</b>			
Internal use software projects in process	\$	2,534	\$ — \$ 2,534
Indefinite-lived, trade names		5,030	— 5,030
Total intangible assets not subject to amortization	\$	7,564	\$ — \$ 7,564
Total intangible assets	\$	313,706	\$ (150,592) \$ 163,114

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The following tables set forth the changes in the carrying amount of the Company's goodwill during the years ended December 31, 2022 December 31, 2023 and 2021 2022 (in thousands):

December 31, 2020	\$	75,736
Additions		117,320
Foreign currency translation adjustments		(614)
December 31, 2021	\$	192,442
Purchase accounting opening balance sheet adjustment		(161)
Foreign currency translation adjustment		(464)
December 31, 2022		191,817
Foreign currency translation adjustment		220
December 31, 2023	\$	191,817 192,037

Goodwill and intangible assets deemed to have indefinite lives are not amortized but are subjected to annual tests of impairment. The Company tests goodwill and indefinite-lived intangible assets for impairment annually in the fourth quarter and between annual tests if an event occurs or circumstances change that would indicate that it is more likely than not that the carrying amount may be impaired. The Company initially evaluates qualitative factors to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the qualitative assessment is not conclusive, a quantitative assessment of the fair value of a reporting unit is performed to test goodwill for impairment using a combination of income and market approaches. There have been no impairments of goodwill since the Company's inception.

During the second quarter of 2022, the Company determined a triggering event that required an interim goodwill impairment test as a result of the sustained decline in the Company's stock price and associated market capitalization. capitalization, the Company performed an impairment test during the third quarter of 2023. The fair value of the reporting units for goodwill impairment testing were determined using both an income approach and market approach. The income approach was based on discounted projected future (debt-free) cash flows for each reporting unit. The discount rates applied to these cash flows were based on the weighted average cost of capital for each reporting unit, which takes market participant assumptions into consideration. For the market approach, we used both the guideline company and similar transaction methods. The guideline company method analyzes market multiples of revenue and EBITDA for a group of comparable public companies. Under the similar transactions method, valuation multiples are calculated utilizing actual transaction prices and revenue and EBITDA data from target companies deemed similar to the reporting unit. As a result of both the interim test, and annual tests, the Company determined the fair values of each of our reporting units exceeded their respective book values in excess of approximately 10%, and the Company determined there was no impairment. An There were no other impairment indicators during the year ended December 31, 2023.

For the most recent annual impairment test, an increase of 100 basis points in the weighted average cost of capital or a decrease of 100 basis points in annual forecasted revenues would have resulted in a 3% 5% and 4% 7% decline in the fair value, respectively, of our reporting units which would not have resulted in impairment. There were no other triggering events during

During the year ended December 31, 2022 fourth quarter of 2023, certain intellectual property was determined to be impaired due to a change in the timing and magnitude of cash flows expected to be generated using the intellectual property. The resulting impairment loss of \$2.9 million (Note 14) was recorded to amortization expense in the Consolidated Statements of Operations and Comprehensive Loss. The fair value of the intellectual property was determined using the relief from royalty method and the remaining balance as of December 31, 2023 was \$3.1 million.

Amortization expense on intangible assets totaled \$42.1 million \$58.3 million, \$29.9 million \$42.1 million and \$21.9 million \$29.9 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively, and is included in depreciation and amortization in the Consolidated Statements of Operations and Comprehensive Loss.

The following is a schedule of estimated future amortization expense for intangible assets as of December 31, 2022 December 31, 2023 (in thousands):

Year ending December 31:		
2023	\$	46,210
2024		36,716
2025		20,870
2026		12,940



2027	11,164
Thereafter	27,650
<b>Total</b>	<b>\$ 155,550</b>

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Year ending December 31:	
2024	\$ 45,340
2025	30,227
2026	16,569
2027	10,004
2028	6,922
Thereafter	20,933
<b>Total</b>	<b>\$ 129,995</b>

**8. Debt**

As of December 31, 2022 December 31, 2023 and 2021, 2022, debt was comprised of outstanding borrowings \$0 of \$0.5 million and \$0.4 million, \$0, respectively, under the Company's senior secured revolving credit facility (the "Revolving Facility") due February 2023 (see Note 16 Subsequent Events). The Revolving Facility is governed by a Credit Agreement, dated as of March 9, 2017 (as amended, the "Senior Secured Credit Agreement"), among the Company, certain subsidiaries of the Company, as borrowers (the "Borrowers"), the lenders named therein and Wells Fargo Bank, National Association, as administrative agent, ("Administrative Agent"). Borrowings under agent. On February 10, 2023, the Revolving Facility currently bear interest at either a U.S. base rate plus 2.0%, subject to a floor, or a rate based on LIBOR plus 2.75% (the related deferred financing fees of \$0 and \$0.3 million as of December 31, 2022 and December 31, 2021, respectively, are presented as other current assets on the Consolidated Balance Sheets).

In July 2021, the Company settled substantially all of company renewed its existing indebtedness, totaling \$178.4 million in connection with the consummation of the Business Combination and pursuant to the terms of the Merger Agreement. The Company's Series B, Series B-3 and Series B-4 Convertible Notes were fully converted into 37,695,910 shares of common stock, adjusted by the Exchange Ratio of 71.26. The Company recognized a loss on conversion of debt of \$12.1 million related to the write-off of the deferred beneficial conversion feature and warrant costs within interest expense in the Consolidated Statement of Operations and Comprehensive Loss. The Company also repaid in full and terminated its Second Lien Credit Agreement and recognized a loss on extinguishment of debt of \$1.1 million related to unamortized discounts as separately disclosed within the Consolidated Statement of Operations and Comprehensive Loss for the year ended December 31, 2021.

**Senior Secured Credit Agreement**

In March 2017, the Company refinanced its existing debt through the execution of the Senior Secured Credit Agreement. The Senior Secured Credit Agreement provides for a senior secured revolving credit facility with was due to mature on February 10, 2023 and the Company entered into Amendment Number Nine to the Senior Secured Credit Agreement (the "Ninth Amendment") which extended the maturity date of the Senior Secured Credit Agreement to February 10, 2026. The total commitments under the Revolving Facility remained unchanged at \$60.0 million as a result of \$60.0 the Ninth Amendment but the sub-limit for letters of credit was increased from \$10.0 million to \$15.0 million. Availability under the Revolving Facility is generally subject to a borrowing base based on a percentage of applicable eligible receivables. Borrowings under the Revolving Facility generally bear interest at a rate equal to, at the applicable Borrower's option, either (a) a base rate plus a margin of 0.75%, or (b) a rate based on LIBOR, in each case, the 1, 3, or 6-month SOFR Rate plus an applicable margin. 1.75%. The applicable margin is based on a fixed charge coverage ratio and ranges from (i) 1.75% to 2.25% for U.S. base rate loans and (ii) 2.75% to 3.25% for LIBOR. The Ninth Amendment amended other terms of the existing Senior Secured Credit Agreement, was scheduled including eliminating minimum liquidity and minimum EBITDA covenants, increased thresholds for certain permitted transactions, modifications to mature on February 10, 2023 (see Note 16 Subsequent Events). Borrowings under the Senior Secured Credit Agreement are secured by all assets of the Company.

In connection with the consummation of the Business Combination, Legacy Sharecare, the reporting and other Borrowers, the Lenders and the Administrative Agent, entered into an Amendment Number Six to the Senior Secured Credit Agreement (the "Sixth Amendment"). Pursuant to the Sixth Amendment, the Administrative Agent and Lenders provided certain consents with respect to the consummation of the Transactions and certain amendments were made to the terms of the Senior Secured Credit Agreement to reflect the Transactions. The Company and certain other subsidiaries of Legacy Sharecare executed joinders to become a party to the Senior Secured Credit Agreement as required by the Sixth Amendment in July 2021. changes.

The Senior Secured Credit Agreement contains a number of customary affirmative and negative covenants and the Company is in compliance with those covenants as of December 31, 2022 December 31, 2023. As of December 31, 2022 December 31, 2023, \$51.1 million \$54.3 million was available for borrowing under the Revolving Facility net of the letters of credit (Note 13) and associated miscellaneous fees.

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## 9. Income Taxes

Components of the income tax expense (benefit) during the years ended December 31, 2022, December 31, 2023, 2021, 2022 and 2020, 2021 were as follows (in thousands):

		2022	2021	2020
	2023			
	2023			
	2022			
	2021			
Current	Current			
expense	expense			
(benefit):	(benefit):			
Foreign	Foreign			
Foreign	Foreign			
Foreign	Foreign	\$ (47)	\$ 133	\$ —
Federal	Federal	56	—	—
Federal	Federal			
Federal	Federal			
State	State	12	42	47
		21	175	47
	(22)			
Deferred	Deferred			
expense	expense			
(benefit):	(benefit):			
Foreign	Foreign			
Foreign	Foreign			
Foreign	Foreign	764	(84)	154
Federal	Federal	(308)	(1,469)	(1,404)
State	State	(683)	(643)	(354)
		(227)	(2,196)	(1,604)
	(187)			
Total	Total			
income	income			
tax	tax			
expense	expense			
(benefit)	(benefit)	\$(206)	\$(2,021)	\$(1,557)

Income tax expense (benefit) differs from the amount that would be calculated by applying federal statutory rates to loss before income taxes primarily because of the valuation allowance on deferred tax assets. A reconciliation of the U.S. federal statutory income tax rate to the Company's effective income tax rate is as follows:

	2022	2021	2020
Income tax benefit at the federal statutory rate	21.00 %	21.00 %	21.00 %
Change in valuation allowance	(30.29)%	(22.43)%	(23.36)%
State income tax	8.50 %	10.43 %	5.60 %
Permanent: fair market value adjustments	3.25 %	6.29 %	(3.05)%
Permanent: compensation	1.07 %	(0.83)%	0.12 %
Deferred: stock compensation	(2.19)%	(12.65)%	— %
Transaction costs	— %	1.80 %	— %
Research and development credits	(0.12)%	1.20 %	— %
Legal settlement	— %	(1.20)%	— %
Other	(1.05)%	(1.29)%	2.37 %
Effective income tax rate	0.17 %	2.32 %	2.68 %

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	2023	2022	2021
Income tax benefit at the federal statutory rate	21.00 %	21.00 %	21.00 %
Change in valuation allowance	(22.74)%	(30.29)%	(22.43)%
State income tax	5.80 %	8.50 %	10.43 %
Permanent: fair market value adjustments	0.57 %	3.25 %	6.29 %
Permanent: compensation	0.02 %	1.07 %	(0.83)%
Deferred: stock compensation	(3.68)%	(2.19)%	(12.65)%
Transaction costs	— %	— %	1.80 %
Research and development credits	— %	(0.12)%	1.20 %
Legal settlement	— %	— %	(1.20)%
Other	(0.81)%	(1.05)%	(1.29)%
Effective income tax rate	0.16 %	0.17 %	2.32 %

The components of the deferred tax assets and liabilities recognized in the Company's Consolidated Balance Sheets as of **December 31, 2022** **December 31, 2023** and **2021** were as follows (in thousands):

	2022	2021
	2023	
	2023	
	2023	2022
Deferred tax assets:	Deferred tax assets:	
Net operating losses	Net operating losses	
Net operating losses	Net operating losses	
Net operating losses	Net operating losses	\$ 99,551 \$ 82,115
Share-based compensation expense	Share-based compensation expense	26,542 10,798
Accrued expenses	Accrued expenses	3,385 2,787
Property and equipment and internal use software	Property and equipment and internal use software	527 515
Contract liabilities	Contract liabilities	476 1,705
Interest expense	Interest expense	15,199 14,999
Tax credits	Tax credits	4,472 4,518
Deferred revenue	Deferred revenue	706 814
Intangible assets	Intangible assets	10,117 12,961
Intangible assets (indefinite life)	Intangible assets (indefinite life)	816 816
Other	Other	1,974 3,522
Valuation allowance	Valuation allowance	(148,366) (112,146)
Total deferred tax assets	Total deferred tax assets	15,399 23,404
Deferred tax liabilities:	Deferred tax liabilities:	
Deferred tax liabilities:	Deferred tax liabilities:	
Deferred tax liabilities:	Deferred tax liabilities:	

Intangible assets			
Intangible assets			
Intangible assets	Intangible assets	(11,471)	(19,762)
Intangible assets (indefinite life)	Intangible assets (indefinite life)	(2,194)	(1,953)
Beneficial conversion feature		—	—
Prepaid assets	Prepaid assets	(2,223)	—
Other	Other	(514)	(1,929)
Total deferred tax liabilities	Total deferred tax liabilities	(16,402)	(23,644)
Net deferred tax liability	Net deferred tax liability	\$ (1,003)	\$ (240)

The components of **loss from operations**, **(loss) income** before income **taxes**, **tax benefit**, are as follows (in thousands):

	2022	2021	2020
Domestic	\$ (120,766)	\$ (91,261)	\$ (55,889)
Foreign	1,075	4,111	(2,227)
Total loss before income tax expense	\$ (119,691)	\$ (87,150)	\$ (58,116)

**Sharecare, Inc.**  
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	2023	2022	2021
Domestic	\$ (126,556)	\$ (120,766)	\$ (91,261)
Foreign	(3,665)	1,075	4,111
Loss before income tax benefit	\$ (130,221)	\$ (119,691)	\$ (87,150)

The Company has evaluated the positive and negative evidence bearing upon its ability to realize the deferred tax assets. Management has considered the Company's history of cumulative net losses incurred since inception and has concluded that it is more likely than not that the Company will not realize the benefits of the deferred tax assets. Accordingly, a valuation allowance has been established against the **net** deferred tax assets. Therefore, no federal tax benefit has been recorded for the net operating losses and the research tax credits during the years ended **December 31, 2022**, **December 31, 2023**, **2021**, **2022** and **2020**.

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**2021.**

As of **December 31, 2022**, **December 31, 2023** and **2021**, **2022**, net operating loss carryforwards are as follows (in thousands):

	2022	2021
Net Operating Losses – Federal	\$ 371,836	\$ 310,429
Net Operating Losses – State	325,409	269,521
Net Operating Losses – International	4,284	3,530
Total net operating losses	\$ 701,529	\$ 583,480

	2023	2022
Net operating losses – Federal	\$ 438,959	\$ 371,836
Net operating losses – State	418,199	325,409

Net operating losses – International	2,705	4,284
Total net operating losses	\$ 859,863	\$ 701,529

The state and pre-2018 federal net operating loss carryforwards **will start** started to expire in 2023 (through 2037), while the foreign and post-2017 federal net operating loss carryforwards are indefinite. Of the estimated **\$371.8** **\$439.0** million in federal net operating losses that existed on **December 31, 2022** **December 31, 2023**, **\$161.7** **\$229.1** million were generated after 2017 and will not expire. The realization of the Company's existing federal net operating losses was analyzed to determine if any of the losses would be limited under Section 382. It was determined, based on historical ownership changes and acquisitions that, of the **\$371.8** **\$439.0** million in net operating losses that existed as of **December 31, 2022** **December 31, 2023**, \$279.6 million were subject to Section 382 **limitations**, **limitations at various points in time, some dating back to January 2012**. Of the 382 limited federal NOLs, **\$223.2** **\$232.4** million are now available for use, \$1.5 million will be limited indefinitely, and the remaining **\$54.9** **\$45.7** million in net operating losses are 382 limited and will become available ratably through 2032.

Federal net operating losses generated in taxable years beginning after December 31, 2017 can be carried forward indefinitely but are limited to 80% of taxable income in any year. Therefore, taxable temporary differences related to indefinite-lived intangibles may now be used as a source of future taxable income in assessing the realizability of post-2017 federal loss carryforwards. The realization of the Company's deferred tax assets (including its net operating loss carryforwards) has been analyzed and a valuation allowance established where it is not more-likely-than-not to be realized based on positive and negative evidence. The valuation allowance increased **\$36.2** **\$29.7** million during the year ended **December 31, 2022** **December 31, 2023**.

Changes in the valuation allowance for deferred tax assets during the years ended **December 31, 2022** **December 31, 2023** and **2021** **2022** are as follows (in thousands):

	2022	2021
2023	2023	2022
Valuation allowance as of beginning of the year	\$112,146	\$ 90,010
Increases to valuation allowance during the year	36,220	22,136
Valuation allowance as of end of year	\$148,366	\$112,146

The Tax Cuts and Jobs Act of 2017 ("TCJA"), as signed by the President of the United States on December 31, 2017, significantly revised U.S. tax law, including the reduction of the U.S. federal corporate tax rate from 35% to 21%, and created a modified territorial taxing system for international operations. Among the various foreign income inclusion provisions enacted, the Company is directly impacted by the "global intangible low taxed income" ("GILTI"). The Company's accounting policy election is to treat the GILTI tax as a period cost. Under this provision, foreign income generated by its controlled foreign corporations is subject to U.S. tax; there was no GILTI tax for **2022**, **2022** and **2023**.

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The Company has not recognized income tax on the basis difference inherent in its foreign subsidiaries, as these amounts continue to be permanently reinvested in foreign operations. Foreign income will be subject to U.S. income tax upon repatriation. No determination has been made on the basis difference of foreign operations or amount of any unrecognized deferred income tax liability related to the basis difference. Determination of the amount is not practical because of the complexities of the hypothetical calculation.

The Company evaluates tax positions for recognition using a more-likely-than-not recognition threshold, and those tax positions eligible for recognition are measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon the effective settlement with a taxing authority that has full knowledge of all relevant information. The Company recognizes accrued interest and penalties associated with uncertain tax positions as part of the tax provision. As of **December 31, 2022** **December 31, 2023**, the Company's uncertain tax positions were not material and, therefore, accrued interest or penalties related to uncertain tax positions were also not material. No Federal income taxes were paid in **2023**, **2022** **2021** and **2020**, **2021**.

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## 10. Redeemable Convertible Preferred Stock

The following is a schedule of authorized, issued and outstanding shares and amounts of each series of redeemable convertible preferred stock as of **December 31, 2022** **December 31, 2023** (in thousands, except share amounts):

Class of stock	Shares Authorized	Shares issued and outstanding	Net carrying value	Aggregate liquidation preference
Series A Preferred Stock	5,000,000	5,000,000	\$ 58,205	\$ 50,000

On April 7, 2021, the Company issued and sold 62,500 shares of Series D Preferred Stock (subject to the potential issuance of additional shares of Series D Preferred Stock pursuant to certain anti-dilution rights of the holders of the Series D Preferred Stock) for an aggregate cash purchase price of \$50.0 million. The Company recorded the Series D Preferred Stock at fair value of \$51.8 million and contingent consideration related to the anti-dilution provision of \$6.4 million. The amount recorded in excess of cash received represents a non-cash payment for up front research and development costs of \$8.2 million, which is recorded in prepaid assets.

The Series D Preferred Stock had substantially similar terms as the Company's other redeemable convertible preferred stock that was outstanding prior to the Business Combination, except that the Series D Preferred Stock (i) was senior in right of liquidation to all other classes of the Company's outstanding preferred stock, (ii) was entitled to the same accruing dividends as the Company's senior Series B-2 and B-4 Preferred Stock and (iii) was not subject to certain mandatory conversion provisions applicable to the other series of the Company's redeemable convertible preferred stock (including mandatory conversion in connection with the Business Combination). Upon consummation of the Business Combination, all of the outstanding shares of the Series D Preferred Stock were exchanged for 5,000,000 shares of Series A Preferred Stock (which exchange reflected the application of the anti-dilution rights noted above).

As a result of the Business Combination, all other redeemable convertible preferred stock outstanding prior to the Business Combination was converted into 63,885,490 shares of the Company's common stock and retroactively adjusted for all periods presented using the Exchange Ratio of 71.26, with a one-to-one share conversion rate.

The Series A Preferred Stock is convertible, one-to-one (subject to customary adjustments), into the Company's common stock at any time by the holder. Beginning three years after the issuance date of April 7, 2021, the Company will be entitled to force the conversion of the Series A Preferred Stock into common stock if the closing price of the Company's common stock exceeds 130% of the issue price for 20 out of 30 consecutive trading days. On the fifth anniversary of the issue date, the Company will be required to redeem any outstanding Series A Preferred Stock at the issue price. The Series A Preferred Stock will vote on an as-converted basis with all other shares of the Company's common stock.

### Classification of Redeemable Convertible Preferred Stock

The deemed liquidation preference provisions of the redeemable convertible preferred stock are considered contingent redemption provisions that are not solely within the Company's control. Accordingly, the redeemable convertible preferred stock has been presented outside of permanent equity in the mezzanine section of the Consolidated Balance Sheets. Because the occurrence of a deemed liquidation event is not currently probable, the carrying values of the convertible preferred stock are not being accreted to their redemption values. Subsequent adjustments to the carrying values to the convertible preferred stock would be made only when a deemed liquidation event becomes probable.

## 11. Common Stock and Stockholders' Deficit

As of **December 31, 2022** **December 31, 2023**, the Company was authorized to issue up to 600,000,000 shares of common stock.

### Warrants

In connection with debt and equity financings and certain partnership arrangements, the Company may issue warrants. In connection with the consummation of the Business Combination in 2021, all vested and exercisable warrants issued by the Company, and outstanding immediately prior to the effective date of the Business Combination, were converted into 10,921,334 shares of common stock pursuant to the Merger Agreement. The number of shares issuable upon conversion of the warrants was determined based on the number of shares of common stock issuable upon exercise of such warrants, on a net exercise basis, and using the Exchange Ratio of 71.26. Certain unvested warrants outstanding immediately prior to the Business

### Sharecare, Inc. Notes to Consolidated Financial Statements December 31, 2022

Combination were not converted. Liability warrants Warrants classified as liabilities generally vest immediately and are exercisable upon issuance and have an expiration of seven years from the date of issuance. Equity warrants generally vest after three years from the date of issuance and have an expiration of seven years from the date of issuance.

As of **December 31, 2022** **December 31, 2023**, the following warrants were issued and outstanding:

Classification	Classification	Warrants Outstanding	Exercise Price per Share	Classification	Warrants Outstanding	Exercise Price per Share
Equity	Equity	1,038,678	\$4.21 - \$5.61	Equity	1,171,661	\$4.21 - \$5.61
Liability	Liability	17,433,334	\$11.50	Liability	17,433,334	\$11.50

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The Company has also entered into, and may in the future enter into, contractual arrangements with certain customers and other parties and earnout arrangements in connection with acquisitions that, in each case, provide for the issuance of warrants and/or common stock upon achievement of specified milestones (which, at the consummation of the Business Combination, became obligations of the Company), milestones. As of December 31, 2022 December 31, 2023, these agreements provide for the issuance of up to 6,173,886 3,238,675 shares of common stock (including Earnout Shares in connection with the Business Combination) and 9,008,594 6,353,577 warrants to purchase shares of common stock. With respect to these arrangements, there were 167,107 107,085 warrants earned but not issued as of December 31, 2022 December 31, 2023.

#### Share-based Payments

In July 2021, the Sharecare Board of Directors of the Company adopted the Sharecare, Inc. 2021 Omnibus Incentive Plan (the "2021 Plan"). The 2021 Plan became effective upon consummation of the Business Combination and succeeded the Company's legacy equity incentive plans. Under the 2021 Plan, the Company may grant stock-based awards to purchase or directly issue shares of common stock to employees, directors, and vendors. Restricted stock units are also granted under the 2021 Plan. The 2021 Plan also permits the Company to grant stock-based awards with performance or market conditions.

The maximum number of shares of Company common stock that may be delivered in satisfaction of awards under the 2021 Plan as of December 31, 2022 December 31, 2023 is 155,959,042 165,024,197 (including 119,765,404 144,295,240 shares of Company common stock issuable upon the exercise of outstanding options to purchase shares of Common stock or settlement of restricted stock units). Awards generally have a maximum life of 10 years. Stock option awards are granted with an exercise price estimated to be greater than or equal to the fair market value on the date of grant. Service-based awards generally vest over a service period of four years and performance-based awards vest upon the satisfaction of various performance targets. As of December 31, 2022 December 31, 2023, the Company had approximately 36,193,638 20,728,957 shares of its common stock available for issuance in satisfaction of future awards under the 2021 Plan.

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Stock option and restricted stock unit activity, prices, and values during the years ended December 31, 2022 December 31, 2023 and 2021 2022 are as follow (in thousands, except share and per share amounts):

		Options Outstanding				Restricted Stock Units	
		Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value	Number of Plan shares outstanding	Weighted-Average Grant Date Fair Value per share
Outstanding as of	December 31, 2020	107,824,289	\$ 1.25	7.30	\$ 341,623	—	\$ —
Granted		27,779,908	\$ 7.85			2,492,323	\$ 7.39
Exercised / Released		(15,788,241)	\$ 1.04		\$ 54,446	(31,250)	\$ 7.42
Cancelled / Forfeited		(3,192,495)	\$ 2.51			(281,132)	\$ 7.39

		Options Outstanding				Options Outstanding				Restricted Stock Units
		Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value	Number of Plan shares outstanding	Weighted-Average Grant Date Fair Value per share	Number of Plan shares outstanding	Weighted-Average Grant Date Fair Value per share	Restricted Stock Units
Outstanding as of	December 31, 2021	116,623,461	\$ 2.81	7.64	\$ 300,125	2,179,941	\$ 7.39			
Granted		416,665	\$ 2.85			17,206,322	\$ 2.88			
Exercised / Released		(9,421,583)	\$ 1.15		\$ 4,258	(857,423)	\$ 5.82			
Cancelled / Forfeited		(4,061,296)	\$ 3.83			(2,478,046)	\$ 4.25			



Outstanding as of December 31, 2022	Outstanding as of December 31, 2022	103,557,247	\$ 2.88	6.88	\$ 25,753	16,050,794	\$ 3.21
Granted							
Exercised / Released							
Cancelled / Forfeited							
Outstanding as of December 31, 2023							
Vested and/or exercisable as of December 31, 2023							
Vested and/or exercisable as of December 31, 2022	Vested and/or exercisable as of December 31, 2022	75,439,358	\$ 1.96	6.50	\$ 22,030		
Vested and/or exercisable as of December 31, 2021		73,712,795	\$ 1.33	6.91	\$ 233,440		
Vested and/or exercisable as of December 31, 2022							
Vested and/or exercisable as of December 31, 2022							

The intrinsic value is calculated as the difference between the exercise price of the underlying common stock option award and the estimated fair value of the Company's common stock. Vested but unissued restricted stock units as of **December 31, 2022**, **December 31, 2023** and **2021** **2022** are immaterial.

**Sharecare, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2023**

The table above includes **options of 0 and 1,744,046 and** restricted stock units of **25,873** **70,950** and **0** **25,873** granted to non-employees during the years ended **December 31, 2023 and 2022, respectively**. No options were granted to non-employees for either years ended **December 31, 2023 and 2022**.

**There were no options granted during 2023. The weighted-average grant-date fair values of options granted during the years ended December 31, 2022 and 2021 were \$2.50 and \$3.15 per share, respectively.**

**During the years ended December 31, 2023, 2022 and 2021, the aggregate intrinsic value of stock options exercised was \$0.1 million, \$4.3 million and \$54.4 million, respectively.**

**The total fair value of shares that vested during the years ended December 31, 2023, 2022 and 2021 was \$9.7 million, \$2.0 million and \$0.1 million, respectively.**

**Valuation Assumptions**

The Company's use of the Black-Scholes option-pricing model to estimate the fair value of stock options granted to employees requires the input of subjective assumptions. These assumptions and estimates are as follows:

**Expected volatility** — Expected volatility is a measure of the amount by which the stock price is expected to fluctuate. Since the Company does not have sufficient trading history of its common stock, it estimates the expected volatility of its stock options at their grant date by taking the weighted-average historical volatility of a group of comparable publicly traded companies over a period of time equal to the expected life of the options.

**Expected term** — The Company determines the expected term based on the average period the stock options are expected to remain outstanding, generally calculated as the midpoint of the stock options vesting term and contractual expiration period, as the Company does not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior. The expected term for non-employee stock options is the contractual life, or 10 years.

**Risk-free rate** — The Company uses the U.S. Treasury yield for its risk-free interest rate that corresponds with the expected term.

**Expected dividend yield** — The Company utilizes a dividend yield of zero, as it does not currently issue dividends and does not expect to in the future.

The following assumptions were used to calculate the fair value of stock option grants made during share-based compensation awards for the following periods:

**Sharecare, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2022**

Years Ended December 31,								
Years Ended December 31,					Years Ended December 31,			
		2022	2021	2020		2023	2022	2021
Expected volatility	Expected volatility	55%	55%	55% - 57%	Expected volatility	88%	55%	55%
Expected term (in years)	Expected term (in years)	5.0	10.0	5.0 - 7.0	Expected term (in years)	5.5	5.0	5.0 - 10.0
Risk-free interest rate	Risk-free interest rate	1.67%	1.54%	0.40% - 0.27% - 0.61%	Risk-free interest rate	3.94%	1.67%	0.40% - 1.54%
Expected dividend yield	Expected dividend yield	—%	—%	—%	Expected dividend yield	—%	—%	—%

Assumptions used in valuing non-employee stock options are generally consistent with those used for employee stock options with the exception of expected term discussed above.

Share-based compensation expense for employee and nonemployee options and restricted stock units included in the Consolidated Statements of Operations and Comprehensive Loss is as follows during the years ended December 31, 2022, December 31, 2023, 2021, 2022 and 2020, 2021 (in thousands):

Years Ended December 31,			
	2022	2021	2020
Cost of revenues	\$ 410	\$ 44	\$ 30
Sales and marketing	3,755	1,835	484
Product and technology	3,687	12,502	431
General and administrative	61,776	32,399	18,215
Total share-based compensation	\$ 69,628	\$ 46,780	\$ 19,160

**Sharecare, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2023**

Years Ended December 31,			
	2023	2022	2021
Cost of revenues	\$ 723	\$ 410	\$ 44
Sales and marketing	5,851	3,755	1,835
Product and technology	6,220	3,687	12,502
General and administrative	35,772	61,776	32,399
Total share-based compensation	\$ 48,566	\$ 69,628	\$ 46,780

Included in the share-based compensation table above for the year ended December 31, 2021 is \$0.8 million of expense related to the Earnout Shares allocated to Legacy Sharecare option holders (see Note 2).

The Company's total unrecognized compensation cost related to options and restricted stock units as of December 31, 2022 was \$32.7 million and \$39.2 million, respectively, and is expected to be recognized over a weighted average vesting period of 1.31 and 2.84 years, respectively. The Company's total unrecognized share-based compensation related to options issued to non-employees as of December 31, 2022 was \$0.4 million and is expected to be recognized over a weighted average vesting period of 0.11 years.

Share-based compensation costs reflected within additional paid-in capital in the Consolidated Statement of Redeemable Noncontrolling Interest, Redeemable Convertible Preferred Stock, and Stockholders' Equity (Deficit) for the year ended December 31, 2022 includes December 31, 2023, include approximately \$2.4\$1.6 million related to capitalizable internally-developed software activities, activities, respectively.

The Company's total unrecognized compensation cost related to options and restricted stock units as of December 31, 2023 was \$11.0 million and \$69.2 million, respectively, and is expected to be recognized over a weighted average vesting period of less than one and 2.35 years, respectively.

On May 31, 2023, each of the principal executive officer, principal financial officer, other named executive officers, and certain eligible employees of the Company voluntarily elected to forgo up to 25% of their cash base salary for the next 12 months, and in lieu thereof received restricted stock units ("RSUs") with a value equal to the cash amount they elected to forego over the 12-month period. In consideration for forgoing guaranteed cash compensation, each individual will receive an additional number of RSUs with a value equal to 25% of the amount of cash salary they have elected to forgo. The RSUs were issued in June 2023 and will vest in four equal quarterly installments over the next 12 months, subject to the individual's continued employment. The ability of the named executive officers and other eligible employees to make such election to forgo guaranteed cash compensation and receive RSUs in lieu thereof was approved by the Compensation and Human Capital Committee of Sharecare's Board. The unvested RSUs are classified as a liability. As of December 31, 2023, there was \$0.4 million of unvested RSUs classified as a liability and recorded to accrued expenses and other current liabilities in the Consolidated Balance Sheets. As such, share-based compensation costs reflected within additional paid-in capital in the Consolidated Statement of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit) for the year ended December 31, 2023 does not reflect the cost associated with these awards. Upon vesting of these RSUs, amounts will be reclassified from liability to equity.

## 12. Noncontrolling Interests

### Equity Noncontrolling Interests

In connection with the Company's acquisition of Healthways in 2016, and prior to the Business Combination, the Company acquired a 51% controlling interest in Healthways Brasil Servicos de Consultoria Ltda. ("Healthways Brazil"). The Company consolidates its investment in Healthways Brazil and records the 49% interest as a noncontrolling interest as a component of equity. As of the year ended December 31, 2023, the Company has ceased operations of Sharecare Brasil Servicos de Consultoria, Ltda.

## 13. Commitments and Contingencies

### Purchase Commitments

The following is a schedule of future non-cancellable purchase obligations with certain service providers as follows (in thousands):

**Sharecare, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2022 2023**

Year ending December 31:	Year ending December 31:	
2023		\$ 8,112
2024		
2024		
2024	2024	5,055
2025	2025	4,037
2026	2026	3,091
2027	2027	3,139
2028		
Thereafter	Thereafter	6,688
		\$ 30,122
		\$

### Cloud Computing Service Arrangements

As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company capitalized \$2.0\$1.9 million and \$1.1\$2.0 million, respectively, of implementation costs related to cloud computing service arrangements to prepaid expenses and other long-term assets on the Consolidated Balance Sheets. Capitalized implementation costs stemming from cloud computing arrangement arrangements are amortized on a straight-line basis to operating expense in the Consolidated Statements of Operations and Comprehensive Loss over the term of the associated hosting arrangement and amortization is recognized on a straight-line basis. arrangements.

### Letters of Credit

As of December 31, 2022, 2023, the Company had outstanding letters of credit totaling \$8.9 million \$5.2 million issued in connection with routine business requirements.

#### Legal Matters

From time to time, the Company is subject to litigation in the normal course of business. The Company is of the opinion that, based on the information presently available, the resolution of any such legal matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. The Company has accrued for losses that are both probable and estimable.

We are also party to investigations and legal disputes and losses related to certain matters, that for which adverse outcomes are reasonably possible, but at this time, we cannot estimate a loss or range of losses.

#### 14. Related-Party Transactions

The Company previously owned a 50% interest in HICCH-SCL. In 2015, the Company and HCA formed HICCH-SCL, a joint venture with HCA, for the purpose of developing a patient scheduling technology. The Company recorded its investment in HICCH-SCL under the equity method of accounting. In August 2020, the Company initiated discussions with HCA to dissolve HICCH-SCL. In connection with its plans, the Company recorded an impairment loss of \$3.9 million included within loss from equity method investment on the Consolidated Statements of Operations and Comprehensive Loss for the year ended December 31, 2020, of which \$1.2 million related to its investment in HICCH-SCL and \$2.7 million related to a short-term loan receivable from HICCH-SCL. As of June 29, 2022, HICCH-SCL was dissolved.

The Company's largest customer was an investor in \$20.0 million of the Series B-3 Convertible Notes, had a designated board representative prior to the Business Combination and thus was a related party for 2021. Subsequent to the Business Combination, the customer no longer was considered a related party due to loss of the board seat. The Company recorded revenues from the customer of \$48.0 million and \$54.0 million \$48.0 million during the years year ended December 31, 2021 and 2020, respectively. In addition, accounts receivable from the customer were \$11.5 million as of December 31, 2021. The number of warrants earned but not issued were 0 and 6,185, and were recorded as a reduction of revenue totaling \$0 and \$1.1 million, during the years ended December 31, 2021 and 2020, respectively.

The Company has the exclusive right to license the Dr. Dean Ornish Program for Reversing Heart Disease™, a research-based lifestyle management program developed by Dr. Dean Ornish focusing on nutrition, activity, stress management, and love and support (the "Ornish Program"). A royalty agreement with Dr. Ornish, MD, an employee of the Company until 2020, guaranteed the greater of \$1.2 million or 15% of revenues of the Ornish Program on an annual basis. Subsequent to 2020, Dr. Ornish, MD was no longer considered a related party due to no longer being employed by the Company. The royalty earned by the Ornish Program for year ended December 31, 2020 totaled \$1.2 million.

#### Sharecare, Inc. Notes to Consolidated Financial Statements December 31, 2022

Sul América Serviços de Saúde S.A. (Sul América), is a customer of, and owns a 49% interest in Sharecare Brasil Servicios de Consultoria, Ltda. As of December 31, 2022 the year ended December 31, 2023, the Company ended the contract with this related party and 2021, ceased operations of Sharecare Brasil Servicios de Consultoria, Ltda. As of December 31, 2023 and 2022, \$0 and \$1.4 million and \$2.0 million, respectively, in notes receivable were outstanding with Sul América. Revenues recognized from Sul América during the years ended December 31, 2022 December 31, 2023, 2022 and 2021 totaled \$5.0 million, \$8.9 million and 2020 totaled \$8.9 million, \$11.6 million and \$12.8 million, respectively.

The Company has a related party that performs sales and sales support services including the collection of outstanding accounts receivable for transactions processed on the Company's behalf. Revenues No revenue was recognized for each of the years ended December 31, 2022 December 31, 2023 and 2022. For the year ended December 31, 2021, 2021, and 2020 totaled \$0, \$0.3 million, and \$3.5 million, respectively. revenue was recognized. The Company paid \$0, less than \$0.1 million and \$0.3 million in 2022, 2021 and 2020, respectively in connection with these services.

The Series A Preferred Stock is held by a customer that also has had an employee serving on the Company's Board Sharecare Board. During the three month period ended June 30, 2023, the board member ceased employment with the customer. Subsequent to the board member's termination of Directors, employment with the customer, this customer was no longer considered a related party. Revenues recognized from the customer during the years ended December 31, 2023, 2022, and 2021 totaled, \$18.9 million, \$20.3 million, and \$17.3 million, respectively. As of December 31, 2022 December 31, 2023 and 2021, 2022, \$13.0 million and \$3.1 million and \$5.0 million, respectively, in receivables

#### Sharecare, Inc. Notes to Consolidated Financial Statements December 31, 2023

were outstanding from this former related party. Additionally, as of December 31, 2022 December 31, 2023 and 2021, long-term 2022, current assets included \$0 and \$5.5 million, respectively, and current assets included \$4.8 million and \$1.7 million, respectively, associated with this related party. Long-term and current Current assets were related to a non-cash payment received for up front research and development costs related to the issuance of the Series A Preferred Stock. For the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, the Company paid \$0, \$2.0 million, \$1.8 million, and \$1.3 million \$1.8 million related to administration fees and stop-loss coverage for employee health insurance. Revenues recognized from insurance to this former related party.

During the customer for each third quarter of the years ended December 31, 2022, 2021, and 2020 totaled, \$20.3 million, \$17.3 million, and \$3.9 million, respectively.

Additionally, during 2022, we entered into a revenue contract with the Series A Preferred Stockholder to provide patient advocacy services. Revenues We also entered into separate agreements to purchase distinct goods and services. These agreements are now subject to a dispute. Separate from the above disclosed amounts, revenues recognized related to these distinct services for the year ended December 31, 2022 December 31, 2023 and 2022 totaled \$27.9 million and \$17.4 million, respectively. For the year ended

December 31, 2023, the \$27.9 million of revenue recognized includes the effects of the \$6.2 million contract asset impairment, which was recorded as a reduction to revenue, as described below. Cost of sales totaled \$17.4 million, \$28.6 million and \$18.0 million for the year ended December 31, 2023 and 2022, respectively. Amounts paid under the agreements that were not determined to be distinct were recorded as a reduction of revenues.

As of December 31, 2023, there were \$34.3 million in receivables, \$0 of current and long-term contract assets, \$51.1 million in accounts payable and accrued expenses, and \$0 of long-term liabilities recorded in connection with these distinct agreements. As of December 31, 2022, there were \$18.1 million in receivables, \$28.0 million in accrued expenses, \$6.9 million of long-term liabilities, \$1.7 million of current contract assets, and \$5.8 million in long-term contract assets, \$28.0 million in accrued expenses, and \$6.9 million of long-term liabilities recorded in connection with these distinct agreements. The contract assets are being amortized as a reduction of revenue over the contract term. Revenue for the year ended December 31, 2022, December 31, 2023 and 2022, included \$7.5 million and \$0.6 million of amortization of such contract assets, assets, respectively.

Additionally, in 2022 the Company acquired certain intellectual property which was determined to be distinct and recorded an intangible asset, of \$7.9 million, which is being amortized over its estimated useful life. The unamortized balance of intangible asset was of \$3.1 million and \$7.9 million, as of December 31, 2023 and December 31, 2022, respectively.

In October 2023, the Company also entered into separate agreements during 2022 ceased providing patient advocacy services in accordance with the revenue contract with the Series A Preferred Stockholder, pending the resolution of certain contractual matters in dispute. Because the services ceased and it is uncertain as to whether or when the services might resume, the Company assessed the related contract asset, which was recognized at the inception of the contract, for impairment using the purchase relief from royalty method. As a result, the Company recognized an impairment to the contract asset in the amount of distinct goods and services from that customer for amounts totaling \$18.0 million \$6.2 million, which are recorded in cost of sales. Amounts paid under the agreements that were not determined to be distinct were was recorded as a reduction of revenue in the fourth quarter of 2023. Separately, the Company performed an impairment assessment of certain intellectual property, which was recognized at the inception of the revenue contract, using the relief from royalty method. The acquired intellectual property was determined to be impaired due to a change in the timing and magnitude of the cash flows expected to be generated using the intellectual property. An impairment loss of \$2.9 million was recorded to amortization expense in the Consolidated Statements of Operations and Comprehensive Loss.

The Company has a customer that was a related party for the year ended December 31, 2023 due to an affiliation with a member of the Sharecare Board. This member was nominated during the first quarter of 2023 and has subsequently ceased employment with the customer. This customer is no longer considered a related party as of December 31, 2023. As of December 31, 2023, \$1.0 million in receivables were outstanding from the customer and revenues as described above, recognized for the year ended December 31, 2023 totaled \$3.9 million.

## 15. Net Loss Per Share

Net loss per share calculations for all periods prior to the Business Combination have been retrospectively adjusted for the equivalent number of shares outstanding immediately after the Business Combination to effect the Reverse Recapitalization. Subsequent to the Business Combination, net loss per share was calculated based on the weighted average number of common stock then outstanding.

Basic and diluted net loss per share attributable to common stockholders was calculated as follows (in thousands, except share and per share amounts):

	Years Ended December 31,		
	2022	2021	2020
<b>Numerator</b>			
Net loss	\$ (119,485)	\$ (85,129)	\$ (60,461)
Less: Redeemable noncontrolling interest remeasurement	—	—	(804)
Less: Net loss attributable to noncontrolling interests in subsidiaries	778	129	443
Net loss available to common stockholders	\$ (118,707)	\$ (85,000)	\$ (60,822)
<b>Denominator</b>			
Weighted-average common shares outstanding, basic and diluted	348,103,491	281,026,365	215,094,037
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.34)	\$ (0.30)	\$ (0.28)

## Sharecare, Inc. Notes to Consolidated Financial Statements December 31, 2022 2023

	Years Ended December 31,		
	2023	2022	2021
<b>Numerator</b>			
Net loss	\$ (130,012)	\$ (119,485)	\$ (85,129)
Less: Net loss attributable to noncontrolling interests in subsidiaries	1,514	778	129
Net loss available to common stockholders	\$ (128,498)	\$ (118,707)	\$ (85,000)
<b>Denominator</b>			

Weighted-average common shares outstanding, basic and diluted	352,076,785	348,103,491	281,026,365
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.36)	\$ (0.34)	\$ (0.30)

The Company's potential dilutive securities, which include convertible debt, stock options and restricted stock units, warrants to purchase common stock, redeemable convertible preferred stock, and contingently issued shares, have been excluded from the computation of diluted net loss per share for the years ended December 31, 2022, December 31, 2023, 2021, 2022, and 2020, 2021, as they are anti-dilutive and the effect would be to reduce the net loss per share. Therefore, the weighted-average number of common shares outstanding used to calculate both basic and diluted net loss per share attributable to common stockholders is the same. The Company excluded the following potential common share equivalents presented based on amounts outstanding at each period end, from the computation of diluted net loss per share attributable to common stockholders for the periods indicated because including them would have had an anti-dilutive effect:

		Years Ended December 31,					
		2022	2021	2020			
		Years Ended December 31,			Years Ended December 31,		
		2023	2022	2021	2023	2022	2021
Convertible debt	Convertible debt	—	18,796,999	35,783,839			
Stock options and restricted stock units	Stock options and restricted stock units	30,145,693	61,896,591	82,154,207			
Warrants to purchase common stock	Warrants to purchase common stock	—	5,665,985	8,507,552			
Redeemable convertible preferred stock	Redeemable convertible preferred stock	5,000,000	3,544,003	—			
Contingently issuable shares	Contingently issuable shares	111,357	1,537,463	1,265,205			
Total	Total	35,257,050	91,441,041	127,710,803			

## 16. Subsequent Events

In accordance with ASC 855, Subsequent Events, the Company considered events or transactions that occur after the balance sheet date, but before the consolidated financial statements are issued, to provide additional evidence relative to certain estimates or identify matters that require additional disclosures. The Company evaluated subsequent events through March 30, 2023 March 29, 2024, the date the consolidated financial statements were available to be issued, and, as a result, is reporting the following:

On February 10, 2023, the company renewed its Senior Secured Credit Agreement. The Senior Secured Credit Agreement was due to mature on February 10, 2023 and the Ninth Amendment extends the maturity date of the Senior Secured Credit Agreement to February 10, 2026. The total commitments under the senior secured revolving credit facility remain unchanged at \$60.0 million (the "Revolving Facility") as a result of the Ninth Amendment but the sublimit for Letters of Credit has increased from \$10.0 million to \$15.0 million. Availability under the Revolving Facility is generally subject to a borrowing base based on a percentage of applicable eligible receivables. Borrowings under the Revolving Facility bear interest at a rate equal to, at the applicable Borrower's option, either (a) a base rate plus a margin of 0.75%, or (b) the 1, 3, or 6 month SOFR Rate plus 1.75%. The Ninth Amendment amends other terms of the existing Credit Agreement, including eliminating minimum liquidity and minimum EBITDA covenants, increased thresholds for certain permitted transactions, modifications to reporting and other changes.

On February 17, 2023, the Company filed a petition in the Court of Chancery of the State of Delaware (the "Chancery Court") under Section 205 of the Delaware General Corporation Law ("DGCL") to resolve potential uncertainty with respect to the Company's certificate of incorporation (the "Charter") and the Company's capital structure (captioned In re Sharecare, Inc., C.A. No. 2023-0203-LWW (Del. Ch.), the "Section 205 Action").

On March 14, 2023, the Chancery Court held a hearing in the Section 205 Action and orally granted the Company's petition. The Chancery Court issued an order in the Section 205 Action granting the Company's petition and validating and declaring effective (i) the Charter retroactive to the date of its filing with the Office of the Delaware Secretary of State and (ii) all securities of the Company issued in reliance on the validity of the Charter (including those issued in connection with and following the Company's business combination with Falcon Capital Acquisition Corp), each as of the original issuance dates. A copy of the Chancery Court's order is attached. noting no such material events.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

## ITEM 9A. CONTROLS AND PROCEDURES

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer (who serves as our Principal Executive Officer) and Chief Financial Officer (who serves as our Principal Financial Officer), as appropriate, to allow timely decisions regarding required disclosure.

### *Evaluation of Disclosure Controls and Procedures*

Our management, with As required by Rules 13a-15 and 15d-15 under the participation Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our principal executive officer disclosure controls and principal financial officer, has evaluated the effectiveness procedures as of December 31, 2023. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), were not effective as of December 31, 2023 due to the end of material weakness in our internal control over financial reporting described below. Management believes that the period covered by financial statements included in this Annual Report on Form 10-K. Based on such evaluation, 10-K present fairly in all material respects our principal executive officer financial position, results of operations and principal financial officer have concluded that, as of such date, our disclosure controls and procedures were effective at a reasonable assurance level. cash flows for the periods presented.

### *Management's Report on Internal Control Over Financial Reporting*

Sharecare management is responsible for establishing and maintaining adequate internal control over financial reporting. Based on the criteria for effective internal control over financial reporting established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, management has assessed our internal control over financial reporting as not effective as of December 31, 2022 December 31, 2023. Our independent public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting as long as we are an "emerging growth company" pursuant to the provisions of the JOBS Act.

### *Material Weakness and Changes in Internal Control*

In connection with the audit of our financial statements as of and for the year ended December 31, 2021 December 31, 2023, we identified a material weakness in our internal control over financial reporting. As of December 31, 2021 December 31, 2023, the Company did not maintain sufficient adequate internal controls related with respect to the review of its revenue recognition evaluation resulting from a unique contract for a new product offering change in services provided to a new customer.

During 2022, we took actions customer, due to remediate the untimely communication between cross-functional teams. A material weakness relating to our is a deficiency, or a combination of deficiencies, in internal controls control over financial reporting as described below. The controls and processes we implemented to remediate the identified such that there is a reasonable possibility that a material weakness included:

- implementing control activities to identify new customer and product offerings prior to contract execution;
- modifying existing controls and enhancing the documentation that evidences a control's performance specific to contract reviews related to new customers and new product offerings; and
- supplementing our internal accounting resources with additional external accounting and finance resources by engaging a professional accounting services firm to assist us with our documentation and assessment misstatement of our internal controls over financial reporting with respect to our compliance with Section 404 of the Sarbanes-Oxley Act.

As a result of the remediation activities and controls in place as of December 31, 2022 described above, we have remediated this previously disclosed material weakness. However, completion of remediation does not provide assurance that our remediated controls will continue to operate properly or that our financial statements will not be free from error, prevented or detected on a timely basis. During the first quarter of 2024, we began implementing specific remediation actions to address the material weakness, which include the following:

- Conduct training and coaching sessions with cross-functional teams to educate appropriate parties on matters of contractual and operational significance that may have an impact on accounting conclusions and financial reporting;
- Establish and maintain periodic meetings between cross-functional teams specific to complex customer contracts to evaluate for potential changes in relationships and services provided to customers that could impact accounting decisions.

Other than as noted above, there were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the fiscal year ended December 31, 2022 December 31, 2023 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### *Limitations on Effectiveness of Controls and Procedures*

Our management, including our principal executive officer and principal financial officer, do not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the



objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

#### ITEM 9B. OTHER INFORMATION

Since During the fiscal quarter ended December 31, 2023, none of our executive compensation program emphasizes pay-for-performance, at the beginning of fiscal year 2022, we established minimum goals for company financial performance under our annual cash incentive plan. While we did not achieve these minimum performance goals, on March 29, 2023, the Compensation Committee used its discretion to award cash incentive payments to our named directors or executive officers at 62.5% adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of target taking into consideration unexpected events impacting our common stock that was intended to satisfy the attainability affirmative defense conditions of previously set goals, successful strategic product and innovation initiatives and a holistic view of 2022 performance. Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

#### ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

None.

### Part III

#### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item is incorporated by reference to our definitive Proxy Statement for the 2023 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days of December 31, 2022 December 31, 2023.

#### ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference to our definitive Proxy Statement for the 2023 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days of December 31, 2022 December 31, 2023.

#### ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNER AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated by reference to our definitive Proxy Statement for the 2023 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days of December 31, 2022 December 31, 2023.

#### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated by reference to our definitive Proxy Statement for the 2023 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days of December 31, 2022 December 31, 2023.

#### ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is incorporated by reference to our definitive Proxy Statement for the 2023 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days of December 31, 2022 December 31, 2023.

### Part IV

#### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

- Financial Statements

The following financial statements of Sharecare, Inc. are included in Item 8 of this Annual Report on Form 10-K:

- Report of Independent Registered Public Accounting Firm (PCAOB ID: 42)
- Consolidated Balance Sheets as of December 31, 2022 December 31, 2023 and 2021 2022
- Consolidated Statements of Operations and Comprehensive Loss for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021
- Consolidated Statements of Redeemable Noncontrolling Interest, Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit) for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021
- Consolidated Statements of Cash Flows for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021

vi. Notes to Consolidated Financial Statements

- The following financial statement schedules are filed with this Annual Report on Form 10-K:
  - Not applicable.
- The following exhibits are filed as part of, or incorporated by reference into, this Annual Report on Form 10-K:

Exhibit	Description
2.1 †	<a href="#">Agreement and Plan of Merger, dated as of February 12, 2021, by and among Falcon Capital Acquisition Corp., FCAC Merger Sub Inc., Sharecare, Inc. and Colin Daniel, solely in his capacity as representative of the stockholders of Sharecare, Inc. (incorporated by reference to Annex A of Amendment 3 to FCAC's Form S-4 filed May 26, 2021 (File No. 333-253113)).</a>
3.1	<a href="#">Fourth Amended and Restated Certificate of Incorporation of Sharecare, Inc. (incorporated by reference to Exhibit 3.1 of Amendment No. 1 to FCAC's Registration Statement on Form 8-A, filed with the SEC on July 1, 2021).</a>
3.2	<a href="#">Certificate of Designations for Series A Convertible Preferred Stock (incorporated by reference to Exhibit 3.2 of Amendment No. 1 to FCAC's Registration Statement on Form 8-A, filed with the SEC on July 1, 2021).</a>
3.33.3*	<a href="#">Second and Amended and Restated Bylaws of Sharecare, Inc. (incorporated by reference to Exhibit 3.3 of Amendment No. 1 to FCAC's Registration Statement on Form 8-A, filed with the SEC on July 1, 2021).</a>
4.1	<a href="#">Form of Specimen Common Stock Certificate of Sharecare, Inc. (incorporated by reference to Exhibit 4.1 of Amendment No. 1 to FCAC's Registration Statement on Form 8-A, filed with the SEC on July 1, 2021).</a>
4.2	<a href="#">Warrant Agreement, dated as of September 21, 2020, between Falcon Capital Acquisition Corp. and Continental Stock Transfer &amp; Trust Company (including Form of Warrant Certificate) (incorporated by reference to Exhibit 4.1 of FCAC's Current Report on Form 8-K filed with the SEC on September 24, 2020).</a>
4.3	<a href="#">Description of Securities (incorporated by reference to Exhibit 4.3 on Form 10-K filed with the SEC on March 28, 2022).</a>
10.1 #	<a href="#">Sharecare, Inc. 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K12B, filed with the SEC on July 8, 2021).</a>
10.2 #	<a href="#">Form of Stock Option Grant Notice for Named Executive Officers (incorporated by reference to Exhibit 10.4 of Amendment No. 1 to the Company's Current Report on Form 8-K/A, filed with the SEC on August 12, 2021).</a>
10.3 #	<a href="#">Form of Restricted Stock Unit Grant Notice (incorporated by reference to Exhibit 10.5 of Amendment No. 1 to the Company's Current Report on Form 8-K/A, filed with the SEC on August 12, 2021).</a>
10.4 #	<a href="#">Form of Stock Option Grant Notice (incorporated by reference to Exhibit 10.6 of Amendment No. 1 to the Company's Current Report on Form 8-K/A, filed with the SEC on August 12, 2021).</a>
10.5 #	<a href="#">Form of Stock Option Award Agreement (for awards previously issued under the Sharecare, Inc. 2010 Equity Incentive Plan) (incorporated by reference to Exhibit 10.5 on Form 10-K filed with the SEC on March 28, 2022).</a>
10.6 #	<a href="#">Form of Stock Option Award Agreement (for awards previously issued under the Sharecare, Inc. 2020 Equity Incentive Plan) (incorporated by reference to Exhibit 10.6 on Form 10-K filed with the SEC on March 28, 2022).</a>
10.7	<a href="#">Form of Indemnification Agreement (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K12B, filed with the SEC on July 8, 2021).</a>

Exhibit	Description
10.8 †	<a href="#">Amended and Restated Registration Rights Agreement, dated as of July 1, 2021, by and among Falcon Capital Acquisition Corp., Sharecare, Inc. and certain stockholders named therein (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K12B, filed with the SEC on July 8, 2021).</a>
10.9 †	<a href="#">Earnout Escrow Agreement, dated July 1, 2021, by and among Sharecare, Inc., Colin Daniel, solely in his capacity as stockholder representative, Falcon Equity Investors LLC and Continental Stock Transfer &amp; Trust Company (incorporated by reference to Exhibit 4.3 of Amendment No. 1 to FCAC's Registration Statement on Form 8-A, filed with the SEC on July 1, 2021).</a>
10.10	<a href="#">Sponsor Agreement, dated as of February 12, 2021, by and between Falcon Equity Investors LLC and Sharecare, Inc. (incorporated by reference to Exhibit 10.5 of FCAC's Current Report on Form 8-K, filed with the SEC on February 12, 2021).</a>
10.11	<a href="#">Letter Agreement, dated September 21, 2020, by and among Falcon Capital Acquisition Corp., its executive officers, its directors and Falcon Equity Investors LLC (incorporated by reference to Exhibit 10.5 of FCAC's Current Report on Form 8-K, filed with the SEC on September 24, 2020).</a>
10.12	<a href="#">Form of Subscription Agreement, dated February 12, 2021, by and between Falcon Capital Acquisition Corp., and the undersigned subscriber party thereto (incorporated by reference to Exhibit 10.1 of FCAC's Current Report on Form 8-K, filed with the SEC on February 12, 2021).</a>
10.13	<a href="#">Form of Lock-Up Agreement (incorporated by reference to Exhibit 10.8 of Amendment No. 2 to FCAC's Registration Statement on Form S-4, filed with the SEC on May 11, 2021).</a>
10.14 #	<a href="#">Employment Agreement, effective as of August 13, 2021, by and among Sharecare, Inc., Sharecare Operating Company, Inc. and Jeffrey T. Arnold (incorporated by reference to Exhibit 10.1 of Amendment No. 1 to the Company's Current Report on Form 8-K/A, filed with the SEC on August 12, 2021).</a>
10.15 #	<a href="#">Employment Agreement, effective as of August 13, 2021, by and among Sharecare, Inc., Sharecare Operating Company, Inc. and Justin Ferrero (incorporated by reference to Exhibit 10.2 of Amendment No. 1 to the Company's Current Report on Form 8-K/A, filed with the SEC on August 12, 2021).</a>
10.16 #	<a href="#">Employment Agreement, effective as of August 13, 2021, by and among Sharecare, Inc., Sharecare Operating Company, Inc. and Dawn Whaley (incorporated by reference to Exhibit 10.3 of Amendment No. 1 to the Company's Current Report on Form 8-K/A, filed with the SEC on August 12, 2021).</a>
10.17 †10.17#†*	<a href="#">Employment Agreement, effective as of February 5, 2024, by and among the Company, Sharecare Operating Company, Inc. and Brent Layton.</a>
10.18 †	<a href="#">Credit Agreement, dated as of March 9, 2017, by and among Wells Fargo Bank, National Association, as Administrative Agent, the Lenders party thereto from time to time, and Sharecare, Inc. and certain subsidiaries of Sharecare, Inc., as Borrowers (incorporated by reference to Exhibit 10.1 of Amendment No. 3 to FCAC's Registration Statement on Form S-4, filed with the SEC on May 26, 2021).</a>
10.18 10.19 †	<a href="#">Amendment Number One to Credit Agreement, dated as of May 11, 2017, relating to Credit Agreement, dated as of March 9, 2017, by and among Wells Fargo Bank, National Association, as Administrative Agent, the Lenders party thereto from time to time, and Sharecare, Inc. and certain subsidiaries of Sharecare, Inc., as Borrowers (incorporated by reference to Exhibit 10.2 of Amendment No. 3 to FCAC's Registration Statement on Form S-4, filed with the SEC on May 26, 2021).</a>
10.19 10.20 †	<a href="#">Amendment Number Two to Credit Agreement, dated as of June 11, 2018, relating to Credit Agreement, dated as of March 9, 2017, by and among Wells Fargo Bank, National Association, as Administrative Agent, the Lenders party thereto from time to time, and Sharecare, Inc. and certain subsidiaries of Sharecare, Inc., as Borrowers (incorporated by reference to Exhibit 10.3 of Amendment No. 3 to FCAC's Registration Statement on Form S-4, filed with the SEC on May 26, 2021).</a>
10.20 10.21 †	<a href="#">Amendment Number Three to Credit Agreement, dated as of February 12, 2020, relating to Credit Agreement, dated as of March 9, 2017, by and among Wells Fargo Bank, National Association, as Administrative Agent, the Lenders party thereto from time to time, and Sharecare, Inc. and certain subsidiaries of Sharecare, Inc., as Borrowers (incorporated by reference to Exhibit 10.4 of Amendment No. 3 to FCAC's Registration Statement on Form S-4, filed with the SEC on May 26, 2021).</a>
10.21 10.22 †	<a href="#">Amendment Number Four to Credit Agreement, dated as of May 4, 2020, relating to Credit Agreement, dated as of March 9, 2017, by and among Wells Fargo Bank, National Association, as Administrative Agent, the Lenders party thereto from time to time, and Sharecare, Inc. and certain subsidiaries of Sharecare, Inc., as Borrowers (incorporated by reference to Exhibit 10.5 of Amendment No. 3 to FCAC's Registration Statement on Form S-4, filed with the SEC on May 26, 2021).</a>

Exhibit	10.22 † Description
10.23 †	<a href="#">Amendment Number Five to Credit Agreement, dated as of February 22, 2021, relating to Credit Agreement, dated as of March 9, 2017, by and among Wells Fargo Bank, National Association, as Administrative Agent, the Lenders party thereto from time to time, and Sharecare, Inc. and certain subsidiaries of Sharecare, Inc., as Borrowers (incorporated by reference to Exhibit 10.6 of Amendment No. 3 to FCAC's Registration Statement on Form S-4, filed with the SEC on May 26, 2021).</a>

10.24 †	
Exhibit	Description
10.23 †	<a href="#">Amendment Number Six to Credit Agreement and Consent, dated as of July 1, 2021, relating to Credit</a>

[Agreement, dated as of March 9, 2017, by and among Wells Fargo Bank, National Association, as Administrative Agent, the Lenders party thereto from time to time, and Sharecare, Inc. and certain subsidiaries of Sharecare, Inc., as Borrowers \(incorporated by reference to Exhibit 10.14 of Sharecare's Current Report on Form 8-K12B, filed with the SEC on July 8, 2021\).](#)

10.24 10.25 Amendment Number Eight to Credit Agreement, dated as of May 11, 2022, relating to Credit Agreement, dated as of March 9, 2017, by and among Wells Fargo Bank, National Association, as Administrative Agent, the Lenders party thereto from time to time, and Sharecare Operating Company, Inc. f/k/a Sharecare, Inc. and certain subsidiaries of Sharecare, Inc., as Borrowers (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 12, 2022).

10.25 10.26 Amendment Number Nine to Credit Agreement and Amendment Number One to Guaranty and Security Agreement, dated as of February 10, 2023, by and among Wells Fargo Bank, National Association, as Administrative Agent, the Lenders party thereto from time to time, Sharecare, Inc. and certain subsidiaries of Sharecare, Inc. as Borrowers (incorporated by reference to Exhibit 10.1 of Sharecare's Current Report on Form 8-K, filed with the SEC on February 16, 2023).

10.26 10.27 Form of Restricted Stock Unit Grant Notice, Notice (incorporated by reference to Exhibit 10.6 of Sharecare's Annual Report on Form 10-K, filed with the SEC on March 31, 2023).

10.27 10.28 Form of Performance Restricted Stock Unit Grant Notice, Notice (incorporated by reference to Exhibit 10.6 of Sharecare's Annual Report on Form 10-K, filed with the SEC on March 31, 2023).

10.28 Sharecare, Inc. Change in Control Plan, Plan (incorporated by reference to Exhibit 10.6 of Sharecare's Annual Report on Form 10-K, filed with the SEC on March 31, 2023).

10.29 10.30 Sharecare, Inc. Non-Employee Director Deferral Plan (incorporated by reference to Exhibit 10.2 of Sharecare's Quarterly Report on Form 10-Q, filed with the SEC on August 10,

	<a href="#">2022), filed with the SEC on August 29, 2022).</a>
21.1*21.1	<a href="#">List of Subsidiaries, Subsidiaries (incorporated by reference to Exhibit 10.6 of Sharecare's Annual Report on Form 10-K, filed with the SEC on March 31, 2023).</a>
23.123.1*	<a href="#">Consent of Ernst &amp; Young LLP.</a>
24.1	<a href="#">Power of Attorney (included on signature pages).</a>
31.1*	<a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1**	<a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2**	<a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
97.1*#	<a href="#">Clawback Policy.</a>
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page for the Company's Annual Report on Form 10-K has been formatted in Inline XBRL and contained in Exhibit 101

\* Filed herewith.

\*\* Furnished herewith.

# Indicated a management contract or compensatory plan or arrangement.

† Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

#### ITEM 16. FORM 10-K SUMMARY

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### SHARECARE INC.

/s/ Jeff Arnold Brent Layton

Name: Jeff Arnold Brent Layton

Title: Chief Executive Officer and Chairman

## POWER OF ATTORNEY

Each person whose individual signature appears below hereby authorizes and appoints Jeff Arnold, Brent Layton, Justin Ferrero, Colin Daniel and Carrie Ratliff, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this Annual Report on Form 10-K and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his or her substitute or substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ Jeff Arnold Brent Layton	Chief Executive Officer and Chairman	March 30, 2023 29, 2024
Jeff Arnold Brent Layton	(Principal Executive Officer)	
/s/ Justin Ferrero	Chief Financial Officer	March 30, 2023 29, 2024
Justin Ferrero	(Principal Financial Officer)	
/s/ Michael Blalock	Chief Accounting Officer	March 30, 2023 29, 2024
Michael Blalock	(Principal Accounting Officer)	
/s/ Jeff Arnold	Executive Chairman	March 29, 2024
Jeff Arnold		
/s/ Jeffrey A. Allred	Director	March 30, 2023 29, 2024
Jeffrey A. Allred		
/s/ John H. Chadwick	Director	March 30, 2023 29, 2024
John H. Chadwick		
/s/ Sandro Galea	Director	March 30, 2023 29, 2024
Sandro Galea		
/s/ Kenneth R. Goulet	Director	March 30, 2023 29, 2024
Kenneth R. Goulet		
/s/ Brent Layton Veronica Mallett	Director	March 30, 2023 29, 2024
Brent Layton Veronica Mallett		
/s/ Veronica Mallet	Director	March 30, 2023
Veronica Mallet		
/s/ Alan G. Mnuchin	Director	March 30, 2023 29, 2024
Alan G. Mnuchin		
/s/ Rajeev Ronanki	Director	March 30, 2023 29, 2024
Rajeev Ronanki		
/s/ Jeffrey Sagansky	Director	March 30, 2023 29, 2024
Jeffrey Sagansky		
	Director	March 29, 2024
Nicole Torraco		
	104 105	

Exhibit 10.26

**SECOND AMENDED AND RESTATED BYLAWS  
OF  
SHARECARE, INC.  
2021 OMNIBUS INCENTIVE PLAN (THE "CORPORATION")  
RESTRICTED STOCK UNIT GRANT NOTICE**



## OFFICES

**Section 1.1 Registered Office.** The registered office of the Corporation within the State of Delaware shall be located at either (a) the principal place of business of the Corporation in the State of Delaware or (b) the office of the corporation or individual acting as the Corporation's registered agent in Delaware.

**Section 1.2 Additional Offices.** The Corporation may, in addition to its registered office in the State of Delaware, have such other offices and places of business, both within and outside the State of Delaware, as the Board of Directors of the Corporation (the "**Company Board**") may from time to time determine or as the business and affairs of the Corporation may require.

## Article II

## STOCKHOLDERS MEETINGS

**Section 1.1 Annual Meetings.** The annual meeting of stockholders shall be held at such place, either within or without the State of Delaware and time and on such date as shall be determined by the Board and stated in the notice of the meeting; provided, that the Board may in its sole discretion determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication pursuant to Section 9.5(a). At each annual meeting, the stockholders entitled to vote on such matters shall elect those directors of the Corporation to fill any term of a directorship that expires on the date of such annual meeting and may transact any other business as may properly be brought before the meeting.

**Section 1.2 Special Meetings.** Subject to the rights of the holders of any outstanding series of the preferred stock of the Corporation ("**Preferred Stock**"), and to the requirements of applicable law, special meetings of stockholders, for any purpose or purposes, may be called only by the Chairman of the Board, Chief Executive Officer, or the Board pursuant to a resolution adopted by a majority of the Board, and may not be called by any other person. Special meetings of stockholders shall be held at such place, either within or without the State of Delaware, and at such and time and on such date as shall be determined by the Board and stated in the Corporation's notice of the meeting; provided, that the Board may in its **2021 Omnibus Incentive Plan**, sole discretion determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication pursuant to Section 9.5(a).

**Section 1.3 Notices.** Written notice of each stockholders meeting stating the place, if any, date, and time of the meeting, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting and the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, shall be given in the manner permitted by Section 9.3 to each stockholder entitled to vote thereat as of the record date for determining the stockholders entitled to notice of the meeting, by the Corporation not less than 10 nor more than 60 days before the date of the meeting unless otherwise required by the General Corporation Law of the State of Delaware (the "**DGCL**"). If said notice is for a stockholders meeting other than an annual meeting, it shall in addition state the purpose or purposes for which the meeting is called, and the business transacted at such meeting shall be limited to the matters so stated in the Corporation's notice of meeting (or any supplement thereto). Any meeting of stockholders as to which notice has been given may be postponed, and any meeting of stockholders as to which notice has been given may be cancelled, by the Board upon public announcement (as defined in Section 2.7(c)) given before the date previously scheduled for such meeting.

**Section 1.4 Quorum.** Except as otherwise provided by applicable law, the Corporation's Second Amended and Restated Certificate of Incorporation, as the same may be amended or restated from

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time to time (the "**Plan**"), hereby grants to Participant the number Certificate of restricted stock units ("**RSUs Incorporation**") set forth below, each or these Bylaws, the presence, in person or by proxy, at a stockholders meeting of which represents the holders of shares of outstanding capital stock of the Corporation representing a majority of the voting power of all outstanding shares of capital stock of the Corporation entitled to vote at such meeting shall constitute a quorum for the transaction of business at such meeting, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of shares representing a majority of the voting power of the outstanding shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. If a quorum shall not be present or represented by proxy at any meeting of the stockholders of the Corporation, the chairman of the meeting may adjourn the meeting from time to time in the manner provided in Section 2.6 until a quorum shall attend. The stockholders present at a duly convened meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the voting power of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the

foregoing shall not limit the right to receive one share of Stock without any payment for such shares. This award is subject to all of the terms and conditions as set forth Corporation or any such other corporation to vote shares held by it in this Restricted Stock Unit Grant Notice (this a fiduciary capacity).

### Section 1.5 Voting of Shares.

(a) **Voting Lists.** The Secretary of the Corporation (the "**Notice Secretary**") shall prepare, or shall cause the officer or agent who has charge of the stock ledger of the Corporation to prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders of record entitled to vote at such meeting; **provided, in however,** that if the corresponding Restricted Stock Unit Agreement and record date for determining the Plan, which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in stockholders entitled to vote is less than 10 days before the Plan or meeting date, the Restricted Stock Unit Agreement will have list shall reflect the same definitions as in the Plan or the Restricted Stock Unit Agreement. If there is any conflict between the terms in this Notice, Exhibit 1 stockholders entitled to this Notice, the corresponding Restricted Stock Unit Agreement and the Plan, then such conflict or inconsistency shall be resolved by giving such documents precedence in the following order: Exhibit 1, this Notice, the corresponding Restricted Stock Unit Agreement, and then the Plan.

Participant	[PARTICIPANT NAME]
Date of Grant:	[GRANT DATE]
Number of RSUs:	[TOTAL SHARES]
Expiration Date:	[EXPIRY DATE]

**Type of Grant:** Restricted Stock Units

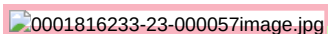
**Vesting Schedule:** This award shall vest pursuant to the schedule set forth in Exhibit 1, which is attached hereto and incorporated herein in its entirety.

**Additional Terms/Acknowledgements:** Participant acknowledges receipt of, and understands and agrees to, this Notice, the corresponding Restricted Stock Unit Agreement and the Plan. Participant acknowledges and agrees that this Notice and the corresponding Restricted Stock Unit Agreement may not be modified, amended or revised except as provided in the Plan. Participant further acknowledges that vote as of the Date of Grant, this Notice, tenth day before the corresponding Restricted Stock Unit Agreement, meeting date, arranged in alphabetical order and showing the address and the Plan number and class of shares registered in the name of each stockholder. Nothing contained in this Section 2.5(a) shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If a meeting of stockholders is to be held solely by means of remote communication as permitted by Section 9.5(a), the list shall be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of meeting. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list required by this Section 2.5(a) or to vote in person or by proxy at any meeting of stockholders.

(b) **Manner of Voting.** At any stockholders meeting, every stockholder entitled to vote may vote in person or by proxy. If authorized by the Board, the voting by stockholders or proxy holders at any meeting conducted by remote communication may be effected by a ballot submitted by electronic transmission (as defined in Section 9.3), **provided,** that any such electronic transmission must either set forth or be submitted with information from which the **entire understanding between Participant and Corporation** can determine that the **Company regarding this RSU award and supersede all prior oral and electronic transmission** was authorized by the stockholder or proxy holder. The Board, in its discretion, or the chairman of the meeting of stockholders, in such person's discretion, may require that any votes cast at such meeting shall be cast by written **agreements, promises and/** ballot.

(c) **Proxies.** Each stockholder entitled to vote at a meeting of stockholders or **representations on that subject** to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. Proxies need not be filed with the **exception of Secretary** until the **following agreements only,** meeting is called to order, but shall be filed with the Secretary before being voted. Without limiting the manner in which a stockholder may authorize another person or persons to act for

By accepting these RSUs, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Administrator or another third party designated by the Administrator.



such stockholder as proxy, either of the following shall constitute a valid means by which a stockholder may grant such authority. No stockholder shall have cumulative voting rights.

**Attachments (i) : Restricted** A stockholder may execute a writing authorizing another person or persons to act for such stockholder as proxy. Execution may be accomplished by the stockholder or such stockholder's authorized officer, director, employee or agent signing such writing or causing such person's signature to be affixed to such writing by any reasonable means, including, but not limited to, by facsimile signature.

(ii) A stockholder may authorize another person or persons to act for such stockholder as proxy by transmitting or authorizing the transmission of an electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided, that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission authorizing another person or persons to act as proxy for a stockholder may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used; provided, that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

(d) **Required Vote.** Subject to the rights of the holders of one or more series of Preferred Stock, **Unit Agreement, 2021 Omnibus Incentive Plan** voting separately by class or series, to elect directors pursuant to the terms of one or more series of Preferred Stock, at all meetings of stockholders at which a quorum is present, the election of directors shall be determined by a plurality of the votes cast by the stockholders present in person or represented by proxy at the meeting and entitled to vote thereon. All other matters presented to the stockholders at a meeting at which a quorum is present shall be determined by the vote of a majority of the votes cast by the stockholders present in person or represented by proxy at the meeting and entitled to vote thereon, unless the matter is one upon which, by applicable law, the Certificate of Incorporation, these Bylaws or applicable stock exchange rules, a different vote is required, in which case such provision shall govern and control the decision of such matter.

(e) **Inspectors of Election.** The Board may, and shall if required by law, in advance of any meeting of stockholders, designate one or more persons as inspectors of election, who may be employees of the Corporation or otherwise serve the Corporation in other capacities, to act at such meeting of stockholders or any adjournment thereof and to make a written report thereof. The Board may appoint one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspectors of election or alternates are appointed by the Board, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall ascertain and report the number of outstanding shares and the voting power of each; determine the number of shares present in person or represented by proxy at the meeting and the validity of proxies and ballots; count all votes and ballots and report the results; determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. No person who is a candidate for an office at an election may serve as an inspector at such election. Each report of an inspector shall be in writing and signed by the inspector or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors.

**Section 1.6 Adjournments.** Any meeting of stockholders, annual or special, may be adjourned by the chairman of the meeting, from time to time, whether or not there is a quorum, to reconvene at the same or some other place. Notice need not be given of any such adjourned meeting if the date, time, and place, if any, thereof, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting the stockholders, or the holders of any class or series of stock entitled to vote separately as a class, as the case

Exhibit 1 may be, may transact any business that might have been transacted at the original meeting. If the adjournment is for more than 30 days, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix a new record date for notice of such adjourned meeting in accordance with Vesting Schedule Section 9.2, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

#### **Section 1.7 Advance Notice for Business.**

(a) Annual Meetings of Stockholders. No business may be transacted at an annual meeting of stockholders, other than business that is either (i) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board, (ii) otherwise properly brought before the annual meeting by or at the direction of the Board or (iii) otherwise properly brought before the annual meeting by any stockholder of the Corporation (x) who is a stockholder of record entitled to vote at such annual meeting on the date of the giving of the notice provided for in this Section 2.7(a) and on the record date for the determination of stockholders entitled to vote at such annual meeting and (y) who complies with the notice procedures set forth in this Section 2.7(a). Notwithstanding anything in this Section 2.7(a) to the contrary, only persons nominated for election as a director to fill any term of a directorship that expires on the date of the annual meeting pursuant to Section 3.2 will be considered for election at such meeting.

(i) In addition to any other applicable requirements, for business (other than nominations) to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary and such business must otherwise be a proper matter for stockholder action. Subject to Section 2.7(a)(iii), a stockholder's notice to the Secretary with respect to such business, to be timely, must be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90th day nor earlier than the opening of business on the 120th day before the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the stockholder to be timely must be so received not earlier than the opening of business on the 120th day before the meeting and not later than the later of (x) the close of business on the 90th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement of the date of the annual meeting is first made by the Corporation. The public announcement of an adjournment of an annual meeting shall not commence a new time period for the giving of a stockholder's notice as described in this Section 2.7(a).

(ii) To be in proper written form, a stockholder's notice to the Secretary with respect to any business (other than nominations) must set forth as to each such matter such stockholder proposes to bring before the annual meeting (A) a brief description of the business desired to be brought before the annual meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event such business includes a proposal to amend these Bylaws, the language of the proposed amendment) and the reasons for conducting such business at the annual meeting, (B) the name and record address of such stockholder and the name and address of the beneficial owner, if any, on whose behalf the proposal is made, (C) the class or series and number of shares of capital stock of the Corporation that are owned beneficially and of record by such stockholder and by the beneficial owner, if any, on whose behalf the proposal is made, (D) a description of all arrangements or understandings between such stockholder and the beneficial owner, if any, on whose behalf the proposal is made and any other person or persons (including their names) in connection with the proposal of such business by such stockholder, (E) any material interest of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made in such business and (F) a representation that such stockholder (or a qualified representative of such stockholder) intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

Attachment 1 (iii) The foregoing notice requirements of this Section 2.7(a) shall be deemed satisfied by a stockholder as to any proposal (other than nominations) if the stockholder has notified the Corporation of such stockholder's intention to present such proposal at an annual meeting in compliance with Rule 14a-8 (or any successor thereof) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and such stockholder has complied with the requirements of such rule for inclusion of such proposal in a proxy statement prepared by the Corporation to solicit proxies for such annual meeting. No business shall be conducted at the annual meeting of stockholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 2.7(a), provided, however, that once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 2.7(a) shall be deemed to preclude discussion by any stockholder of any such business. If the Board or the chairman of the annual meeting determines that any stockholder proposal was not made in accordance with the provisions of this Section 2.7(a) or that the information provided in a stockholder's notice does not satisfy the information requirements of this Section 2.7(a), such proposal shall not be presented for action at the annual meeting. Notwithstanding the foregoing provisions of this Section 2.7(a), if the stockholder (or a qualified representative of the

stockholder) does not appear at the annual meeting of stockholders of the Corporation to present the proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such matter may have been received by the Corporation.

(iv) In addition to the provisions of this Section 2.7(a), a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 2.7(a) shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting only pursuant to Section 3.2.

(c) Public Announcement. For purposes of these Bylaws, "**public announcement**" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act (or any successor thereto).

**Section 1.8 Conduct of Meetings.** The chairman of each annual and special meeting of stockholders shall be the Chairman of the Board or, in the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) or, in the absence (or inability or refusal) to act of the Chief Executive Officer or if the Chief Executive Officer is not a director, the President (if he or she shall be a director) or, in the absence (or inability or refusal to act) of the President or if the President is not a director, such other person as shall be appointed by the Board. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairman of the meeting. The Board may adopt such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with these Bylaws or such rules and regulations as adopted by the Board, the chairman of any meeting of stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the

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commencement thereof; and (e) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. The secretary of each annual and special meeting of stockholders shall be the Secretary or, in the absence (or inability or refusal to act) of the Secretary, an Assistant Secretary so appointed to act by the chairman of the meeting. In the absence (or inability or refusal to act) of the Secretary and all Assistant Secretaries, the chairman of the meeting may appoint any person to act as secretary of the meeting.

**Section 1.9 Consents in Lieu of Meeting.** Any action required or permitted to be taken by the stockholders of the Corporation must be effected by a duly called annual or special meeting of such holders and may not be effected by written consent of the stockholders. Every written consent shall bear the date of signature of each stockholder who signs the consent, and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered in the manner required by this section and the DGCL to the Corporation, written consents signed by a sufficient number of holders entitled to vote to take action are delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

### Article III

#### Restricted DIRECTORS

**Section 1.1 Powers.** The business and affairs of the Corporation shall be managed by or under the direction of the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws required to be exercised or done by the stockholders. Directors need not be stockholders or residents of the State of Delaware.

**Section 1.2 Advance Notice for Nomination of Directors.**

(a) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation, except as may be otherwise provided by the terms of one or more series of Preferred Stock **Unit Agreement** with respect to the rights of holders of one or more series of Preferred Stock to elect directors. Nominations of persons for election to the Board at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors as set forth in the Corporation's notice of such special meeting, may be made (i) by or at the direction of the Board or (ii) by any stockholder of the Corporation (x) who is a stockholder of record entitled to vote in the election of directors on the date of the giving of the notice provided for in this **Section 3.2** and on the record date for the determination of stockholders entitled to vote at such meeting and (y) who complies with the notice procedures set forth in this **Section 3.2**.

**SHARECARE, INC.**(b) In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary. To be timely, a stockholder's notice to the Secretary must be received by the Secretary at the principal executive offices of the Corporation (i) in the case of an annual meeting, not later than the close of business on the 90th day nor earlier than the opening of business on the 120th day before the anniversary date of the immediately preceding annual meeting of stockholders; **provided, however**, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the stockholder to be timely must be so received not earlier than the opening of business on the 120th day before the meeting and not later than the later of (x) the close of business on the 90th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement of the date of the annual meeting was first made by the Corporation; and **provided, however**, that for the annual meeting of stockholders to be held in 2024, a stockholder's notice received by the Secretary at the principal executive offices of the Corporation on or prior to March 31, 2024 shall be considered timely; and (ii) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the 10th day following the day on which public announcement of the date of the special meeting is first made by the Corporation. In no event shall the

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public announcement of an adjournment or postponement of an annual meeting or special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described in this **Section 3.2**.

(c) Notwithstanding anything in paragraph (b) to the contrary, in the event that the number of directors to be elected to the Board at an annual meeting is greater than the number of directors whose terms expire on the date of the annual meeting and there is no public announcement by the Corporation naming all of the nominees for the additional directors to be elected or specifying the size of the increased Board before the close of business on the 90th day prior to the anniversary date of the immediately preceding annual meeting of stockholders, a stockholder's notice required by this **Section 3.2** shall also be considered timely, but only with respect to nominees for the additional directorships created by such increase that are to be filled by election at such annual meeting, if it shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the date on which such public announcement was first made by the Corporation.

(d) To be in proper written form, a stockholder's notice to the Secretary must set forth (i) as to each person whom the stockholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares of capital stock of the Corporation that are owned beneficially or of record by the person and (D) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder; and (ii) as to the stockholder giving the notice (A) the name and record address of such stockholder as they appear on the Corporation's books and the name and address of the beneficial owner, if any, on whose behalf the nomination is made, (B) the class or series and number of shares of capital stock of the Corporation that are owned beneficially and of record by such stockholder and the beneficial owner, if any, on whose behalf the nomination is made, (C) a description of all arrangements or understandings relating to the nomination to be made by such stockholder among such stockholder, the beneficial owner, if any, on whose behalf the nomination is made, each proposed nominee and any other person or persons (including their names), (D) a representation that such stockholder (or a qualified representative of such stockholder) intends to appear in person or by proxy at the meeting to nominate the persons named in its notice and (E) any other information relating to such stockholder and the beneficial owner, if any, on whose behalf the nomination is made that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

(e) If the Board or the chairman of the meeting of stockholders determines that any nomination was not made in accordance with the provisions of this **Section 3.2**, or that the information provided in a stockholder's notice does not satisfy the information requirements of this **Section 3.2**, then such nomination shall not be considered at the meeting in question. Notwithstanding the foregoing provisions of this **Section 3.2**, if the stockholder (or a qualified representative of



the stockholder) does not appear at the meeting of stockholders of the Corporation to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.

(f) In addition to the provisions of this [Section 3.2](#), a stockholder shall also comply with all of the applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this [Section 3.2](#) shall be deemed to affect any rights of the holders of Preferred Stock to elect directors pursuant to the Certificate of Incorporation.

**Section 1.3 Compensation.** Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board shall have the authority to fix the compensation of directors. The directors may be reimbursed their expenses, if any, of attendance at each meeting of the Board, including for service on a committee of the Board, and may be paid either a fixed sum for attendance at each meeting of the Board or other compensation as director. No such payment shall preclude any director from serving the

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Corporation in any other capacity and receiving compensation therefor. Members of committees of the Board may be allowed like compensation and reimbursement of expenses for service on the committee.

#### Article IV

#### BOARD MEETINGS

**Section 1.1 Annual Meetings.** The Board shall meet as soon as practicable after the adjournment of each annual stockholders meeting at the place of the annual stockholders meeting unless the Board shall fix another time and place and give notice thereof in the manner required herein for special meetings of the Board. No notice to the directors shall be necessary to legally convene this meeting, except as provided in this [Section 4.1](#).

**Section 1.2 Regular Meetings.** Regularly scheduled, periodic meetings of the Board may be held without notice at such times, dates and places (within or without the State of Delaware) as shall from time to time be determined by the Board.

**Section 1.3 Special Meetings.** Special meetings of the Board (a) may be called by the Chairman of the Board or President and (b) shall be called by the Chairman of the Board, President or Secretary on the written request of at least a majority of directors then in office, or the sole director, as the case may be, and shall be held at such time, date and place (within or without the State of Delaware) as may be determined by the person calling the meeting or, if called upon the request of directors or the sole director, as specified in such written request. Notice of each special meeting of the Board shall be given, as provided in [Section 9.3](#), to each director (i) at least 24 hours before the meeting if such notice is oral notice given personally or by telephone or written notice given by hand delivery or by means of a form of electronic transmission and delivery; (ii) at least two days before the meeting if such notice is sent by a nationally recognized overnight delivery service; and (iii) at least five days before the meeting if such notice is sent through the United States mail. If the Secretary shall fail or refuse to give such notice, then the notice may be given by the officer who called the meeting or the directors who requested the meeting. Any and all business that may be transacted at a regular meeting of the Board may be transacted at a special meeting. Except as may be otherwise expressly provided by applicable law, the Certificate of Incorporation, or these Bylaws, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in the notice or waiver of notice of such meeting. A special meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in accordance with [Section 9.4](#).

**Section 1.4 Quorum; Required Vote.** A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by applicable law, the Certificate of Incorporation or these Bylaws. If a quorum shall not be present at any meeting, a majority of the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

**Section 1.5 Consent In Lieu of Meeting.** Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions (or paper reproductions thereof) are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

**Section 1.6 Organization.** The chairman of each meeting of the Board shall be the Chairman of the Board or, in the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) or, in the absence (or inability or refusal to act) of the Chief Executive Officer or if the Chief Executive Officer is not a director, the President (if he or she shall be a director) or in the absence (or inability or refusal to act) of the President



or if the President is not a director, a chairman elected from the directors present. The Secretary shall act as secretary of all meetings of the Board. In the absence (or inability or refusal to act) of the Secretary, an Assistant Secretary shall perform the duties of the Secretary at such meeting. In the absence (or inability or refusal to act) of the

Secretary and all Assistant Secretaries, the chairman of the meeting may appoint any person to act as secretary of the meeting.

## **Article V**

### **COMMITTEES OF DIRECTORS**

**Section 1.1 Establishment.** The Board may by resolution passed by a majority of the Board designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Each committee shall keep regular minutes of its meetings and report the same to the Board when required. The Board shall have the power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee.

**Section 1.2 Available Powers.** Any committee established pursuant to Section 5.1 hereof, to the extent permitted by applicable law and by resolution of the Board, shall have and may exercise all of the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it.

**Section 1.3 Alternate Members.** The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any such absent or disqualified member.

**Section 1.4 Procedures.** Unless the Board otherwise provides, the time, date, place, if any, and notice of meetings of a committee shall be determined by such committee. At meetings of a committee, a majority of the number of members of the committee (but not including any alternate member, unless such alternate member has replaced any absent or disqualified member at the time of, or in connection with, such meeting) shall constitute a quorum for the transaction of business. The act of a majority of the members present at any meeting at which a quorum is present shall be the act of the committee, except as otherwise specifically provided by applicable law, the Certificate of Incorporation, these Bylaws or the Board. If a quorum is not present at a meeting of a committee, the members present may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum is present. Unless the Board otherwise provides and except as provided in these Bylaws, each committee designated by the Board may make, alter, amend and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board is authorized to conduct its business pursuant to Article III and Article IV of these Bylaws.

## **Article VI**

### **OFFICERS**

**Section 1.1 Officers.** The officers of the Corporation elected by the Board shall be a Chairman of the Board, a Chief Executive Officer, a President, a Chief Financial Officer, a Secretary and such other officers (including without limitation, Vice Presidents, Assistant Secretaries and a Treasurer) as the Board from time to time may determine. Officers elected by the Board shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article VI. Such officers shall also have such powers and duties as from time to time may be conferred by the Board. The Chief Executive Officer or President may also appoint such other officers (including without limitation one or more Vice Presidents and Controllers) as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers shall have such powers and duties and shall hold their offices for such terms as may be provided in these Bylaws or as may be prescribed by the Board or, if such officer has been appointed by the Chief Executive Officer or President, as may be prescribed by the appointing officer.

(a) **Chairman of the Board.** The Chairman of the Board shall preside when present at all meetings of the stockholders and the Board. The Chairman of the Board shall have general supervision and control of the acquisition activities of the Corporation subject to the ultimate authority of the Board, and shall be responsible for the execution of the policies of the Board with respect to such matters. In the

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absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) shall preside when present at all meetings of the stockholders and the Board. The powers and duties of the Chairman of the Board shall not include supervision or control of the preparation of the financial statements of the Corporation (other than through participation as a member of the Board). The position of Chairman of the Board and Chief Executive Officer may be held by the same person.

(b) **Chief Executive Officer.** The Chief Executive Officer shall be the chief executive officer of the Corporation, shall have general supervision of the affairs of the Corporation and general control of all of its business subject to the ultimate authority of the Board, and shall be responsible for the execution of the policies of the Board with respect to such matters, except to the extent any such powers and duties have been prescribed to the Chairman of the Board pursuant to Section 6.1(a) above. In the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) shall preside when present at all meetings of the stockholders and the Board. The position of Chief Executive Officer and President may be held by the same person.

(c) **President.** The President shall make recommendations to the Chief Executive Officer on all operational matters that would normally be reserved for the final executive responsibility of the Chief Executive Officer. In the absence (or inability or refusal to act) of the Chairman of the Board and Chief Executive Officer, the President (if he or she shall be a director) shall preside when present at all meetings of the stockholders and the Board. The President shall also perform such duties and have such powers as shall be designated by the Board. The position of President and Chief Executive Officer may be held by the same person.

(d) **Vice Presidents.** In the absence (or inability or refusal to act) of the President, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Board) shall perform the duties and have the powers of the President. Any one or more of the Vice Presidents may be given an additional designation of rank or function.

(e) **Secretary.**

(i) The Secretary shall attend all meetings of the stockholders, the Board and (as required) committees of the Board and shall record the proceedings of such meetings in books to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board and shall perform such other duties as may be prescribed by the Board, the Chairman of the Board, Chief Executive Officer or President. The Secretary shall have custody of the corporate seal of the Corporation and the Secretary, or any Assistant Secretary, shall have authority to affix the same to any instrument requiring it, and when so affixed, it may be attested by his or her signature or by the signature of such Assistant Secretary. The Board may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing thereof by his or her signature.

(ii) The Secretary shall keep, or cause to be kept, at the principal executive office of the Corporation or at the office of the Corporation's transfer agent or registrar, if one has been appointed, a stock ledger, or duplicate stock ledger, showing the names of the stockholders and their addresses, the number and classes of shares held by each and, with respect to certificated shares, the number and date of certificates issued for the same and the number and date of certificates cancelled.

(f) **Assistant Secretaries.** The Assistant Secretary or, if there be more than one, the Assistant Secretaries in the order determined by the Board shall, in the absence (or inability or refusal to act) of the Secretary, perform the duties and have the powers of the Secretary.

(g) **Chief Financial Officer.** The Chief Financial Officer shall perform all duties commonly incident to that office (including, without limitation, the care and custody of the funds and securities of the Corporation, which from time to time may come into the Chief Financial Officer's hands and the deposit of the funds of the Corporation in such banks or trust companies as the Board, the Chief Executive Officer or the President may authorize).

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(h) **Treasurer.** The Treasurer shall, in the absence (or inability or refusal to act) of the Chief Financial Officer, perform the duties and exercise the powers of the Chief Financial Officer.

**Section 1.2 Term of Office; Removal; Vacancies.** The elected officers of the Corporation shall be appointed by the Board and shall hold office until their successors are duly elected and qualified by the Board or until their earlier death, resignation, retirement, disqualification, or removal from office. Any officer

may be removed, with or without cause, at any time by the Board. Any officer appointed by the Chief Executive Officer or President may also be removed, with or without cause, by the Chief Executive Officer or President, as the case may be, unless the Board otherwise provides. Any vacancy occurring in any elected office of the Corporation may be filled by the Board. Any vacancy occurring in any office appointed by the Chief Executive Officer or President may be filled by the Chief Executive Officer, or President, as the case may be, unless the Board then determines that such office shall thereupon be elected by the Board, in which case the Board shall elect such officer.

**Section 1.3 Other Officers.** The Board may delegate the power to appoint such other officers and agents, and may also remove such officers and agents or delegate the power to remove same, as it shall from time to time deem necessary or desirable.

**Section 1.4 Multiple Officeholders; Stockholder and Director Officers.** Any number of offices may be held by the same person unless the Certificate of Incorporation or these Bylaws otherwise provide. Officers need not be stockholders or residents of the State of Delaware.

## Article VII SHARES

**Section 1.1 Certificated and Uncertificated Shares.** The shares of the Corporation may be certificated or uncertificated, subject to the sole discretion of the Board and the requirements of the DGCL.

**Section 1.2 Multiple Classes of Stock.** If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the Corporation shall (a) cause the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights to be set forth in full or summarized on the face or back of any certificate that the Corporation issues to represent shares of such class or series of stock or (b) in the case of uncertificated shares, within a reasonable time after the issuance or transfer of such shares, send to the registered owner thereof a written notice containing the information required to be set forth on certificates as specified in clause (a) above; provided, however, that, except as otherwise provided by applicable law, in lieu of the foregoing requirements, there may be set forth on the face or back of such certificate or, in the case of uncertificated shares, on such written notice a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights.

**Section 1.3 Signatures.** Each certificate representing capital stock of the Corporation shall be signed by or in the name of the Corporation by (a) the Chairman of the Board, Chief Executive Officer, the President or a Vice President and (b) the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary of the Corporation. Any or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar on the date of issue.

### **Section 1.4 Consideration and Payment for Shares.**

(a) Subject to applicable law and the Certificate of Incorporation, shares of stock may be issued for such consideration, having in the case of shares with par value a value not less than the par value thereof, and to such persons, as determined from time to time by the Board. The consideration may

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consist of any tangible or intangible property or any benefit to the Corporation including cash, promissory notes, services performed, contracts for services to be performed or other securities, or any combination thereof.

(b) Subject to applicable law and the Certificate of Incorporation, shares may not be issued until the full amount of the consideration has been paid, unless upon the face or back of each certificate issued to represent any partly paid shares of capital stock or upon the books and records of the Corporation in the case of partly paid uncertificated shares, there shall have been set forth the total amount of the consideration to be paid therefor and the amount paid thereon up to and including the time said certificate representing certificated shares or said uncertificated shares are issued.

### **Section 1.5 Lost, Destroyed or Wrongfully Taken Certificates.**

(a) If an owner of a certificate representing shares claims that such certificate has been lost, destroyed or wrongfully taken, the Corporation shall issue a new certificate representing such shares or such shares in uncertificated form if the owner: (i) requests such a new certificate before the Corporation has notice that the certificate representing such shares has been acquired by a protected purchaser; (ii) if requested by the Corporation, delivers to the Corporation a bond

sufficient to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, wrongful taking or destruction of such certificate or the issuance of such new certificate or uncertificated shares; and (iii) satisfies other reasonable requirements imposed by the Corporation.

(b) If a certificate representing shares has been lost, apparently destroyed or wrongfully taken, and the owner fails to notify the Corporation of that fact within a reasonable time after the owner has notice of such loss, apparent destruction or wrongful taking and the Corporation registers a transfer of such shares before receiving notification, the owner shall be precluded from asserting against the Corporation any claim for registering such transfer or a claim to a new certificate representing such shares or such shares in uncertificated form.

#### **Section 1.6 Transfer of Stock.**

(a) If a certificate representing shares of the Corporation is presented to the Corporation with an endorsement requesting the registration of transfer of such shares or an instruction is presented to the Corporation requesting the registration of transfer of uncertificated shares, the Corporation shall register the transfer as requested if:

(i) in the case of certificated shares, the certificate representing such shares has been surrendered;

(ii) (A) with respect to certificated shares, the endorsement is made by the person specified by the certificate as entitled to such shares; (B) with respect to uncertificated shares, an instruction is made by the registered owner of such uncertificated shares; or (C) with respect to certificated shares or uncertificated shares, the endorsement or instruction is made by any other appropriate person or by an agent who has actual authority to act on behalf of the appropriate person;

(iii) the Corporation has received a guarantee of signature of the person signing such endorsement or instruction or such other reasonable assurance that the endorsement or instruction is genuine and authorized as the Corporation may request;

(iv) the transfer does not violate any restriction on transfer imposed by the Corporation that is enforceable in accordance with Section 7.8(a); and

(v) such other conditions for such transfer as shall be provided for under applicable law have been satisfied.

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(b) Whenever any transfer of shares shall be made for collateral security and not absolutely, the Corporation shall so record such fact in the entry of transfer if, when the certificate for such shares is presented to the Corporation for transfer or, if such shares are uncertificated, when the instruction for registration of transfer thereof is presented to the Corporation, both the transferor and transferee request the Corporation to do so.

**Section 1.7 Registered Stockholders.** Before due presentment for registration of transfer of a certificate representing shares of the Corporation or of an instruction requesting registration of transfer of uncertificated shares, the Corporation may treat the registered owner as the person exclusively entitled to inspect for any proper purpose the stock ledger and the other books and records of the Corporation, vote such shares, receive dividends or notifications with respect to such shares and otherwise exercise all the rights and powers of the owner of such shares, except that a person who is the beneficial owner of such shares (if held in a voting trust or by a nominee on behalf of such person) may, upon providing documentary evidence of beneficial ownership of such shares and satisfying such other conditions as are provided under applicable law, may also so inspect the books and records of the Corporation.

#### **Section 1.8 Effect of the Corporation's Restriction on Transfer.**

(a) A written restriction on the transfer or registration of transfer of shares of the Corporation or on the amount of shares of the Corporation that may be owned by any person or group of persons, if permitted by the DGCL and noted conspicuously on the certificate representing such shares or, in the case of uncertificated shares, contained in a notice, offering circular or prospectus sent by the Corporation to the registered owner of such shares within a reasonable time prior to or after the issuance or transfer of such shares, may be enforced against the holder of such shares or any successor or transferee of the holder including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder.

(b) A restriction imposed by the Corporation on the transfer or the registration of shares of the Corporation or on the amount of shares of the Corporation that may be owned by any person or group of persons, even if otherwise lawful, is ineffective against a person without actual knowledge of such restriction unless: (i) the shares are certificated and such restriction is noted conspicuously on the certificate; or (ii) the shares are uncertificated and such restriction was contained in a notice, offering circular or prospectus sent by the Corporation to the registered owner of such shares prior to or within a reasonable time after the issuance or transfer of such shares.

**Section 1.9 Regulations.** The Board shall have power and authority to make such additional rules and regulations, subject to any applicable requirement of law, as the Board may deem necessary and appropriate with respect to the issue, transfer or registration of transfer of shares of stock or certificates representing shares. The Board may appoint one or more transfer agents or registrars and may require for the validity thereof that certificates representing shares bear the signature of any transfer agent or registrar so appointed.

**Section 1.10 Lock-Up.**

(a) Subject to Section 7.10(b), the holders (the “**Lock-up Holders**”) of common stock of the Corporation issued (i) as consideration pursuant to the merger of FCAC Merger Sub Inc., a Delaware corporation, with and into Sharecare, Inc., a Delaware corporation (the “**Sharecare Transaction**”) or (ii) to directors, officers and employees of the Corporation upon the settlement or exercise of restricted stock units, stock options or other equity awards outstanding as of immediately following the closing of the Sharecare Transaction in respect of awards of Sharecare, Inc. outstanding immediately prior to the closing of the Sharecare Transaction (excluding, for the avoidance of doubt, the Acquiror Warrants (as defined in the Agreement and Plan of Merger entered into by and among the Corporation, Sharecare, Inc., and FCAC Merger Sub Inc., dated as of February 12, 2021, as amended from time to time, the “**Merger Agreement**”)) (such shares referred to in Section 7.10(a)(ii), the “**Sharecare Equity Award Shares**”), may not Transfer any Lock-up Shares until the end of the Lock-up Period (the “**Lock-up**”).

(b) Notwithstanding the provisions set forth in Section 7.10(a), the Lock-up Holders or their respective Permitted Transferees may Transfer the Lock-up Shares during the Lock-up Period (i) to (A)

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the Corporation's officers or directors, (B) any affiliates or family members of the Corporation's officers or directors, or (C) the other Lock-up Holders or any direct or indirect partners, members or equity holders of the Lock-up Holders, any affiliates of the Lock-up Holders or any related investment funds or vehicles controlled or managed by such persons or entities or their respective affiliates; (ii) in the case of an individual, by gift to a member of the individual's immediate family or to a trust, the beneficiary of which is a member of the individual's immediate family or an affiliate of such person or entity, or to a charitable organization; (iii) in the case of an individual, by virtue of laws of descent and distribution upon death of the individual; (iv) in the case of an individual, pursuant to a qualified domestic relations order; (v) in connection with any bona fide mortgage, encumbrance or pledge to a financial institution in connection with any bona fide loan or debt transaction or enforcement thereunder, including foreclosure thereof; (vi) to the Corporation; or (vii) in connection with a liquidation, merger, stock exchange, reorganization, tender offer approved by the Board or a duly authorized committee thereof or other similar transaction which results in all of the Corporation's stockholders having the right to exchange their shares of common stock for cash, securities or other property subsequent to the closing date of the Sharecare Transaction.

(c) Notwithstanding the other provisions set forth in this Section 7.10, the Board may, in its sole discretion, determine to waive, amend, or repeal the Lock-up obligations set forth herein. In addition, for the avoidance of doubt, to the extent any Lock-up Holders are subject to a more restrictive lock-up agreement with the Corporation, the terms of such lock-up agreement shall apply.

(d) For purposes of this Section 7.10:

(i) “**Lock-up Period**” shall mean the period beginning on the closing date of the Sharecare Transaction and ending on the date that is 180 days after the closing date of the Sharecare Transaction;

(ii) “**Lock-up Shares**” shall mean the shares of common stock held by the Lock-up Holders immediately following the closing of the Sharecare Transaction (other than shares of common stock acquired in the public market or pursuant to a transaction exempt from registration under the Securities Act of 1933, as amended, pursuant to a subscription agreement where the issuance of common stock occurs on or after the closing of the Sharecare Transaction) and the Sharecare Equity Award Shares;

(iii) “**Permitted Transferees**” shall mean, prior to the expiration of the Lock-up Period, any person or entity to whom such Lock-up Holder is permitted to transfer such shares of common stock prior to the expiration of the Lock-up Period pursuant to Section 7.10(b); and

(iv) “**Transfer**” shall mean the (A) sale or assignment of, offer to sell, contract or agreement to sell, hypothecate, pledge, grant of any option to purchase or otherwise dispose of or agreement to dispose of, directly or indirectly, or establishment or increase of a put equivalent position or liquidation with respect to or decrease of a call equivalent position within the meaning of Section 16 of the Exchange Act with respect to, any security, (B) entry into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any security, whether any such transaction is to be settled by delivery of such securities, in cash or otherwise, or (C) public announcement of any intention to effect any transaction specified in clause (A) or (B).

## Article VIII INDEMNIFICATION

**Section 1.1 Right to Indemnification.** To the fullest extent permitted by applicable law, as the same exists or may hereafter be amended, the Corporation shall indemnify and hold harmless each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "**proceeding**"), by reason of the fact that he or she is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a

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partnership, joint venture, trust, other enterprise or nonprofit entity, including service with respect to an employee benefit plan (hereinafter an "**Indemnitee**"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent, or in any other capacity while serving as a director, officer, employee or agent, against all liability and loss suffered and expenses (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes and penalties and amounts paid in settlement) reasonably incurred by such Indemnitee in connection with such proceeding; provided, however, that, except as provided in Section 8.3 with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify an Indemnitee in connection with a proceeding (or part thereof) initiated by such Indemnitee only if such proceeding (or part thereof) was authorized by the Board.

**Section 1.2 Right to Advancement of Expenses.** In addition to the right to indemnification conferred in Section 8.1, an Indemnitee shall also have the right to be paid by the Corporation to the fullest extent not prohibited by applicable law the expenses (including, without limitation, attorneys' fees) incurred in defending or otherwise participating in any such proceeding in advance of its final disposition (hereinafter an "**advancement of expenses**"); provided, however, that, if the DGCL requires, an advancement of expenses incurred by an Indemnitee in his or her capacity as a director or officer of the Corporation (and not in any other capacity in which service was or is rendered by such Indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon the Corporation's receipt of an undertaking (hereinafter an "**undertaking**"), by or on behalf of such Indemnitee, to repay all amounts so advanced if it shall ultimately be determined that such Indemnitee is not entitled to be indemnified under this Article VIII or otherwise.

**Section 1.3 Right of Indemnitee to Bring Suit.** If a claim under Section 8.1 or Section 8.2 is not paid in full by the Corporation within 60 days after a written claim therefor has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 20 days, the Indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Indemnitee shall also be entitled to be paid the expense of prosecuting or defending such suit. In (a) any suit brought by the Indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by an Indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (b) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final judicial decision from which there is no further right to appeal (hereinafter a "**final adjudication**") that, the Indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including a determination by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the Indemnitee has not met such applicable standard of conduct, shall create a presumption that the Indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnitee, shall be a defense to such suit. In any suit brought by the Indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VIII or otherwise shall be on the Corporation.

**Section 1.4 Non-Exclusivity of Rights.** The rights provided to any Indemnitee pursuant to this Article VIII shall not be exclusive of any other right, which such Indemnitee may have or hereafter acquire under applicable law, the Certificate of Incorporation, these Bylaws, an agreement, a vote of stockholders or disinterested directors, or otherwise.

**Section 1.5 Insurance.** The Corporation may maintain insurance, at its expense, to protect itself and/or any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the

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Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

**Section 1.6 Indemnification of Other Persons.** This Article VIII shall not limit the right of the Corporation to the extent and in the manner authorized or permitted by law to indemnify and to advance expenses to persons other than Indemnitees. Without limiting the foregoing, the Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation and to any other person who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, to the fullest extent of the provisions of this Article VIII with respect to the indemnification and advancement of expenses of Indemnitees under this Article VIII.

**Section 1.7 Amendments.** Any repeal or amendment of this Article VIII by the Board or the stockholders of the Corporation or by changes in applicable law, or the adoption of any other provision of these Bylaws inconsistent with this Article VIII, will, to the extent permitted by applicable law, be prospective only (except to the extent such amendment or change in applicable law permits the Corporation to provide broader indemnification rights to Indemnitees on a retroactive basis than permitted prior thereto), and will not in any way diminish or adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such repeal or amendment or adoption of such inconsistent provision; provided, however, that amendments or repeals of this Article VIII shall require the affirmative vote of the stockholders holding at least 66.7% of the voting power of all outstanding shares of capital stock of the Corporation.

**Section 1.8 Certain Definitions.** For purposes of this Article VIII, (a) references to "**other enterprise**" shall include any employee benefit plan; (b) references to "**finances**" shall include any excise taxes assessed on a person with respect to an employee benefit plan; (c) references to "**serving at the request of the Corporation**" shall include any service that imposes duties on, or involves services by, a person with respect to any employee benefit plan, its participants, or beneficiaries; and (d) a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interest of the Corporation" for purposes of Section 145 of the DGCL.

**Section 1.9 Contract Rights.** The rights provided to Indemnitees pursuant to this Article VIII shall be contract rights and such rights shall continue as to an Indemnitee who has ceased to be a director, officer, agent or employee and shall inure to the benefit of the Indemnitee's heirs, executors and administrators.

**Section 1.10 Severability.** If any provision or provisions of this Article VIII shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Article VIII shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Article VIII (including, without limitation, each such portion of this Article VIII containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

## Article IX MISCELLANEOUS

**Section 1.1 Place of Meetings.** If the place of any meeting of stockholders, the Board or committee of the Board for which notice is required under these Bylaws is not designated in the notice of such meeting, such meeting shall be held at the principal business office of the Corporation; provided, however, if the Board has, in its sole discretion, determined that a meeting shall not be held at any place, but instead shall be held by means of remote communication pursuant to Section 9.5 hereof, then such meeting shall not be held at any place.

**Section 1.2 Fixing Record Dates.**

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(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting



shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the business day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 9.2(a) at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

### **Section 1.3 Notice.**

(a) Notice to Directors. Whenever under applicable law, the Certificate of Incorporation or these Bylaws notice is required to be given to any director, such notice shall be given either (i) in writing and sent by mail, or by a nationally recognized delivery service, (ii) by means of facsimile telecommunication or other form of electronic transmission, or (iii) by oral notice given personally or by telephone. A notice to a director will be deemed given as follows: (i) if given by hand delivery, orally, or by telephone, when actually received by the director, (ii) if sent through the United States mail, when deposited in the United States mail, with postage and fees thereon prepaid, addressed to the director at the director's address appearing on the records of the Corporation, (iii) if sent for next day delivery by a nationally recognized overnight delivery service, when deposited with such service, with fees thereon prepaid, addressed to the director at the director's address appearing on the records of the Corporation, (iv) if sent by facsimile telecommunication, when sent to the facsimile transmission number for such director appearing on the records of the Corporation, (v) if sent by electronic mail, when sent to the electronic mail address for such director appearing on the records of the Corporation, or (vi) if sent by any other form of electronic transmission, when sent to the address, location or number (as applicable) for such director appearing on the records of the Corporation.

(b) Notice to Stockholders. Whenever under applicable law, the Certificate of Incorporation or these Bylaws notice is required to be given to any stockholder, such notice may be given (i) in writing and sent either by hand delivery, through the United States mail, or by a nationally recognized overnight delivery service for next day delivery, or (ii) by means of a form of electronic transmission consented to by the stockholder, to the extent permitted by, and subject to the conditions set forth in Section 232 of the DGCL. A notice to a stockholder shall be deemed given as follows: (i) if given by hand delivery, when actually received by the stockholder, (ii) if sent through the United States mail, when deposited in the United States mail, with postage and fees thereon prepaid, addressed to the stockholder at the stockholder's address appearing on the stock ledger of the Corporation, (iii) if sent for next day delivery by a nationally recognized overnight delivery service, when deposited with such service, with fees thereon prepaid, addressed to the stockholder at the stockholder's address appearing on the stock ledger of the Corporation, and (iv) if given by a form of electronic transmission consented to by the stockholder to whom the notice is given and otherwise meeting the requirements set forth above, (A) if by facsimile transmission, when directed to a number at which the stockholder has consented to receive notice, (B) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to

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receive notice, (C) if by a posting on an electronic network together with separate notice to the stockholder of such specified posting, upon the later of (1) such posting and (2) the giving of such separate notice, and (D) if by any other form of electronic transmission, when directed to the stockholder. A stockholder may revoke such stockholder's consent to receiving notice by means of electronic communication by giving written notice of such revocation to the Corporation. Any such consent shall be deemed revoked if (1) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent and (2) such inability becomes known to the Secretary or an Assistant Secretary or to the Corporation's transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

(c) Electronic Transmission. "**Electronic transmission**" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process, including but not limited to transmission by telex, facsimile telecommunication, electronic mail, telegram and cablegram.

(d) Notice to Stockholders Sharing Same Address. Without limiting the manner by which notice otherwise may be given effectively by the Corporation to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation or these Bylaws shall be

effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. A stockholder may revoke such stockholder's consent by delivering written notice of such revocation to the Corporation. Any stockholder who fails to object in writing to the Corporation within 60 days of having been given written notice by the Corporation of its intention to send such a single written notice shall be deemed to have consented to receiving such single written notice.

(e) **Exceptions to Notice Requirements.** Whenever notice is required to be given, under the DGCL, the Certificate of Incorporation or these Bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting that shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

Whenever notice is required to be given by the Corporation, under any provision of the DGCL, the Certificate of Incorporation or these Bylaws, to any stockholder to whom (1) notice of two consecutive annual meetings of stockholders and all notices of stockholder meetings or of the taking of action by written consent of stockholders without a meeting to such stockholder during the period between such two consecutive annual meetings, or (2) all, and at least two payments (if sent by first-class mail) of dividends or interest on securities during a 12-month period, have been mailed addressed to such stockholder at such stockholder's address as shown on the records of the Corporation and have been returned undeliverable, the giving of such notice to such stockholder shall not be required. Any action or meeting that shall be taken or held without notice to such stockholder shall have the same force and effect as if such notice had been duly given. If any such stockholder shall deliver to the Corporation a written notice setting forth such stockholder's then current address, the requirement that notice be given to such stockholder shall be reinstated. In the event that the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate need not state that notice was not given to persons to whom notice was not required to be given pursuant to Section 230(b) of the DGCL. The exception in subsection (1) of the first sentence of this paragraph to the requirement that notice be given shall not be applicable to any notice returned as undeliverable if the notice was given by electronic transmission.

**Section 1.4 Waiver of Notice.** Whenever any notice is required to be given under applicable law, the Certificate of Incorporation, or these Bylaws, a written waiver of such notice, signed before or after the date of such meeting by the person or persons entitled to said notice, or a waiver by electronic

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transmission by the person entitled to said notice, shall be deemed equivalent to such required notice. All such waivers shall be kept with the books of the Corporation. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where a person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

**Section 1.5 Meeting Attendance via Remote Communication Equipment.**

(a) **Stockholder Meetings.** If authorized by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, stockholders entitled to vote at such meeting and proxy holders not physically present at a meeting of stockholders may, by means of remote communication:

(i) participate in a meeting of stockholders; and

(ii) be deemed present in person and vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication; provided, that (A) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxy holder, (B) the Corporation shall implement reasonable measures to provide such stockholders and proxy holders a reasonable opportunity to participate in the meeting and, if entitled to vote, to vote on matters submitted to the applicable stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (C) if any stockholder or proxy holder votes or takes other action at the meeting by means of remote communication, a record of such votes or other action shall be maintained by the Corporation.

(b) **Board Meetings.** Unless otherwise restricted by applicable law, the Certificate of Incorporation or these Bylaws, members of the Board or any committee thereof may participate in a meeting of the Board or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

**Section 1.6 Dividends.** The Board may from time to time declare, and the Corporation may pay, dividends (payable in cash, property or shares of the Corporation's capital stock) on the Corporation's outstanding shares of capital stock, subject to applicable law and the Certificate of Incorporation.

**Section 1.7 Reserves.** The Board may set apart out of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

**Section 1.8 Contracts and Negotiable Instruments.** Except as otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws, any contract, bond, deed, lease, mortgage or other instrument may be executed and delivered in the name and on behalf of the Corporation by such officer or officers or other employee or employees of the Corporation as the Board may from time to time authorize. Such authority may be general or confined to specific instances as the Board may determine. The Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, the Treasurer or any Vice President may execute and deliver any contract, bond, deed, lease, mortgage or other instrument in the name and on behalf of the Corporation. Subject to any restrictions imposed by the Board, the Chairman of the Board Chief Executive Officer, President, the Chief Financial Officer, the Treasurer or any Vice President may delegate powers to execute and deliver any contract, bond, deed, lease, mortgage or other instrument in the name and on behalf of the Corporation to other officers or employees of the Corporation under such person's supervision and authority, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

**Section 1.9 Fiscal Year.** The fiscal year of the Corporation shall be fixed by the Board.

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**Section 1.10 Seal.** The Board may adopt a corporate seal, which shall be in such form as the Board determines. The seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced.

**Section 1.11 Books and Records.** The books and records of the Corporation may be kept within or outside the State of Delaware at such place or places as may from time to time be designated by the Board.

**Section 1.12 Resignation.** Any director, committee member or officer may resign by giving notice thereof in writing or by electronic transmission to the Chairman of the Board, the Chief Executive Officer, the President or the Secretary. The resignation shall take effect at the time specified therein, or at the time of receipt of such notice if no time is specified or the specified time is earlier than the time of such receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 1.13 Surety Bonds.** Such officers, employees and agents of the Corporation (if any) as the Chairman of the Board, Chief Executive Officer, President or the Board may direct, from time to time, shall be bonded for the faithful performance of their duties and for the restoration to the Corporation, in case of their death, resignation, retirement, disqualification or removal from office, of all books, papers, vouchers, money and other property of whatever kind in their possession or under their control belonging to the Corporation, in such amounts and by such surety companies as the Chairman of the Board, Chief Executive Officer, President or the Board may determine. The premiums on such bonds shall be paid by the Corporation and the bonds so furnished shall be in the custody of the Secretary.

**Section 1.14 Securities of Other Corporations.** Powers of attorney, proxies, waivers of notice of meeting, consents in writing and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chairman of the Board, Chief Executive Officer, President, any Vice President or any officers authorized by the Board. Any such officer, may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities, or to consent in writing, in the name of the Corporation as such holder, to any action by such corporation, and at any such meeting or with respect to any such consent shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed. The Board may from time to time confer like powers upon any other person or persons.

**Section 1.15 Amendments.** The Board shall have the power to adopt, amend, alter or repeal the Bylaws. The affirmative vote of a majority of the Board shall be required to adopt, amend, alter or repeal the Bylaws. The Bylaws also may be adopted, amended, altered or repealed by the stockholders; provided, however, that in addition to any vote of the holders of any class or series of capital stock of the Corporation required by applicable law or the Certificate of Incorporation, the affirmative vote of the holders of at least a majority of the voting power (except as otherwise provided in Section 8.7) of all outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required for the stockholders to adopt, amend, alter or repeal the Bylaws.

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## EMPLOYMENT AGREEMENT

Pursuant to your Restricted Stock Unit Grant Notice This Employment Agreement ("Grant Notice") and this Restricted Stock Unit Agreement (this "Agreement") is made as of February 5, 2024 (the "Effective Date"), by and between Sharecare, Inc., a Delaware corporation (the "Company") has granted you the number of RSUs under its 2021 Omnibus Incentive Plan (the "Plan", Sharecare Operating Company, Inc., a Delaware corporation ("Plan Sharecare") indicated in your Grant Notice, each of which represents the right to receive one share of Stock. The RSUs are granted to you effective as and Brent Layton an individual resident of the date State of grant set forth in the Grant Notice (the "Georgia ("Date of Grant Executive"). If there is any conflict between

WHEREAS, the terms in the Grant Notice, Exhibit 1 Company, Sharecare and Executive desire to the Grant Notice, enter into this Employment Agreement, and the Plan, then such conflict shall be resolved by giving such documents precedence in the following order: Exhibit 1, the Grant Notice, this Agreement, and then the Plan. Capitalized terms not explicitly defined in this Agreement or in the Grant Notice but defined in the Plan will have the same meanings as in the Plan.

The details of the RSUs, in addition for Executive to those set forth in the Grant Notice and the Plan, are as follows:

### 1. Vesting; No Shareholder Rights

The RSUs will vest as provided in your Grant Notice. Vesting will cease upon the termination of your Employment with the Company and its subsidiaries, except as may be provided otherwise in the Vesting Schedule in Exhibit 1 to your Grant Notice or in become an employment or other written agreement between you and the Company. You will not be deemed to be the holder of, or have any of the rights of a stockholder with respect to, any RSUs unless and until they have vested and the Administrator has issued and delivered shares of Stock to you and your name shall have been entered as a stockholder of record on the books of the Company.

### 2. Number of RSUs

The number of RSUs is set forth in your Grant Notice and will be adjusted in the event of changes in capital structure and similar events as provided in Section 7 of the Plan.

### 3. Settlement

Subject to Section 8, each RSU will be settled by delivery to you of one share of Stock within thirty (30) days following vesting. The Administrator may, in its sole discretion, deliver cash in lieu of all or any portion of the shares of Stock otherwise deliverable in respect of the RSUs in an amount equal to such number of shares of Stock multiplied by the Fair Market Value of a share of Stock on the date when such shares would otherwise have been issued, as determined by the Administrator.

### 4. Securities Law Compliance

In no event shall the Company deliver shares of Stock upon vesting or settlement of the RSUs unless such shares are then registered under the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities law or, if not registered, the Administrator has determined that your exercise and the issuance of the shares would be exempt from the registration requirements of the Securities Act and applicable state securities laws. The issuance of shares of Stock is also subject to compliance with all other applicable laws and regulations governing your RSUs, including the requirements of any stock exchange on which the Stock may be listed, and you may not be issued shares of Stock if the Administrator determines that such issuance would not be in material compliance with such laws, regulations and listing requirements.

### 5. Other Terms

- (a) In considering the acceptance of this award of RSUs, you understand, acknowledge, agree and hereby stipulate that you should use the same independent investment

judgment that you would use in making other investments in corporate securities. Among other things, stock prices will fluctuate over any reasonable period of time and the price of Stock may go down as well as up. No guarantees are made as to the future prospects employee of the Company or on the Stock. No representations are made by terms and conditions set forth herein; and

WHEREAS, this Agreement provides compensation and other benefits to which Executive would not otherwise be entitled.

NOW, THEREFORE, in consideration of the Administrator or the Company.

- (b) Notwithstanding anything to the contrary mutual covenants set forth in this Agreement, the Stock issued under this Agreement Company and all amounts that may be received Sharecare hereby offer Executive and Executive hereby accepts the employment of Executive by you in connection with any disposition the Company and Sharecare upon the terms and conditions set forth herein.

## I. **EMPLOYMENT**

A. **Office, Duties and Authority.** During the Term of any such Stock shall be subject Employment (as defined below), the Company and Sharecare agree to applicable recoupment, "clawback" and similar provisions under law, employ Executive to render services as well as any recoupment, "clawback" and similar policies Chief Executive Officer of each of the Company that may be adopted at any time and from time to time in accordance with Section 6(a)(5) Sharecare. Executive shall perform such duties and shall have such authority as is customary for the Chief Executive Officer of an organization of the Plan.

### 6. **Transferability**

The RSUs are not assignable or transferable, except by will or by the laws of descent size and distribution. Without limiting the generality of the foregoing, the RSUs may not be sold, assigned, transferred or otherwise disposed of, or pledged or hypothecated in any manner (whether by operation of law or otherwise), and shall not be subject to execution, attachment or other process. Any assignment, transfer, sale, pledge, hypothecation or other disposition of the RSUs or any attempt to make any such levy of execution, attachment or other process will cause the RSUs to terminate immediately.

### 7. **RSUs not a Service Contract**

The RSUs are not an employment or service contract, and nothing in the RSUs will be deemed to create in any way whatsoever any obligation on your part to continue in the employ or service nature of the Company, or an affiliate, or subject to the lawful directives of the Company's Board of Directors (the "Board") and the written policies of Sharecare and its affiliates (together, the "Company or an affiliate Group") that apply to other senior executives of the Company. Executive shall report directly to the Board. During the Term of Employment, Executive shall also continue your employment or service. In addition, nothing in the RSUs will obligate the Company or an affiliate, their respective stockholders, boards of directors, officers or employees to continue any relationship that you might have serve as a member of the Company's Board or a consultant for Board.

B. **Acceptance and Time Commitment.** Executive accepts such employment and agrees to render the services described above. Executive agrees to serve the Company or an affiliate.

### 8. **Withholding Obligations**

- (a) At Group to the time when best of Executive's ability and in a manner that furthers the RSUs vest, in whole or in part, and at any time thereafter as requested by the Administrator, you hereby agree to make adequate provision for any sums required to satisfy the federal, state, local and foreign tax withholding obligations interests of the Company or an affiliate, if Group and agrees to devote to Executive's duties under this Agreement such business time and energy as is reasonably necessary to perform satisfactorily Executive's obligations hereunder.

C. **Civic, Charitable, Business and Investment Activities.** Notwithstanding any which arise contrary provision of this Agreement, Executive shall have the right to (i) participate in connection civic, trade and charitable activities, (ii) engage in the activities described in Exhibit A hereto and (iii) pursue investment activities, so long as these other activities do not materially interfere with such vesting Executive's obligations and settlement of the RSUs. The Administrator, in its sole discretion, may (but is not required to) hold back shares of Stock otherwise issuable on settlement of the RSUs or permit you ability to tender previously-owned shares of Stock in satisfaction of tax or other withholding requirements (but not in excess of the maximum withholding amount consistent with the RSUs being subject to equity accounting treatment under the Accounting Rules). In addition, the Administrator may (but is not required to), provide services to the extent permitted by law, deduct any such tax and other withholding amounts from any payment of any kind otherwise due to you from the Company or any parent or subsidiary of the Company.

- (b) The Administrator and the Company assume no responsibility for individual income taxes, penalties or interest related to grant, vesting or settlement of any RSU. Neither the Administrator, the Company nor any affiliate makes any representation or undertaking regarding the treatment of any tax withholding in connection with the grant, vesting or settlement of the RSUs. You should consult with your personal tax advisor regarding the tax ramifications, if any, which result from receipt of the RSUs, the subsequent issuance, if any, of Stock on settlement of the RSUs, and the

**subsequent disposition of any such Stock.** You acknowledge that the Administrator or the Company may be required to withhold federal, state and/or local taxes in connection with the vesting and/or settlement of the RSUs. **No RSUs will vest or be settled unless the tax withholding obligations of the Company and/or any affiliate are satisfied.** The Administrator will

have no obligation to issue a certificate for Stock in respect of the RSUs unless the obligations set forth in this Section 8 are satisfied.

#### 9. **Section 409A; Tax Consequences**

It is the Administrator's and the Company's intent that payments **Group** under this Agreement and Grant Notice shall be exempt from Section 409A of **do not violate** the Code ("**Section 409A**") to the extent applicable, and that this Agreement be administered accordingly. Notwithstanding anything to the contrary contained in this Agreement, the Grant Notice or any employment agreement you have entered into with the Company, to the extent that any payment or benefit under this Agreement is determined by the Administrator to constitute "nonqualified deferred compensation" subject to Section 409A and is payable to you by reason of termination of your employment, then (a) such payment or benefit shall be made or provided to you only upon a "separation from service," as defined for purposes **restrictions** of Section 409A under applicable regulations, from the Company **V(D)** and (b) if you are a "specified employee" (within the meaning of Section 409A and as determined by the Administrator), such payment or benefit shall not be made or provided before the date that is six months after the date of your separation from service from the Company (or your earlier death). Each payment under this Agreement shall be treated as a separate payment under Section 409A. You hereby agree that the Administrator and the Company do not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You will not make any claim against the Administrator, the Company, or any of its officers, directors, employees or affiliates related to tax liabilities arising from the RSUs or your other compensation.

#### 10. **Notices**

Any notices provided for in the Agreement or the Plan will be given in writing and will be deemed effectively given upon receipt. The Administrator may, in its sole discretion, decide to deliver any documents related to participation in the Plan and these RSUs by electronic means or to request your consent to participate in the Plan by electronic means. By accepting these RSUs, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Administrator or another third party designated by the Administrator.

#### 11. **Agreement Summaries**

In the event that the Administrator provides you (or anyone acting on your behalf) with summary or other information concerning, including or otherwise relating to your rights or benefits under this Agreement (including, without limitation, the RSUs and any vesting thereof), such summary or other information shall in all cases be qualified in its entirety by Exhibit 1, the Grant Notice, this Agreement and the Plan and, unless it explicitly states otherwise and is signed by an officer of the Company, shall not constitute an amendment or other modification hereto.

#### 12. **Acknowledgements**

You understand, acknowledge, agree and hereby stipulate that: (a) you are executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else; (b) the RSUs are intended to be consideration in exchange for the promises and covenants set forth in this Agreement; (c) you have carefully read, considered and understand all of the provisions **(H)** of this Agreement and the Company's policies reflected **Corporate Governance Guidelines** applicable to other senior executives of the Company, as they may be amended from time to time. In addition, Executive may pursue and engage in this Agreement, and other good and valuable consideration, **outside business activities with the receipt and sufficiency prior written approval** of which is hereby acknowledged; (d) you have asked any questions needed for you **the Board**.

**D. Location.** Executive's principal place of employment shall be the Company's executive offices located in Atlanta, Georgia, provided that Executive shall be required to **understand reasonably travel from time to time in the terms, consequences and binding effect performance** of this Agreement and you fully understand them; (e) you were provided an opportunity to seek the advice of an attorney and/or a tax professional of your choice before accepting this award of RSUs and (f) the obligations and restrictions set forth in this Agreement are fair and reasonable. **Executive's duties.**



**Attachment 2 II.**

**2021 Omnibus Incentive Plan TERM**

**Exhibit 10.27**

**SHARECARE, INC.**

**2021 OMNIBUS INCENTIVE PLAN**

**PERFORMANCE RESTRICTED STOCK UNIT GRANT NOTICE**

**[2023-2025] PERFORMANCE PERIOD** Subject to Section IV, Executive's term of employment pursuant to this Agreement shall commence on the Effective Date and end on December 31, 2026 ("Initial Term"); provided, however, that on each anniversary of the Effective Date following the end of the Initial Term, the term of this Agreement shall be automatically extended for successive one (1)-year periods (each, as "Renewal Term"), provided that either party hereto may elect not to extend this Agreement by giving written notice to the other party at least ninety (90) days prior to the end of the Initial Term or any Renewal Term (such notice, a "Non-Renewal Notice"). Notwithstanding the foregoing, Executive's employment hereunder may be earlier terminated in accordance with Section IV hereof. The period of time between the Effective Date and the expiration or termination of Executive's employment hereunder shall be referred to herein as the "Term of Employment."

**III. COMPENSATION**

**A. Base Salary.** During the Term of Employment, the Company Group agrees to provide Executive with an annual base salary (as it may be increased from time to time, the "Base Salary") of \$500,000. The Base Salary amount shall be subject to annual review and adjustment but will not be decreased in any event. Sharecare Inc. will pay Executive the Base Salary in substantially equal periodic installments according to its standard payroll practices in effect from time to time, but no less frequently than once per month.

**B. Performance Bonus.** Each year during the Term of Employment, Executive will be eligible to receive a Delaware corporation cash performance bonus ("Performance Bonus") based on the achievement of performance milestones, as determined in good faith by the Compensation and Human Capital Committee of the Board (the "Company Committee"), pursuant with respect to its 2021 Omnibus Incentive Plan, each year. For fiscal year 2024, Executive will be eligible for a Performance Bonus based on the performance targets previously approved by the Board prior to the Effective Date. Commencing in fiscal year 2024 and for each fiscal year thereafter, Executive will be eligible for Performance Bonus with a target opportunity equal to 100% of Executive's Base Salary, and with an over-performance maximum payout amount of 200% of Base Salary. Payment of the Performance Bonus shall be made on an annual basis or a more frequent basis as shall be established by the Committee on terms (including with respect to timing) consistent with other senior executives of the Company, subject to Executive's continued employment through the time of payment (except as provided in Section IV hereof).

**C. Benefits.** Executive will be eligible to participate in all employee benefit programs which are provided by the Company Group generally to other senior executive officers of the Company, including (a) any pension, profit-sharing, retirement or deferred compensation plans and (b) any medical, health, dental, disability, life and other insurance programs, subject to the terms and conditions of such plans, as in effect from time to time.

**D. Reimbursement of Expenditures.** The Company Group will reimburse the Executive for all reasonable expenditures incurred by the Executive in the course of Executive's employment or in promoting the interests of the Company Group, in accordance with the written policies and procedures of the Company Group, as they may be amended from time to time, (the "to the extent applicable generally to its senior executive officers. The Company will reimburse Executive for all reasonable legal fees and expenses that are incurred by the Executive in connection with the negotiation and entry into this Agreement (and any related ancillary documents and equity award documents), up to a maximum of \$20,000.



E. **Plan Vacation**). Executive will be entitled to the greater of (i) the amount provided for in any unlimited vacation policy then in effect for senior executive officers of the Company

Group or (ii) four (4) weeks paid vacation annually, which may be taken in accordance with the policies and procedures of the Company Group, as in effect from time to time, to the extent applicable generally to senior executive officers. Any accrued and unused vacation outstanding at the date of termination of this Agreement (for any reason), hereby grants if applicable, will be paid to Participant Executive promptly following the number date of termination.

F. **Equity Award.**

As an inducement to accept employment, on January 2, 2024, the Company granted 10,000,000 restricted stock units ("RSUs") set forth below, each of which represents the right to receive one share of Stock without any payment for such shares. This award is subject to all Executive, and as soon as reasonably practicable following setting of the terms and conditions as set forth in this Performance Restricted Stock Unit Grant Notice (this "applicable performance metrics, the Company will grant 3,000,000 performance RSUs ("Notice PSUs"), to Executive, in the corresponding Performance Restricted Stock Unit Agreement and the Plan, which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Performance Restricted Stock Unit Agreement will have the same definitions as in the Plan or the Performance Restricted Stock Unit Agreement. If there is any conflict between the terms in this Notice, Exhibit 1 to this Notice, the corresponding Performance Restricted Stock Unit Agreement and the Plan, then such conflict or inconsistency shall be resolved by giving such documents precedence in the following order: Exhibit 1, this Notice, the corresponding Performance Restricted Stock Unit Agreement, and then the Plan.

Participant	[PARTICIPANT NAME]
Date of Grant:	[GRANT DATE]
Number of RSUs:	[TOTAL TARGET SHARES]
Expiration Date	[EXPIRY DATE]

**Type of Grant: Performance Restricted Stock Units**

**Vesting Schedule:** This award shall vest each case pursuant to the schedule set forth in Exhibit 1, which is attached hereto and incorporated herein in its entirety.

**Additional Terms/Acknowledgements:** Participant acknowledges receipt of, and understands and agrees to, this Notice, the corresponding Performance Restricted Stock Unit Agreement and the Plan. Participant acknowledges and agrees that this Notice and the corresponding Performance Restricted Stock Unit Agreement may not be modified, amended or revised except as provided in the Plan. Participant further acknowledges that as terms of the Date of Grant, this Notice, the corresponding Performance Restricted Stock Unit Agreement, and the Plan set forth the entire understanding between Participant and the Company regarding this RSU award and supersede all prior oral and written agreements, promises and/or representations on that subject with the exception of the following agreements only.

By accepting these RSUs, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Administrator or another third party designated by the Administrator.

Sharecare, Inc.

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By: [NAME]

Title:

Participant:

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Date:

Attachments: Performance Restricted Stock Unit Agreement, 2021 Omnibus Incentive Plan

Exhibit 10.27

## Exhibit 1

### Vesting Schedule

Exhibit 10.27

## Attachment 1

### Performance Restricted Stock Unit Agreement

SHARECARE, INC.

2021 OMNIBUS INCENTIVE PLAN

#### PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

Pursuant to your Performance Restricted Stock Unit Grant Notice (“**Grant Notice**”) and this Performance Restricted Stock Unit Agreement (this “**Agreement**”), Sharecare, Inc., a Delaware corporation (the “**Company**”) has granted you the number of RSUs under its 2021 Omnibus Incentive Plan (the “**Equity Plan**”) indicated in your Grant Notice, each and written award agreements between Executive and the Company, substantially similar forms (other than with respect to the PSUs and the performance metrics contained therein) of which **represents** are attached hereto as **Exhibit B**. The PSUs will be divided into three equal tranches, with each tranche representing 1/3 of the **right** total number of PSUs granted (each, a “**PSU Award Tranche**”) that will be earned and become vested based on performance metrics related to **receive one share** revenue, adjusted EBITDA or other growth goals for the years ending December 31, 2024, 2025 and 2026 to be set by the Board or the Committee after discussion with Executive.

For the avoidance of **Stock** doubt, the Board (or the Committee on behalf of the Board) shall continue to have sole and absolute discretion to grant any additional equity incentive awards to Executive commencing with fiscal 2025 and for each year thereafter (or such other periodic basis as may be determined by the Board or the Committee).

#### IV. **TERMINATION**

**A. Death.** If Executive should die during the Term of Employment, this Agreement will terminate. The **RSUs are granted** Company Group shall pay to **you effective** the Executive's estate, or Executive's heirs, (i) the amount of any accrued and unpaid Base Salary (determined as of the date of Executive's termination of employment), payable within forty-five (45) days after termination, (ii) any amount payable to Executive for previously

completed years in respect of Executive's Performance Bonus that has not been paid as of the date of termination, payable within forty-five (45) days after termination, (iii) any unpaid expense reimbursements, payable in accordance with Company Group policy (iv) any accrued but unused vacation time, payable in accordance with Company Group policy, and (v) all other payments, benefits or fringe benefits to which Executive is entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant set forth or this Agreement, payable in accordance with the Grant Notice (the terms of such plan or program (collectively, the "Date of Grant Accrued Amounts"). If there is any conflict between In addition, the terms in the Grant Notice, Exhibit 1 Company Group shall pay to the Grant Notice, this Agreement and the Plan, then such conflict shall be resolved by giving such documents precedence in the following order: Exhibit 1, the Grant Notice, this Agreement, and then the Plan. Capitalized terms not explicitly defined in this Agreement Executive's estate, or in the Grant Notice but defined in the Plan will have the same meanings as in the Plan.

The details of the RSUs, in addition to those set forth in the Grant Notice and the Plan, are as follows:

**1. Vesting; No Shareholder Rights**

The RSUs will vest as provided in your Grant Notice. Vesting will cease upon the termination of your Employment with the Company and its subsidiaries, except as may be provided otherwise in the Vesting Schedule in Exhibit 1 to your Grant Notice or in an employment or other written agreement between you and the Company. You will not be deemed to be the holder of, or have any of the rights of a stockholder with respect to, any RSUs unless and until they have vested and the Administrator has issued and delivered shares of Stock to you and your name shall have been entered as a stockholder of record on the books of the Company.

**2. Number of RSUs**

The number of RSUs is set forth in your Grant Notice and will be adjusted in the event of changes in capital structure and similar events as provided in Section 7 of the Plan.

**3. Settlement**

Subject to Section 8, each RSU will be settled by delivery to you of one share of Stock within thirty (30) days following vesting. The Administrator may, in its sole discretion, deliver cash in lieu of all or any portion of the shares of Stock otherwise deliverable in respect of the RSUs in Executive's heirs, an amount equal to the amount payable to Executive in respect of Executive's Performance Bonus for services in the year in which Executive's death occurs (determined in accordance with Section III(B)), pro-rated for the portion of such number of shares of Stock multiplied by the Fair Market Value of a share of Stock on year occurring through the date when such shares would otherwise have been issued, as determined by the Administrator.

**4. Securities Law Compliance**

In no event shall the Company deliver shares of Stock upon vesting or settlement of the RSUs unless such shares are then registered under the Securities Act of 1933, as amended Executive's death (the "Securities Act Pro Rata Bonus"), and applicable state securities payable at the time the Performance Bonus would have been paid had Executive continued to be employed by the Company. No further amounts or benefits shall be payable except for the Company Group's continuing obligation to provide indemnification protection under Section V(K), reimbursements under Section III(D) or as otherwise required by law or if not registered, the Administrator has determined that your exercise policies and the issuance plans of the shares would be exempt from Company Group then in effect.

**B. Disability.** If, during the registration requirements Term of the Securities Act Employment, Executive should become physically or mentally disabled, as confirmed by competent medical evidence, such that he is unable to perform his duties under Sections I(A) and applicable state securities laws. The issuance (B) hereof for (i) a period of shares of Stock is also subject six (6) consecutive months or (ii) for shorter periods that add up to compliance with all other applicable laws and regulations governing your RSUs, including the requirements of six (6) months in any stock exchange on which the Stock may be listed, and eight (8)

you month period, then the Company Group may not terminate this Agreement by written notice to the Executive. In that case, no further amounts or benefits shall be issued shares of Stock if payable to Executive other than to pay the Administrator determines that such issuance would not be in material compliance with such laws, regulations and listing requirements.

**5. Other Terms**

- (a) In considering the acceptance of this award of RSUs, you understand, acknowledge, agree and hereby stipulate that you should use the same independent investment judgment that you would use in making other investments in corporate securities. Among other things, stock prices will fluctuate over any reasonable period of time Accrued Amounts and the price of Stock may go down Pro Rata Bonus, which Pro Rata Bonus will be payable when the Performance Bonus would have been paid had Executive continued to be employed by the Company. No further amounts or benefits shall be payable except for the Company Group's continuing obligation to provide indemnification protection under Section V(K), reimbursements under Section III(D) or as well as up. No guarantees are made as to otherwise required by law or the future prospects policies and plans of the Company or the Stock. No representations are made by the Administrator or the Company. Group then in effect.

**C. Termination for Cause/Resignation without Good Reason.**

(b) 1. Notwithstanding anything to the contrary in this Agreement, the Stock issued The Company Group may terminate Executive's employment under this Agreement and all amounts that may be received by you in connection with any disposition of any such Stock shall be subject to applicable recoupment, "clawback" and similar provisions under law, as well as any recoupment, "clawback" and similar policies of the Company that may be adopted at any time and from time to time in accordance with Section 6(a)(5) of the Plan.

**6. Transferability**

The RSUs are not assignable or transferable, except by will or by the laws of descent and distribution. Without limiting the generality of the foregoing, the RSUs may not be sold, assigned, transferred or otherwise disposed of, or pledged or hypothecated in any manner (whether by operation of law or otherwise), and shall not be subject to execution, attachment or other process. Any assignment, transfer, sale, pledge, hypothecation or other disposition of the RSUs or any attempt to make any such levy of execution, attachment or other process will cause the RSUs to terminate immediately.

**7. RSUs not a Service Contract**

The RSUs are not an employment or service contract, and nothing in the RSUs will be deemed to create in any way whatsoever any obligation on your part to continue in the employ or service of the Company or an affiliate, or of the Company or an affiliate to continue your employment or service. In addition, nothing in the RSUs will obligate the Company or an affiliate, their respective stockholders, boards of directors, officers or employees to continue any relationship that you might have as a member of the Company's Board or a consultant for the Company or an affiliate.

**8. Withholding Obligations**

- (a) At the time when the RSUs vest, in whole or in part, and at any time thereafter as requested by the Administrator, you hereby agree to make adequate provision for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an affiliate, if any, which arise in connection with such vesting and settlement of the RSUs. The Administrator, in its sole discretion, may (but is not required to) hold back shares of Stock otherwise issuable on settlement of the RSUs or permit you to tender previously-owned shares of Stock in satisfaction of tax or other withholding requirements (but not in excess of the maximum withholding amount consistent with the RSUs being subject to equity accounting treatment under the Accounting Rules) "Cause". In addition, the Administrator may (but is not required to), to the extent permitted by law, deduct any such tax and other withholding amounts from any payment of any kind otherwise due to you from the Company or any parent or subsidiary of the Company.

Exhibit 10.27

- (b) The Administrator and the Company assume no responsibility for individual income taxes, penalties or interest related to grant, vesting or settlement of any RSU. Neither the Administrator, the Company nor any affiliate makes any representation or undertaking regarding the treatment of any tax withholding in connection with the grant, vesting or settlement of the RSUs. You should consult with your personal tax advisor regarding the tax ramifications, if any, which result from receipt of the RSUs, the subsequent issuance, if any, of Stock on settlement of the RSUs, and the subsequent disposition of any such Stock. You acknowledge that the Administrator or the Company may be required to withhold federal, state and/or local taxes in connection with the vesting and/or settlement of the RSUs. No RSUs will vest or be settled unless the tax withholding obligations of the Company and/or any affiliate are satisfied. The Administrator will have no obligation to issue a certificate for Stock in respect of the RSUs unless the obligations set forth in this Section 8 are satisfied.

**9. Section 409A; Tax Consequences**

It is the Administrator's and the Company's intent that payments under this Agreement and Grant Notice shall be exempt from Section 409A of the Code ("Section 409A") to the extent applicable, and that this Agreement be administered accordingly. Notwithstanding anything to the contrary contained

in this Agreement, the Grant Notice or any employment agreement you have entered into with the Company, to the extent that any payment or benefit under this Agreement is determined by the Administrator to constitute "nonqualified deferred compensation" subject to Section 409A and is payable to you by reason of termination of your employment, then (a) such payment or benefit shall be made or provided to you only upon a "separation from service," as defined for **For** purposes of Section 409A under applicable regulations, from the Company and (b) if you are a "specified employee" (within the meaning of Section 409A and as determined by the Administrator), such payment or benefit shall not be made or provided before the date that is six months after the date of your separation from service from the Company (or your earlier death). Each payment under this Agreement shall be treated as a separate payment under Section 409A. You hereby agree that the Administrator and the Company do not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You will not make any claim against the Administrator, the Company, or any of its officers, directors, employees or affiliates related to tax liabilities arising from the RSUs or your other compensation.

#### 10. Notices

Any notices provided for in the Agreement or the Plan will be given in writing and will be deemed effectively given upon receipt. The Administrator may, in its sole discretion, decide to deliver any documents related to participation in the Plan and these RSUs by electronic means or to request your consent to participate in the Plan by electronic means. By accepting these RSUs, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Administrator or another third party designated by the Administrator.

#### 11. Agreement Summaries

In the event that the Administrator provides you (or anyone acting on your behalf) with summary or other information concerning, including or otherwise relating to your rights or benefits under this Agreement (including, without limitation, the RSUs and any vesting thereof), such summary or other information shall in all cases be qualified in its entirety by Exhibit 1, the Grant Notice, this

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Exhibit 10.27

Agreement and the Plan and, unless it explicitly states otherwise and is signed by an officer of the Company, shall not constitute an amendment or other modification hereto.

#### 12. Acknowledgements

You understand, acknowledge, agree and hereby stipulate that: (a) you are executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else;

(b) the RSUs are intended to be consideration in exchange for the promises and covenants set forth in this Agreement; (c) you have carefully read, considered and understand all of the provisions of this Agreement, and the Company's policies reflected in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged; (d) you have asked any questions needed for you to understand the terms, consequences and binding effect of this Agreement and you fully understand them; (e) you were provided an opportunity to seek the advice of an attorney and/or a tax professional of your choice before accepting this award of RSUs and (f) the obligations and restrictions set forth in this Agreement are fair and reasonable.

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Exhibit 10.27

#### Attachment 2

#### 2021 Omnibus Incentive Plan

## SHARECARE, INC. CHANGE IN CONTROL PLAN

Effective January 25, 2023

Exhibit 10.28

ARTICLE ONE FOREWORD

1.01 **Purpose of the Plan.** Sharecare, Inc. (the "Corporation") considers it essential and in the best interests of its stockholders (i) to provide appropriate protection that facilitates executives acting in the interest of stockholders in the event of a possible or actual change in control of the Corporation; (ii) to provide for the alignment of the

Corporation's change in control arrangements with current market practice under a consistent framework; and (iii) to protect the Corporation's confidential information, trade secrets and customer relationships. Accordingly, pursuant to the terms of this Plan, effective January 25, 2023, the Corporation will provide Severance Benefits to an eligible executive in the event of a CIC Qualifying Termination of the eligible executive's employment. No benefits will be provided pursuant to this Plan except upon the occurrence of a CIC Qualifying Termination. The meaning of capitalized terms used throughout the Plan is determined under Article Two, except as they are otherwise defined in the Plan. Severance Benefits are subject to "clawback" to the extent provided in Section 4.07, and no provision of this Plan shall exempt any Severance Benefits from "clawback".

1.02 **Plan Status.** The Plan is intended to be a top hat plan for a select group of management or highly compensated executives for purposes of ERISA, so that it is subject only to the administration and enforcement provisions of ERISA.

ARTICLE TWO DEFINITIONS

Where the following words and phrases appear in this Plan with initial capital letters, they shall have the meaning set forth below, unless a different meaning is plainly required by the context.

2.01 **"Accounting Firm"** means a nationally recognized accounting firm, or actuarial, benefits or compensation consulting firm, in each case with experience in performing calculations regarding the applicability of Code

Section 280G and of the tax imposed by Code Section 4999, as selected by the Corporation prior to a Change in Control.

2.02 **"Accrued Obligations"** means a lump sum payment of accrued and unpaid Base Salary, any annual bonus award earned by Participant for a fiscal year of the Corporation that ended prior to Participant's date of termination that has not yet been paid, unused vacation or paid time off, and other accrued benefits through the date of termination, paid on the same basis as paid upon any voluntary termination of employment.

2.03 **"Administrator"** means the Committee. The Committee may delegate its duties and authority as Administrator to officers and employees of the Corporation.

2.04 **"Annual Incentive Plan"** means, with respect to a Participant, the Corporation's annual incentive plan in which the Participant participates at the time of the Participant's CIC Qualifying Termination.

2.05 **"Base Salary"** means, with respect to a Participant, the Participant's annual base salary in effect on the date of the Participant's CIC Qualifying Termination.

2.06 **"Board"** means the Board of Directors of the Corporation.

2.07 **"Cause"** means the following with respect to a Participant: shall mean:

- (a) Executive's conviction, plea of no contest or plea of guilty or nolo contendere, to a for any felony;

(b) Executive's habitual failure/refusal to perform substantially the duties of Participant's Executive's position (other than any such failure resulting from incapacity due to physical or mental illness and specifically excluding any failure by Participant, Executive after reasonable efforts to meet performance expectations) after receipt of written notice from the Committee of such failure, provided that the Participant shall have 30 days after the date of receipt of such notice in which to cure such failure (to the extent cure is possible); or

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Exhibit 10.28

(c) Executive's material breach of any of Executive's obligations to the Company Group under this Plan, the Restrictive Covenants Agreement or under the Company's written policies with respect to harassment, discrimination and retaliation, code of business conduct and ethics, insider trading, anticorruption and bribery, and any other material written policies that are adopted by the Board or any committee of the Board from time to time that apply to similarly situated senior executives of the Company) which has (or can is reasonably be expected to have) a substantial, material, adverse effect upon the Company (financially reputationally, or otherwise) after receipt of reputationally;

Provided, that no termination under sections (b) or (c) above shall be effective unless Executive has received thirty (30) days advance written notice from the Committee of such breach, provided that Board stating in reasonable detail the Participant shall have 30 days after the date of receipt of such notice in which to cure such breach (to the extent cure is possible).

2.08 "Change in Control" means the occurrence of any of the following events:

(a) any Person (other than (i) the Corporation actions or its Subsidiaries, (ii) a trustee or other fiduciary holding securities under any employee benefit plan of the Corporation or its Subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) a corporation owned, directly or indirectly, by the stockholders of the Corporation in substantially the same proportions as their ownership of stock in the Corporation (any of (i) – (iv), "Excluded Persons") or (v) unless otherwise determined by the Board or the Committee, a Person which has acquired Stock in the ordinary course of business for investment purposes only and not with the purpose or effect of changing or influencing the control of the Corporation, or in connection with or as a participant in any transaction having such purpose or effect ("Investment Intent"), as demonstrated by the filing by such Person of a statement on Schedule 13G (including amendments thereto) pursuant to Regulation 13D under the Exchange Act, as long as such Person continues to hold such Stock with an Investment Intent) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Corporation (not including in the securities beneficially owned by such Person any securities acquired directly from the Corporation or its Affiliates pursuant to express authorization by the Board that refers to this exception) representing 20% or more of either the then outstanding shares of Stock of the Corporation or the combined voting power of the Corporation's then outstanding voting securities; or

(b) the following individuals cease for any reason omissions purported to constitute a majority breach of Executive's duties or obligations hereunder, and Executive does not correct the acts or omissions documented in such notice within such thirty (30) day period. Executive may terminate Executive's employment under this Agreement without Good Reason (as defined below) by providing sixty (60) days' advance written notice to the Company.

2. Upon a termination by the Company Group for Cause or by Executive without Good Reason (as defined below), Executive shall be entitled to receive the Accrued Amounts. No further amounts or benefits shall be payable except for the Company's continuing obligation to provide indemnification protection under Section V(K), reimbursements under Section III(D) or as otherwise required by law or the policies and plans of the number of directors of the Board of the Corporation Company Group then serving: (i) individuals who, on the Effective Date, constituted the Board; and

(ii) any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Corporation) whose appointment or election by the Board or nomination for election by the Corporation's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved (collectively the "Continuing Directors"); provided, however, that individuals who are appointed to the Board pursuant to or in accordance with the terms of an agreement relating to a merger, consolidation, or share exchange involving the Corporation (or any direct or indirect Subsidiary of the Corporation) shall not be Continuing Directors for purposes of this Plan until after such individuals are first nominated for election by a vote of at least two-thirds (2/3) of the then Continuing Directors and are thereafter elected as directors by stockholders of the Corporation at a meeting of stockholders held following consummation of such merger, consolidation, or share exchange; provided further, that in the event the failure of any such persons appointed to the Board to be Continuing Directors results in a Change in Control, the subsequent qualification of such persons as Continuing Directors shall not alter the fact that a Change in Control occurred; or

(c) upon the consummation of a merger, consolidation or share exchange of the Corporation with any other corporation or the issuance of voting securities of the Corporation in connection with a merger, consolidation or share exchange of the Corporation (or any direct or indirect Subsidiary of the Corporation) pursuant to applicable stock exchange requirements, other than (i) a merger, consolidation or share exchange which would result in the voting securities of the Corporation outstanding immediately prior to such merger, consolidation or share exchange continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 66-2/3% of the combined voting power of the voting securities of the Corporation or such surviving entity or any parent thereof outstanding immediately after such merger, consolidation or share exchange, or (ii) a merger, consolidation or share exchange effected to implement a recapitalization of the Corporation (or similar transaction) in which no Person (other than an Excluded Person) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Corporation (not including in the securities beneficially owned by such Person any securities acquired directly from the Corporation or its Affiliates after the Effective Date, pursuant to express authorization by the Board of Directors that refers to this exception) representing 20% or more of either the then outstanding shares of Stock or the Corporation or the combined voting power of the Corporation's then outstanding voting securities; or



(d) the stockholders of the Corporation approve of a plan of complete liquidation or dissolution of the Corporation or an agreement for the sale or disposition by the Corporation of all or substantially all of the

Corporation's assets (in one transaction or a series of related transactions within any period of 24 consecutive months), other than a sale or disposition by the Corporation of all or substantially all of the Corporation's assets to an entity at least 80% of the combined voting power of the voting securities of which are owned by persons in substantially the same proportions as their ownership of the Corporation immediately prior to such sale.

Notwithstanding the foregoing, no "Change in Control of the Corporation" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the holders of the Stock of the Corporation immediately prior to such transaction or series of transactions continue to own, directly or indirectly, in the same proportions as their ownership in the Corporation, an entity that owns all or substantially all of the assets or voting securities of the Corporation immediately following such transaction or series of transactions.

For purposes of this Section 2.08, "Affiliate" shall have the meaning ascribed to such term in Rule 12b-2 under the Exchange Act, and "Stock" means the Common Stock of the Corporation, par value \$.0001 per share.

Notwithstanding anything in this Plan to the contrary, to the extent any provision of this Plan would cause a payment of an amount subject to Section 409A (and not otherwise exempt from Section 409A) to be made because of the occurrence of a Change in Control, then such payment shall not be made unless such Change in Control also constitutes a "change in ownership," "change in effective control" or "change in ownership of a substantial portion of the Corporation's assets" within the meaning of Code Section 409A. Other Participant rights that are tied to a Change in Control, such as vesting, shall not be affected by this paragraph.

2.09 "Chief Administrative Officer" means the most senior human resources executive of the Corporation. effect.

2.10 D. "Chief Executive Officer" means the Chief Executive Officer Resignation for Good Reason/Termination of the Corporation. Employment Not for Cause

2.11 1. "CIC Period" means the time period commencing on the date of the signing of a definitive agreement The Company Group may, by written notice to effectuate a Change in Control Executive, terminate Executive's employment and ending on the second anniversary of the effective date of the Change in Control.

2.12 "CIC Qualifying Termination" means, with respect to a Participant, the Participant's Separation from Service within the CIC Period (i) initiated by the Employer without this Agreement not for Cause other than due to Disability or death, or (ii) initiated by the Participant (as "Cause" is defined above). Executive may terminate Executive's employment and this Agreement for Good Reason.

2.13 "Code" means the Internal Revenue Code of 1986, "Good Reason" as amended and the proposed, temporary and final regulations promulgated thereunder. Reference to any section or subsection of the Code includes reference to any comparable or succeeding provisions of any legislation that amends, supplements or replaces such section or subsection.

2.14 "Committee" means the Compensation and Human Capital Committee of the Board.

2.15 "Corporation" means Sharecare, Inc, a Delaware corporation, or its successor or assignee.

2.16 "Director" means a member of the Board.

2.17 "Disability" shall mean, with respect to a Participant, the date on which the insurer or administrator under the Employer's program of long-term disability insurance determines that the Participant is eligible to commence benefits under such insurance.

2.18 "Effective Date" means the date on which this Plan is effective, January 25, 2023.

2.19 "Employer" means the Corporation and each Subsidiary.

2.20 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder. Reference to any section or subsection of ERISA includes reference to any comparable or succeeding provisions of any legislation that amends, supplements or replaces such section or subsection.

2.21 "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder. Reference to any section or subsection of the Exchange Act includes reference to any

comparable or succeeding provisions of any legislation that amends, supplements or replaces such section or subsection.

2.22 "Excise Tax" shall mean, collectively (i) the tax imposed by Code Section 4999 by reason of being "contingent on a change in ownership or control" of the Corporation, within the meaning of Code Section 280G; (ii) any similar tax imposed by state or local law, and (iii) any interest or penalties with respect to any tax described in clause (i) or (ii).

2.23 defined herein. "Good Reason" means for purposes of this Agreement shall mean the occurrence of any of the following events without the Participant's consent: prior written consent of Executive: (i) a material reduction in Executive's Base Salary or a material reduction in Executive's target bonus opportunity set forth in Section III(B), as the same may be in effect from time to time (in each case, which shall mean

(a)

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a reduction of 5% or more); (ii) a reduction in Executive's title below that of Chief Executive Officer of the Company or any material diminution or adverse change in the Participant's Executive's position, authority, duties or responsibilities or a

change in Participant's reporting relationship which results in Participant reporting to a position below that of the seniority in effect on the date of the Participant's CIC Qualifying Termination (for the avoidance of doubt, a material adverse change in the Participant's Executive's position, authority, duties or responsibilities shall occur if the Company (or its successor) ceases to be publicly-traded or otherwise becomes a privately held company);

(b) (iii) a material reduction change in Participant's Base Salary (which for purposes Executive's reporting relationship which results in Executive reporting to a position below that of the Plan shall mean a reduction of 5% or more) or the Target Bonus opportunity under the Annual Incentive Plan;

(c) a material reduction in the value of the Participant's annual equity or long-term incentive award opportunity;

(d) a Board; (iv) relocation of Participant's Executive's principal place of employment to a location more than fifty (50) miles from their place of employment as of the Participant's CIC Qualifying Termination that materially impacts Participant's typical commute Atlanta, Georgia (it being understood that requiring Participant Executive to travel to an extent reasonably consistent with Participant's Executive's present business travel obligations as of the date of the Participant's CIC Qualifying Termination in the performance of the duties and responsibilities of Participant's Executive's position shall not constitute Good Reason); and

(e) (v) the material breach by the Corporation of the terms of the Plan;

provided that, within 90 days following the first occurrence Company Group of any provision of this Agreement; or (vi) the events set forth Company's provision of a Non-Renewal Notice to Executive at any time in accordance with Section II of this Agreement. Notwithstanding anything to the contrary, if the Term of Employment expires due to Executive's provision to the Company of a Non-Renewal Notice at any time pursuant to Section 2.23 II, any subsequent termination of employment shall be deemed a resignation by Executive without Good Reason.

2. In the Participant event that Executive reasonably believes that an event has occurred which would give Executive the right to terminate Executive's employment and this Agreement for Good Reason (the "Triggering Event") (i) delivers Executive will provide written notice to the Corporation of his or her intention to terminate

his or her employment for Good Reason, which notice specifies Company, certifying in reasonable detail the circumstances claimed to give rise to Participant's basis for such Triggering Event within ninety (90) days of the initial existence of such Triggering Event, (ii) if in fact an event has occurred based on which Executive has the right to terminate employment and this Agreement for Good Reason, (ii) provides the Corporation with at least 30 Company Group will have a period of thirty (30) days following receipt of such notice in which to cure the circumstances such Triggering Event, and (iii) if the Corporation any Triggering Event is not successful in curing cured within such thirty (30)-day period, any termination of employment by Executive for Good Reason must occur within seventy-five (75) days after the circumstances, Participant expiration of such cure period. If any Triggering Event is cured by the Company Group within such thirty (30)-day period, Executive shall not be entitled to terminate employment hereunder for Good Reason with respect to such Triggering Event.

3. If the Company Group terminates Executive's employment and this Agreement not for Cause or if Executive terminates employment within 75 days of Corporation's failure and this Agreement for Good Reason, then the Company Group will pay to cure such circumstances.

2.24 Executive, without duplication, the Accrued Amounts, the Pro Rata Bonus and the Severance Payments. The “Notification Letter Severance Payments” means a letter notifying an executive payments equal to:

(a) Twelve (12) months (the “Severance Period”) of his or her eligibility for participation Executive’s annual Base Salary in effect at the Plan that meets the requirements time of the following sentence. An offer-of-employment or promotion letter or other letter from the Employer shall constitute a “Notification Letter” if it requires the executive to sign and return the letter – (i) to agree to the terms and conditions Executive’s termination of the Plan; (ii) to agree to the Restrictive Covenants; and (iii) if there is any pre-existing right to severance benefits (or similar benefits) in connection with a Change in Control from the Employer, to waive all such benefits in favor of benefits under this Plan. employment; plus

2.25 (b) “Notice of Termination” means a written notice of termination of employment for Cause or Disability given by One (1) times the Employer to a Participant in the manner specified in Section 6.10, which states the specific termination provision in the Plan relied upon Performance Bonus based on actual performance for the termination, sets forth in reasonable detail the facts and circumstances claimed to provide the basis for termination under the provision so indicated, and specifies the Participant’s date year of termination.

2.26 In addition, if Executive timely elects and remains eligible for continuation coverage under the Consolidated Omnibus Budget Reconciliation Act (“Participant COBRA” means each individual who has become a Participant pursuant ), the Company Group will reimburse Executive (and, if applicable, Executive’s dependents) for the monthly premium for such coverage that are in excess of active employee rates for such coverage (at the coverage levels in effect immediately prior to Section 3.01, and who has not ceased Executive’s termination of employment), subject to any applicable tax withholdings (as determined by the Company Group, in sole discretion, to be necessary for tax or other reasons), until the earliest to occur of: (i) the end of the Severance Period and (ii) the date Executive becomes eligible for health benefits through any arrangement sponsored by, or paid for by, a Participant under subsequent employer of Executive (regardless of whether Executive enrolls for such coverage) (the “COBRA Benefit”). Executive shall provide prompt written notice to the Company Group in the event of the occurrence of clause (ii) in the

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preceding sentence. Notwithstanding the foregoing, if the remaining Severance Period is greater than the period during which Executive would be entitled to COBRA continuation coverage, the Company’s sole obligation for the portion of COBRA Benefit continuing after the expiration of such COBRA continuation coverage shall be to pay Executive a monthly amount, subject to any applicable tax withholdings, equal to the amount a similarly situated employee would have to pay for COBRA coverage.

4. The Severance Payments will be paid to Executive in substantially equal periodic installments according to standard payroll practices in effect from time to time during the one (1)-year period following termination of employment, and the COBRA Benefit will be reimbursed or paid to Executive on the last business day each month; provided, however, that the Performance Bonus will be payable when the Performance Bonus would have been paid had Executive continued to be employed by the Company. Executive will only be entitled to receive the Severance Payments and the COBRA Benefit if Executive signs and delivers to the Company Group the Release in substantially the form of Exhibit C hereto within fifty (50) days following Executive’s termination of employment and such Release becomes effective and irrevocable in accordance with its terms on or before the sixtieth (60<sup>th</sup>) day following termination of employment. The Severance Payments and COBRA Benefit will commence beginning on the first payroll period or the last business day of the month, as applicable, that is on or after the sixtieth (60<sup>th</sup>) day following Executive’s termination of employment; provided, however, that the first payment shall include all amounts that would otherwise have been paid to Executive during the period beginning on the date of termination and ending on the first payment date (without interest). The Severance Payments and COBRA Benefit are also conditioned on Executive’s continued compliance with the restrictive covenants contained in this Agreement, specifically including but not limited to the noncompetition provision in Section 3.03, V(H) and the provisions contained in the Confidentiality Agreement (defined below), which are incorporated herein by reference.

#### 2.27 E. “Change in Control”

1. “Payment” means any payment or benefit in Executive will be entitled to the nature of compensation (within the meaning of Code Section 280G(b) (2)) received or to be received by a Participant or for the benefit of a Participant, whether payable under the terms of this Plan or any other plan, arrangement or agreement with the Employer or an affiliate benefits of the Employer.

2.28 "Person" means any "person" or "group" as those terms are used in Sections 13(d) and 14(d) of the Exchange Act.

2.29 "Plan" means this Sharecare, Inc. Change in Control Plan effective January 25, 2023 (the "CIC Plan"), at a "Tier Level Multiplier" (as defined in the CIC Plan) of 2x for purposes of calculating the amount of cash severance pay and benefits Executive will be entitled to receive upon a qualifying termination event following a change in control, in each case as defined in the CIC Plan; provided that notwithstanding any provision of the CIC Plan or any related documents, in no event shall (i) the CIC Plan be amended, modified, altered or terminated in a manner that would adversely affect any of Executive's rights or entitlements to the payments or benefits under the CIC Plan or (ii) Executive's participation under the CIC be discontinued, in each case without the prior written consent of Executive.

2. Executive agrees that, notwithstanding anything to the contrary in the CIC Plan, to the extent a change in control (as defined in the CIC Plan) occurs prior to November 9, 2024, any acceleration of vesting of Executive's RSUs pursuant to Section 4.03(b) of the CIC Plan shall be made a pro rata basis; provided that, for the avoidance of doubt, (i) if a change in control occurs on or after November 9, 2024, all of Executive's outstanding RSUs and PSUs will be eligible for vesting in accordance with the CIC Plan and (ii) except as expressly set forth herein and as it may be amended from time to time, or any successor plan, program or arrangement thereto.

2.30 "Release" means an agreement in which the Participant releases claims in connection with a termination of the Participant's employment with the Employer and re-affirms the Participant's obligation to observe above, the terms of the Restrictive Covenants. CIC Plan will control the treatment of Executive's outstanding equity awards.

## V. ADDITIONAL COVENANTS

A. The specific terms validity and construction of this Agreement or any of its provisions shall be determined under the laws of the Release for a Participant State of Georgia. The invalidity or unenforceability of any provision of this Agreement shall be based upon not affect or limit the form of release used by the Employer at the time validity and enforceability of the termination of employment, which shall be substantially similar to the form of Release attached hereto as Exhibit A. other provisions.

2.31 B. "Release Consideration Period" means If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, that provision will be modified by that court as needed to make it enforceable and the period of time specified by the Release, not to exceed forty- five (45) days, during which the affected Participant is permitted to consider whether remaining provisions shall nevertheless continue in full force without being impaired or not to sign the Release. invalidated.

2.32 C. "Release Revocation Period" means Executive expressly acknowledges that the period Company Group has advised Executive to consult with independent legal counsel of time specified by Executive's choosing to review and explain to Executive the Release, not to exceed seven (7) days (or such longer period as may be required by applicable law), during which the Participant is permitted to revoke the signed Release.

2.33 "Replacement Award" means an award that is granted as an assumption or replacement legal effect of the Award and that has similar terms and conditions and preserves the same benefits as the Award it is replacing, of this Agreement prior to Executive's signing this Agreement.

2.33 D. "Restrictive Covenants" means, with respect to a Participant, the restrictive covenants set forth in Exhibit B attached hereto This Agreement cancels and made a part of this Plan.

2.34 "Section 409A" means Section 409A of the Code and the Department of Treasury and Internal Revenue Service guidance thereunder.

2.35 "Separation from Service" means "separation from service" from the Employer supersedes any and all Subsidiaries as described under Section 409A(a)(2)(A)(i). A Participant who is both an employee and a Director will not have a Separation from Service until he other agreements, either oral or she has a Separation from Service with respect to both his or her employment and his or her Board membership.

2.36 "Severance Benefits" means in writing, between the severance pay and the other benefits payable to a Participant pursuant to Article Four of the Plan.

2.37 "Subsidiary" means any entity in which the Corporation, directly or indirectly, beneficially owns more than fifty percent (50%) of such entity's equity interest by vote and value.

2.38 "Target Bonus" means, with respect to a Participant, the Participant's target annual cash incentive under the Annual Incentive Plan for the performance period containing the date of the Participant's CIC Qualifying Termination.

2.39 "Tier Level Multiplier" means the multiple of Base Salary and Target Bonus payable under Section 4.02 that is established by the Committee for a Participant. Participants shall be placed at a level of 1.5X, 2X or 3X by the Committee.

#### ARTICLE THREE ELIGIBILITY AND PARTICIPATION

3.01 **Eligibility.** The Committee may select senior executives of the Corporation as Participants from time to time and designate the Participant's Tier Level Multiplier. The Chief Administrative Officer or Chief Executive Officer will provide notice on behalf of the Administrator to each such executive of his or her selection for Plan participation by means of a Notification Letter in the manner provided by Sections 2.24 and 6.10. Each such executive will become a Participant on the date the executive signs and properly returns the Notification Letter. The Chief Administrative Officer or Chief Executive Officer may provide an Appendix to this Plan to indicate the executives eligible to participate from time to time (or to reflect the removal of executives as Participants in a manner consistent with the terms of the Plan).

3.02 **Exclusive Benefits.** Any Severance Benefits payable to a Participant under this Plan will be paid solely in lieu of, and not in addition to, any severance benefits payable under any offer letter, severance arrangement or other

program or agreement on account of the Participant's termination of employment with the Employer under the circumstances covered by this Plan. A Participant's acceptance of participation in this Plan pursuant to Section 3.01 above shall constitute a waiver by such Participant of all other rights to severance benefits (or any similar separation benefits) in connection with a Change in Control that the Participant may have or claim parties with respect to the Employer, employment of Executive by the Company, and contains all of the covenants and agreements between the parties with respect to such employment in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, that are not stated in this Agreement, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

3.03 E. **End** Any modifications to this Agreement will be effective only if made by a court of Participation. An individual shall cease competent jurisdiction under Section V(B) or if in writing and signed by the party to be a Participant on the date on which the individual ceases charged.

F. **Any payments to be** an employee of the Employer other than by a CIC Qualifying Termination. Except as provided in this and the next sentence, the Committee may discontinue an individual's status as a Participant; provided, however, that no such discontinuance shall become effective (i) during the one-year period following the date on which advance written notice of such discontinuance is provided to the affected Participant in the manner specified in Section 6.10, or (ii) during the CIC Period. In the event that an individual incurs a CIC Qualifying Termination while still a Participant, such individual shall remain a Participant until all Severance Benefits required to be provided to the Participant under the terms of the Plan on account of such CIC Qualifying Termination have been paid or provided.

#### ARTICLE FOUR BENEFITS

**4.01 Release Requirement.** A Participant will be eligible for the Severance Benefits described in Section 4.02 below, subject to the Release requirement specified in this Section 4.01. Within seven (7) days following the date of the Participant's Separation from Service, the Corporation shall provide the Participant with a Release. As a condition of receiving the Severance Benefits described in Sections 4.02 and 4.03, the Participant must execute and deliver the Release to the Corporation within the Release Consideration Period, the Release Revocation Period must expire without revocation of the Release made by the Participant, and the Participant must be in material compliance with the Restrictive Covenants set forth in this Plan. In the event the Participant materially breaches one or more of such Restrictive Covenants, the Participant will forfeit any such Severance Benefits that have not been paid or provided to the Participant and must repay to the Corporation the amount (or equivalent cash value) of any such Severance Benefits that have been paid to the Participant.

**4.02 CIC Qualifying Termination.** In the event that a Participant incurs a CIC Qualifying Termination, the Corporation shall pay or provide to the Participant the Accrued Obligations and the following Severance Benefits, subject to the Release requirement specified in Section 4.01 above, provided that, if a Participant's Separation from Service occurs prior to the effective date of the Change in Control, the payments set forth in this Section 4.02 Company Group hereunder shall be made on the eighth (8th) day following a CIC Qualifying Termination. Notwithstanding the foregoing, five hundred dollars (\$500) of the Severance Benefits will be delayed as necessary subject to obtain a valid waiver applicable law, including required tax deductions and release agreement under the Age Discrimination in Employment Act of 1967, as amended ("ADEA") and will be paid on the date that the waiver and release agreement becomes irrevocable for purposes of the ADEA ("ADEA Delay"), withholdings.

**(a) G. Severance Pay.** The Corporation shall pay Although the Company Group makes no guarantee with respect to the Participant an amount equal to the Participant's Tier Level Multiplier times the sum treatment of (i) the Participant's Base Salary, and (ii) the Participant's Target Bonus. This amount shall be paid to the Participant in a lump sum on the eighth (8th) day following a CIC Qualifying Termination (except as provided in Section 4.04(f) and subject to the requirements of Section 4.04(e) and payments or an ADEA Delay).

**(b) Pro-Rata Target Bonus for Year of Termination.** The Corporation shall pay to the Participant a lump sum cash payment equal to the amount of the target annual cash incentive payment to which the Participant was entitled under the Annual Incentive Plan for the performance period that includes the Participant's date of termination, multiplied by a fraction (i) the numerator of which equals the number of days in such performance period during which the Participant was employed by the Employer (rounded up to the next highest number of days in the case of a partial day of employment), and (ii) the denominator of which is the total number of days in such performance period. This amount shall be paid to the Participant in a lump sum on the eighth (8th) day following a CIC Qualifying Termination (except as provided in Section 4.04(f) and subject to the requirements of Section 4.04(e) and/or an ADEA Delay).

**(c) COBRA Pay.** The Corporation shall pay to the Participant an amount equal to twenty-four (24) times the monthly COBRA charge in effect on the date of the Participant's Separation from Service for the type of Employer-provided group health plan coverage in effect for the Participant and his or her dependents (e.g.,

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employee only, family coverage) on the date of the Participant's Separation from Service and will permit Participant to elect to be covered by the Employer's group health plan for such 24-month period or the lesser period permitted by the Company's general benefits plans and applicable law (which period will run concurrently with any eligibility for COBRA coverage and assumes the Participant timely elects such COBRA coverage). This amount shall be paid to the Participant in a lump sum on the eighth (8th) day following a CIC Qualifying Termination (except as provided in Section 4.04(f) and subject to the requirements of Section 4.04(e) and/or an ADEA Delay).

**(d) Coordination with Other Severance Benefits.** If a Participant becomes entitled to benefits under the Plan after already receiving severance benefits for a termination that did not, at the time, constitute a CIC Qualifying Termination, only the net incremental benefits (if any) shall be provided under the Plan. For example, it is possible that a Participant will incur a Separation from Service prior to the effective date of a Change in Control this Agreement and will become entitled to severance benefits under another plan or agreement and then the Separation from Service will become a CIC Qualifying Termination due to the occurrence of a subsequent Change in Control. In that event, the amounts and benefits to which the Participant is entitled under the Plan will be the incremental amounts and benefits, if any, that exceed the comparable amounts and benefits to which the Participant became entitled and received under any separate plan or agreement that did not relate to a Change in Control.

**4.03 Equity and Long-Term Incentives.** With respect to any equity or long-term compensation grant or award outstanding to the Participant (an "Award"):

**(a)** Subject to (b) below, if, subsequent to receiving a Replacement Award, Participant incurs a CIC Qualifying Termination, then all unvested shares or other compensation subject to the Replacement Award shall immediately become vested and nonforfeitable and subject to settlement and transfer as of the date of Participant's termination of employment, with any performance conditions deemed satisfied at the greater of target or actual performance extrapolated as of the CIC Qualifying Termination through the end of the applicable performance period. Notwithstanding the foregoing, if the unvested shares are subject to a stock price performance condition that is not satisfied at the closing of the Change in Control, such shares shall not vest and shall be forfeited by the Participant.

**(b)** Notwithstanding Section 4(a) above, if, upon a Change responsible in Control, Participant does not receive a Replacement Award, then all unvested Awards shall immediately become vested and nonforfeitable and subject any event with regard to settlement and transfer as of the date on which the Change in Control occurs, with any



performance conditions deemed satisfied at the greater of target or actual performance extrapolated as of the Change in Control through the end of the applicable performance period; provided, however, if the Change in Control does not constitute a change in the ownership or effective control of the Corporation or a change in the ownership of a substantial portion of the assets of the Corporation as provided under Code Section 409A, and if the Award constitutes deferred compensation under Section 409A, then the right to the shares or other compensation subject to the Award shall vest and be nonforfeitable as of the date of the Change of Control but the settlement and transfer of the shares or other compensation shall not occur until each vesting date or other payment date set forth in the Award. Notwithstanding the foregoing, if the unvested Awards are subject to a stock price performance condition that is not satisfied at the closing of the Change in Control, such shares shall not vest and shall be forfeited by the Participant.

#### 4.04 Section 409A.

(a) To the extent necessary to ensure this Agreement's compliance with Section 409A, the provisions of this Section 4.04 shall govern in all cases over any contrary or conflicting provision in the Plan. It is the intent of the Corporation that this Plan comply with the requirements of Section 409A with respect to any nonqualified deferred compensation subject to Section 409A. The Plan shall be interpreted and administered to maximize the exemptions from Section 409A and, to the extent the Plan provides for deferred compensation subject to Section 409A, to comply with Section 409A and to avoid the imposition of tax, interest and/or penalties upon any Participant under Section 409A.

(b) The Corporation does not, however, assume the liability for any taxes associated with Section 409A. The Corporation, the Subsidiaries, and their respective directors, officers, employees and advisers will not be

liable to any Participant (or any other individual claiming a benefit through the Participant) for any tax, interest, or penalties the Participant may owe as a result of participation in the Plan. However, following the occurrence of a Change in Control, the Corporation shall exercise its good faith best efforts to minimize any adverse impact to a Participant with respect to the Severance Benefits payable to the Participant under this Plan (for example, by preserving the availability of the Section 409A short-term deferral exemption with respect to such benefits to the extent possible and by avoiding any forfeiture of a Participant's benefits or any other non-payment of benefits due under this Plan).

(c) The right to a series of payments under the Plan will be treated as a right to a series of separate payments. Each separate payment that is made within 2-½ months following the end of the year that contains the date of the Participant's Separation from Service Agreement is intended to be exempt from, or comply with, the applicable requirements of Section 409A as and shall be limited, construed and interpreted in a short-term deferral within manner consistent therewith. Notwithstanding any provision of this Agreement to the contrary, if any provision of this Agreement provides for any payments or benefits upon or following a termination of employment and such payments or benefits constitute nonqualified deferred compensation (within the meaning of the final regulations under Section 409A. Each separate payment that is made later than 2-½ months following the end of the year that contains the date of the Participant's Separation from Service is intended to be exempt under the two-times exception of Treasury Reg. § 1.409A-

1(b)(9)(iii) 409A), up to the limitation on the availability of that exception specified in the regulation and subject to the conditions on the applicability of that exemption. Then, each separate payment that is made after the two- times exception ceases to be available shall be subject to delay, as necessary, in accordance with Section 4.04(f) below.

(d) It is intended that each lump sum payment made pursuant to Section 4.02(b), shall be exempt from Section 409A as a short-term deferral within the meaning of the final regulations under Section 409A.

(e) To the extent necessary to comply with Section 409A, in no event may a Participant, directly or indirectly, designate the taxable year of payment. In particular, to the extent necessary to comply with Section 409A, because any payment to a Participant under this Plan is conditioned upon the Participant's executing and not revoking a Release, if the designated payment period for such payment begins in one taxable year and ends in the next taxable year, the payment will be made in the later taxable year.

(f) To the extent necessary to comply with Section 409A, references in this Plan to "termination of employment" or "terminates employment" (and similar references) shall have the same meaning as Separation from Service, and no payment subject to Section 409A that is payable upon a termination of employment shall not be paid deemed to have occurred for purposes of such provision of this Agreement unless and until (and not later than applicable in compliance with Section 409A) the Participant incurs such termination is also a Separation from Service. In addition, if the Participant is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) at the time of his or her Separation from Service, any nonqualified deferred compensation subject to Section 409A that would otherwise have been payable on account of, and within the first six months following, the Participant's Separation from Service, and not by reason of another event under Section 409A(a)(2)(A), will become payable on the first business day after six months following the date of the Participant's Separation from Service or, if earlier, the date of the Participant's death.

(g) To the extent that any reimbursement by the Employer to a Participant of eligible expenses under this Plan constitutes a "deferral of compensation" service within the meaning of Section 409A (a "Reimbursement")



and, for purposes of any such provision of this Agreement, as it relates to any amounts or benefits that constitute nonqualified deferred compensation, references to a "termination," "termination of employment" or like terms shall mean "separation from service." If Executive is a "specified employee", as defined in, and pursuant to, Treas. Reg. Section 1.409A-1(i) or any successor regulation, as determined by the Company, on the date of termination of Executive's employment hereunder, any payment or benefit that is nonqualified deferred compensation (within the meaning of Section 409A) shall be made to the Executive on the date that is the earlier of (i) the Participant must request the Reimbursement (with substantiation expiration of the expense incurred) no later than 30 days following six-month period measured from the date on which of Executive's termination of employment or (ii) the Participant incurs date of Executive's death (the "Delay Period"). Upon the corresponding eligible expense; (ii) subject expiration of the Delay Period, all payments delayed pursuant to this V(G) shall be paid or reimbursed to Executive in a lump sum and any remaining payments due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. Whenever payments under this Agreement are to be made in installments, each such installment shall be deemed to be a separate payment for purposes of Section 409A. With

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regard to any shorter time period provided in any expense provision herein that provides for reimbursement policy of the Employer costs and expenses or specifically provided otherwise in this Plan, in-kind benefits, except as permitted by Section 409A, (i) the Employer shall make the Reimbursement to the Participant on or before the last day of the calendar year following the calendar year in which the Participant incurred the eligible expense; (iii) the Participant's right to Reimbursement reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit; and (iv) benefit, (ii) the amount of expenses eligible for Reimbursement in one calendar reimbursement, or in-kind benefits, provided during any taxable year shall not affect the amount expenses eligible for Reimbursement reimbursement, or in-kind benefits to be provided, in any other calendar year.

4.05 **Enforcement Costs.** Except as taxable year, provided in Section 6.06(c), each party that the foregoing clause (ii) shall bear its own costs and not be violated without regard to expenses including legal fees, that may be incurred in enforcing its respective rights reimbursed under this Plan.

4.06 **any arrangement covered by Internal Revenue Code Section 280G.**

(a) A Participant shall bear all expense of, 105(b) solely because such expenses are subject to a limit related to the period the arrangement is in effect and be solely responsible for, any Excise Tax; provided, however, that any Payment that would constitute a "parachute payment" within the meaning of Code Section 280G (iii) such payments shall be reduced to made on or before the extent necessary so that no portion thereof shall be subject to last day of Executive's taxable year following the Excise

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Tax but only if, by reason of such reduction, the net after-tax benefit received by the Participant shall exceed the net after-tax benefit that would be received by the Participant if no such reduction was made.

(b) The "net after-tax benefit" shall mean (i) the Payments which the Participant receives or is then entitled to receive from the Employer that would constitute "parachute payments" within the meaning of Code Section 280G, less (ii) the amount of all federal, state and local income and employment taxes payable by the Participant with respect to the foregoing calculated at the highest marginal income tax rate for each taxable year in which the foregoing shall be paid to expense occurred.

H. Executive agrees that while Executive is employed hereunder and for the Participant (based on Non- Compete Period following resignation or termination of Executive's employment for any reason, Executive will not participate as an owner, partner, officer, employee, director, or consultant for, any company or business competing with any line of business of the rate in effect for such year as set forth Company Group in the Code as in effect at the time of the first payment of the foregoing), less (iii) the amount of Excise Tax imposed with respect to the payments and benefits described in (b)(i) above.

(c) All determinations under this Section 4.06 will be made by an Accounting Firm. The Accounting Firm shall be required, in part, to evaluate the extent to which payments are exempt from Section 280G as reasonable compensation for services rendered before or after the Change in Control. All fees and expenses of the Accounting Firm shall be paid solely by the Corporation. The Corporation will direct the Accounting Firm to submit any determination it makes under this Section 4.06 and detailed supporting calculations to both the Participant and the Corporation as soon as reasonably practicable following the Change in Control or the CIC Qualifying Termination, as applicable.

(d) If the Accounting Firm determines that one or more reductions are required under this Section 4.06, such Payments shall be reduced in the order that would provide the Participant with the largest amount

of after-tax proceeds (with such order determined by the Accounting Firm) to the extent necessary so that no portion thereof shall be subject to the Excise Tax, and the Corporation shall pay such reduced amount to the Participant. To the extent any order of reduction of Payments is required to be set forth herein, then such reduction shall be applied in the following order: (i) payments that are payable in cash that are valued at full value under Treasury Regulation Section 1.280G-1, Q&A 24(a) will be reduced (if necessary, to zero), with amounts that are payable last reduced first; (ii) payments due in respect of any equity valued at full value under Treasury Regulation Section 1.280G-1, Q&A 24(a) will be reduced next (if necessary, to zero), with amounts that are payable or deliverable last reduced first; (iii) payments that are payable in cash that are valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24 will be reduced next (if necessary, to zero), with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24); (iv) payments due in respect of any equity valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24 will be reduced next (if necessary, to zero), with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24); and (v) all other non-cash benefits will be next reduced pro-rata.

(e) As a result of the uncertainty in the application of Code Section 280G at the time that the Accounting Firm makes its determinations under this Section 4.06, it is possible that amounts will have been paid or distributed to the Participant that should not have been paid or distributed (collectively, the "overpayments"), or that additional amounts should be paid or distributed to the Participant (collectively, the "underpayments"). If the Accounting Firm determines, based on either the assertion of a deficiency by the Internal Revenue Service against the Employer or the Participant, which assertion the Accounting Firm believes has a high probability of success or is otherwise based on controlling precedent or substantial authority, that an overpayment has been made, the Participant must repay the overpayment to the Corporation, without interest; **Territory**; provided, however, that no loan will be deemed to have been made and no amount will be payable by **nothing herein shall prevent Executive from investing as less than a five (5%) percent stockholder in the Participant to the Corporation unless, and then only to the extent that, the deemed loan and payment would either reduce the amount securities of (i) any company listed on which the Participant is subject to tax under Code Section 4999 or generate a refund of tax imposed under Code Section 4999.** If the Accounting Firm determines, based upon controlling precedent or substantial authority that an underpayment has occurred, the Accounting Firm will notify the Participant and the Corporation of that determination, and the Corporation will promptly pay the amount of that underpayment to the Participant without interest.

(f) The parties will provide the Accounting Firm access to and copies of any books, records, and documents in their possession as reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determinations and calculations contemplated by this Section 4.06. For purposes of making the calculations required by this Section 4.06, the Accounting Firm may rely on reasonable, good faith interpretations concerning the application of Code Sections 280G and 4999.

**4.07 Recoupment or Recovery of Severance Benefits.** Severance Benefits under the Plan shall be subject to any policy of recoupment of compensation adopted or amended from time to time by the Board or the Committee, including, without limitation, any policy they deem necessary or desirable to comply with the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (providing for recovery of erroneously awarded compensation), Section 304 of the Sarbanes-Oxley Act of 2002 (providing for forfeiture of certain bonuses and profits), and any implementing rules and regulations of the U.S. Securities and Exchange Commission and applicable listing standards of a national securities exchange **adopted or quoted on an automated quotation system or (ii) any private equity fund or similar vehicle.**

1. The **"Non-Compete Period"** means the first anniversary of Executive's termination of employment.

2. The **"Territory"** means any place in **accordance with either the U.S. that the Company Group conducts the relevant competing line of these Acts which policy is incorporated into this Plan. business within the two (2)-year period preceding Executive's termination of employment.**

## ARTICLE FIVE AMENDMENT AND TERMINATION

Subject to the next sentence, the Committee in all respects shall have the right at any time and from time to time, by instrument in writing, to amend, modify, alter, or terminate the Plan in whole or in part. Notwithstanding the foregoing or anything **The obligations contained in this Plan to Section V(H) shall survive** the contrary, the Committee may not amend, modify, alter or terminate this Plan so as to adversely affect payments or benefits then payable, or which could become payable, to a Participant under the Plan, except to the minimum extent required to comply with any applicable law, either (i) during the one- year period following the date on which advance written notice of such amendment, modification, alteration or termination is provided to the affected Participants in the manner specified in Section 6.10, or (ii) during the CIC Period.

## ARTICLE SIX MISCELLANEOUS

**6.01 Participant Rights.** Except to the extent required or provided for by mandatorily imposed law as in effect and applicable hereto from time to time, neither the establishment of the Plan, nor any modification thereof, nor **Term of Employment and the payment of any benefits, termination Executive's employment with the Company Group and** shall be construed as giving to any Participant or other person any legal or equitable right against the Employer, or any officer or employee thereof, or the Board or the Administrator, except as herein provided; nor shall any Participant have any legal right, title or interest in the assets of the Employer. This Plan shall not constitute a contract of employment nor afford any individual any right to be retained or continued in the employ of the Employer or in any way limit the right of the Employer to discharge any of its employees, with or without cause. Participants have no right to receive any payments or benefits that the Employer is prohibited by applicable law from making.

**fully enforceable thereafter.**

### **6.02 I. Administrator Authority.**

(a) The Administrator will administer the Plan and have the full authority to accomplish that purpose, including, without limitation, the authority to:

(i) resolve all questions relating to the eligibility of Participants;

(ii) determine the amount of benefits, if any, payable to Participants under the Plan and determine the time and manner in which such benefits are to be paid;

(iii) engage any administrative, legal, tax, actuarial, accounting, clerical, or other services it deems appropriate in administering the Plan;

(iv) construe and interpret the Plan, supply omissions from, correct deficiencies in and resolve inconsistencies or ambiguities in the language of the Plan, resolve inconsistencies or ambiguities between the provisions of this document, and adopt rules for the administration of the Plan which are not inconsistent with the terms of the Plan document;

(v) compile and maintain all records it determines to be necessary, appropriate or convenient in connection with the administration of the Plan; and

(vi) resolve all questions of fact relating to any matter for which it has administrative responsibility.

(b) The Administrator shall perform all of the duties and may exercise all of the powers that the Administrator deems necessary or appropriate for the proper administration of the Plan, including, but not

limited to, delegation of any of its duties to one or more authorized officers. All references to the authority of the Administrator in this Plan **This Agreement** shall be read to include the authority of any party to which the Administrator delegates such authority.

(c) Any failure by the Administrator to apply any provisions of this Plan to any particular situation shall not represent a waiver of the Administrator's authority to apply such provisions thereafter.

### **6.03 Claims binding upon and Appeals Procedure.**

(a) With respect to any claim for benefits which are provided exclusively under this Plan, the claim and any related appeal shall be administered pursuant to subsections (b) through (k) below. With respect to any claim for benefits which, under the terms of the Plan, are provided under another employee benefit plan or program maintained by an Employer, the Administrator shall determine any claim and any related appeal regarding an individual's eligibility under the Plan pursuant to subsections

(b) through (k) below but the administration of any other claim and any related appeal with respect to such benefits (including the amount of such benefits) shall be subject to the claims and appeals procedure specified in such other employee benefit plan or program.

(b) A Participant or his or her duly authorized representative (the "claimant") may make a claim for benefits under the Plan by filing a written claim with the Administrator. Determinations of each such claim shall be made as described below; provided, however, that the claimant and the Administrator may agree to extended periods of time for making determinations beyond those periods described below.

(c) The Administrator will notify a claimant of its decision regarding his or her claim within a reasonable period of time, but not later than ninety (90) days following the date on which the claim is filed, unless special circumstances require a longer period for processing of the claim and the claimant is notified in writing of the reasons for an extension of time prior to the end of the initial ninety (90) day period and the date by which the Administrator expects to make the final decision. In no event will the Administrator be given an extension for processing the claim beyond one hundred eighty (180) days after the date on which the claim is first filed with the Administrator unless otherwise agreed in writing by the claimant and the Administrator.

(d) If a claim is denied, the Administrator will notify the claimant of its decision in writing. Such notification will be written in a manner calculated to be understood by the claimant and will contain the following information: the specific reason(s) for the denial; a specific reference to the Plan provision(s) on which the denial is based; a description of additional information necessary for the claimant to perfect his or her claim, if any, and an explanation of why such material is necessary; and an explanation of the Plan's claim review procedure and the applicable time limits under such procedure and a statement as to the claimant's right to arbitration under Section 6.06 after all of the Plan's review procedures have been satisfied.

(e) The claimant shall have sixty (60) days following receipt of the notice of denial to file a written request with the Administrator for a review of the denied claim. The decision by the Administrator with respect to the review must be given within sixty (60) days after receipt of the request, unless special circumstances require an extension and the claimant is notified in writing of the reasons for an extension of time prior to the end of the initial sixty (60) day period and the date by which the Administrator expects to make the final decision. In no event will the decision be delayed beyond one hundred twenty (120) days after receipt of the request for review unless otherwise agreed in writing by the claimant and the Administrator.

(f) Every claimant will be provided a reasonable opportunity for a full and fair review of an adverse determination. A full and fair review means the following: the claimant will be given the opportunity to submit written comments, documents, records, etc. with regard to the claim, and the review will take into account all information submitted by the claimant, regardless of whether it was reviewed as part of the initial determination; and the claimant will be provided, upon request and free of charge, with copies of all documents and information relevant to the claim for benefits.

(g) The Administrator will notify the claimant of its decision regarding an appeal of a denied claim in writing. The decision will be written in a manner calculated to be understood by the claimant, and will include: the specific reason(s) for the denial and adverse determination; a reference to the specific Plan provisions on which the denial is based; a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all information relevant to the claimant's claim for benefits; and a statement regarding the claimant's right to arbitration under Section 6.06.

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(h) If the Administrator fails to follow these procedures consistent with the requirements of ERISA with respect to any claim, the claimant will be deemed to have exhausted all administrative remedies under the Plan and will have the right to arbitration under Section 6.06.

(i) Any claim that is filed in arbitration must be filed within two (2) years of the later of the date the Participant received the Severance Benefit or the date of the relevant Participant's Separation from Service. Any claim filed in arbitration after the applicable time frame stated above will be void.

**6.04 Reliance on Tables and Reports.** In administering the Plan, the Administrator is entitled to the extent permitted by law to rely conclusively upon all tables, valuations, certificates, opinions and reports which are furnished by accountants, legal counsel or other experts employed or engaged by the Administrator. The Administrator will be fully protected in respect of any action taken or suffered by the Administrator in good faith reliance upon all such tables, valuations, certificates, reports, opinions or other advice. The Administrator is also entitled to rely upon any data or information furnished by the Employer or by a Participant as to any information pertinent to any calculation or determination to be made under the provisions of the Plan, and, as a condition to payment of any benefit under the Plan the Administrator may request a Participant to furnish such information as it deems necessary or desirable in administering the Plan.

**6.05 Expenses.** All Plan administration expenses shall be paid by the Corporation.

#### 6.06 Arbitration of Disputes.

(a) Any dispute, claim or controversy arising under or in connection with this Plan and a Participant's right to Severance Benefits that is not resolved under Section 6.03, shall be settled exclusively by arbitration administered by the American Arbitration Association (the "AAA") and carried out in Atlanta, Georgia. The arbitration shall be conducted in accordance with the AAA rules governing commercial arbitration in effect at the time of the arbitration, except as modified herein. There shall be one arbitrator, mutually selected by the Corporation and Participant from a list of arbitrators provided by the AAA within 30 days of receipt by respondent of the demand for arbitration. If the

Corporation and Participant cannot mutually agree on an arbitrator within 30 days, then the parties shall request that the AAA appoint the arbitrator and the arbitrator shall be appointed by the AAA within 15 days of receiving such request. The parties agree that the Federal Arbitration Act, 9 U.S.C. §1 *et seq.* and the AAA Employment Arbitration Rules shall apply to the interpretation and enforcement of this Plan. The place of arbitration shall be Atlanta, Georgia. The arbitrator shall have the right to review the dispute, claim or controversy on a de novo basis and shall not be limited to the record of appeal.

(b) The parties shall request and use reasonable business efforts to ensure that the arbitration commences within 45 days after the appointment of the arbitrator; that the arbitration shall be completed within 60 days of commencement; and that the arbitrator's award shall be made within 30 days following such completion. The parties may agree to extend the time limits specified in the foregoing sentence.

(c) The arbitrator may award any form of relief permitted under this Plan and applicable law, including damages and temporary or permanent injunctive relief, except that the arbitral tribunal is not empowered to award damages in excess of compensatory damages, and each party hereby irrevocably waives any right to recover punitive, exemplary or similar damages with respect to any dispute. The arbitrator may award reasonable attorneys' fees to Participant if the Participant prevails on at least one material issue in the

arbitration. The Corporation shall pay all expenses of any arbitration (other than the expenses of Participant's counsel, except to the extent provided in the preceding sentence). The award shall be in writing and shall state the reasons for the award.

(d) The decision rendered by the arbitral tribunal shall be final and binding on the parties to this Plan. Judgment may be entered in any court of competent jurisdiction. The parties hereto waive, to the fullest extent permitted by law, any rights to appeal to, or to seek review of such award by, any court. The parties hereto further agree to obtain the arbitral tribunal's agreement to preserve the confidentiality of the arbitration.

#### 6.07 Successors.

(a) This Plan shall bind any successor of or to the Corporation, its assets or its businesses (whether direct or indirect, by purchase, merger, consolidation or otherwise), in the same manner and to the same extent that the Corporation would be obligated under this Plan if no succession had taken place. In the case of any transaction in which a successor would not by the foregoing provision or by operation of law be bound by this Plan, the Corporation shall require such successor expressly and unconditionally to assume and agree to perform the Corporation's obligations under this Plan, in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place. Failure of the Corporation to obtain the agreement provided for in the preceding sentence in connection with a Change in Control will constitute a material breach of the Plan by the Corporation, which will entitle the Participant to terminate employment for Good Reason and obtain the Severance Benefits provided in Section 4.02 and 4.03.

(b) The Plan shall inure to the benefit of and be binding upon and enforceable by the Corporation and the Participants parties and their personal respective successors, heirs (in the case of the Executive) and legal representatives, executors, administrators, successors, assigns, heirs, distributees, devisees assigns. In the event that any person or entity succeeds to the business of the Company Group (including, but not limited to, by merger, reorganization or acquisition of substantially all the assets of such entity), from and legatees. If after such event or occurrence, such successor shall be treated as the Company, as the case may be, for all purposes of this Agreement. The rights or obligations under this Agreement may not be assigned or transferred by either party, except that such rights or obligations may be assigned or transferred pursuant to a Participant should die after incurring a CIC Qualifying Termination and prior to receiving merger or consolidation in which the Company is not the continuing entity, or the sale or liquidation of all or substantially all of the Severance Benefits, assets of the Severance Benefits (or any remaining amounts) shall be paid Company; provided, however, that the assignee or transferee is the successor to all or substantially all of the beneficiary designated by assets of the

Participant Company and such assignee or transferee assumes the liabilities and duties of the Company, as contained in this Agreement, either contractually or as a beneficiary designation form for this Plan, matter of law.

**J.** All notices and in the event no such form is provided or the Participant has not otherwise properly designated a beneficiary, the Severance Benefits shall be payable to the Participant's estate, provided that in all cases the Participant's beneficiary or estate signs a Release similar to the form other communications to be signed by the Participant as a condition of payment of such Severance Benefits.

**6.08 Construction.** In determining the meaning of the Plan, words imparting the masculine gender shall include the feminine and the singular shall include the plural, unless the context requires otherwise. Unless made or otherwise stated, references to Sections are references to Sections of this Plan. Whenever an example is provided or the text uses the term "including" followed by a specific item or items, or there is a passage having similar effect, such passages of the Plan shall be construed as if the phrase "without limitation" followed such example or term (or otherwise applied to such passage in a manner that avoids limits on its breadth of application).

**6.09 References to Other Plans and Programs.** Each reference in the Plan to any plan, policy or program, the Plan or document of the Employer or affiliate of the Employer shall include any amendments or successor provisions thereto without the necessity of amending the Plan for such changes.

**6.10 Notices.** and all other communications contemplated by this Plan given hereunder shall be in writing and shall be deemed to have been duly given when the same are (i) addressed to the other party at the mailing address, facsimile number or email address indicated below, and (ii) either: (a) personally delivered or when mailed, by U.S. registered or certified mail, first class postage-prepaid return receipt requested, and postage prepaid (b) delivered by a reputable private overnight courier service utilizing a written receipt or when other written proof of delivery, to the applicable party, (c) faxed to such party, or (d) sent by express electronic email. Any notice sent in the manner set forth above by U.S. mail or overnight delivery through a national delivery service (or an international delivery service shall be deemed to have been given and received three (3) days after it has been so deposited in the case U.S. mail, and any notice sent in any other manner provided above shall be deemed to be given when received. The substance of an address outside any such notice shall be deemed to have been fully

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acknowledged in the U.S.) event of refusal of acceptance by the party to whom the notice is addressed. Until further notice given in accordance with signature required. Notice the foregoing, the respective addresses, fax numbers and email addresses for the parties are as following:

If to the Corporation, the Board Company or the Administrator shall be directed to the attention of the Secretary of the Corporation at Sharecare:

Sharecare, Inc.  
255 E. Paces Ferry Rd. NE, Suite 700  
Atlanta, GA 30305  
Attn: Legal  
Email: legal@sharecare.com

If to Executive:

At the address or email shown on the Corporation's headquarters, and notice to a Participant shall be directed to the Participant at the most recent personal residence on file with the Corporation.

**6.11 Service of Legal Process.** Service of legal process may be made upon the Administrator to the attention of the Secretary of the Corporation at the address of the Corporation's headquarters.

**6.12 Plan Year.** The records of the Plan Company.

**K.** The Company Group agrees to defend and indemnify Executive against and to hold Executive harmless from any and all claims, suits, losses, liabilities, and expenses (but excluding disputes arising under or in relation to this Agreement) asserted against Executive for actions taken or omitted to be taken by Executive in good faith and within the scope of Executive's responsibilities as an officer or employee of the Company Group.

The Company Group shall cause Executive to be provided coverage under any D&O liability insurance policies that are maintained by the Company Group from time to time in the same manner as other executive officers and directors of the Company Group are covered.

L. The provisions of this Agreement shall be maintained on deemed severable and the basis invalidity or unenforceability of any provision shall not affect the validity or enforceability of the Corporation's fiscal year, other provisions hereto.

M. This Agreement may be executed in several counterparts, each of which is shall be deemed to be an original but all of which together will constitute one and the calendar year, same instrument.

**6.13 N. No Duty to Mitigate Limitation of Benefits.** The Participant Notwithstanding anything to the contrary in the CIC Plan, the following provisions shall not apply to Executive.

1. Anything in this Agreement to the contrary notwithstanding, in the event it shall be required determined that any benefit, payment or distribution by the Company Group to mitigate or for the amount benefit of any payment provided Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Plan, nor shall the amount of Agreement or otherwise, but determined without regard to any such payment be reduced by any compensation that the Participant receives from any other source, except as provided in this Plan.

**6.14 Withholding of Taxes.** The Employer may withhold from any amount payable or benefit provided additional payments required under this Plan such Federal, state, local, foreign and other taxes Section V(N) (such benefits, payments or distributions are hereinafter referred to as are required to be withheld pursuant to any applicable law or regulation.

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**6.15 Governing Law Payments.** Except to the extent that the Plan may") would, if paid, be subject to the provisions excise tax imposed by Section 4999 of ERISA and the Code the Plan will be construed and enforced according (the "Excise Tax"), then, prior to the laws making of any Payments to Executive, a calculation shall be made comparing (i) the net after-tax benefit to Executive of the State Payments after payment by Executive of Georgia, without giving effect the Excise Tax, to (ii) the conflict of laws principles thereof.

**6.16 Validity/Severability.** If any provision of this Plan or net after-tax benefit to Executive if the application of any provision to any person or circumstances is held invalid, unenforceable or otherwise illegal, the remainder of this Plan and the application of such provision to any other person or circumstances will not be affected, and the provision so held to be invalid or unenforceable will be reformed Payments had been limited to the extent (and only necessary to avoid being subject to the extent) Excise Tax. If the amount calculated under (i) above is less than the amount calculated under (ii) above, then the Payments shall be limited to the extent necessary to make it enforceable or valid. To avoid being subject to the Excise Tax (the "Reduced Amount"). The reduction of the Payments due hereunder, if applicable, shall be made by first reducing cash Payments and then, to the extent any provisions held necessary, reducing those Payments having the next highest ratio of Parachute Value to be invalid or unenforceable cannot be reformed, actual present value of such provisions are to be stricken here from and Payments as of the remainder date of the change of control, as determined by the Determination Firm (as defined below). For purposes of this Plan will Section V(N), present value shall be binding on determined in accordance with Section 280G(d)(4) of the Parties Code and their successors and assigns as if such invalid or illegal provisions were never included in this Plan from a manner that is in compliance with Section 409A of the first instance, Code.



6.17 For purposes of this Section V(N), the “Miscellaneous Parachute Value. No waiver by” of a Participant or Payment means the Employer at any time present value as of any breach the date of the change of control of the portion of such Payment that constitutes a “parachute payment” under Section 280G(b)(2) of the Code, as determined by the other party Determination Firm for purposes of or compliance with, any condition or provision of this Plan determining whether and to be performed by what extent the Excise Tax will apply to such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the time or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party that are not expressly set forth in this Plan. Payment.

6.18 2. Source of Payments. All payments provided under this Plan, other than payments made pursuant to any Employer employee benefit plan which provides otherwise, shall be paid in cash from the general funds of the Corporation, and no special or separate fund shall be required to be established, and no other segregation of assets determinations required to be made to assure payment. To the extent that any person acquires a right to receive payments from the Corporation under this Plan, such right Section V(N), including whether an Excise Tax would otherwise be imposed, whether the Payments shall be no greater than reduced, the right of an unsecured creditor amount of the Corporation.

6.19 Survival of Provisions. Notwithstanding any other provision of this Plan, the rights and obligations of the Corporation Reduced Amount, and the Participants under Article Four assumptions to be used in arriving at such determinations, shall be made by an independent, nationally recognized accounting firm or compensation consulting firm mutually acceptable to the Company and Sections 6.03 and 6.06 through 6.19 will survive any termination or expiration of this Plan or the termination of the Participant's employment for any reason whatsoever.

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#### Exhibit A

#### Form of Release

This Release Agreement is made effective as of the execution date below, by and between (Executive (the “Executive Determination Firm”) which shall provide detailed supporting calculations both to the Company and Sharecare, Inc. (the “Company”) Executive. All fees and Sharecare Operating Company, Inc. (“Sharecare” and together with the Company, the “Company Group”). This is the Release referred to that certain Change in Control Plan expenses of the Determination Firm shall be borne solely by the Company. Any determination by the Determination Firm shall be binding upon the Company effective as of January 25, 2023 (the “CIC Plan”).

In consideration and Executive. As a result of the Company Group's promises, and uncertainty in the payment application of Section 4999 of the Severance Benefits (as defined in the CIC Plan) pursuant to the CIC Plan, Executive, for Executive and for Executive's successors and assigns, now and forever, hereby releases and discharges the Company, its subsidiaries and affiliates, and each of its and their respective officers, directors, stockholders, employees, agents, attorneys, successors and assigns, from any and all causes of action, suits, debts, claims, demands or liabilities, in law or in equity, whether known or unknown or suspected to exist by Executive, which Executive ever had or may now have, from the beginning of time to the date of this Release, including without limitation, any causes of action, suits, debts, claims, demands or liabilities pursuant to the CIC Plan or to any federal, state, or local employment laws, regulations, executive orders, or other requirements, including without limitation those that may relate to sex, race or other forms of discrimination, including the Age Discrimination in Employment Act (“ADEA”); provided, however, that nothing herein is intended to waive any claim (a) for unemployment or workers' compensation benefits, (b) for vested rights under ERISA- covered employee benefit plans, or nonqualified benefit plans sponsored by the Company Group, as applicable on the date Executive signs this Agreement, (c) that may arise after Executive signs this Agreement, (d) for reimbursement of expenses under the Company's expense reimbursement policies, (e) relating to the breach of this Release, (f) which cannot be released by private agreement, or (g) indemnification under the Company's bylaws, certificate of incorporation, Delaware law or otherwise. Executive also agrees that if anyone (including, but not limited to, any government agency or similar entity) institutes or maintains a claim or investigation involving Executive in any way for claims released hereunder, Executive waives any and all right and claim to financial recovery resulting from such claim or investigation and, to the extent that such waiver is not enforced, all amounts paid to Executive under this Release shall be offset against any such recovery.

Executive agrees that he has carefully read this Release and is signing it voluntarily. Executive acknowledges that Executive has had at least twenty-one (21) days from receipt of this Release to review it prior to signing. Executive has the right to revoke this release within seven (7) days following the date of its execution by Executive. However, if Executive revokes this Release within such seven (7) day period, no payments or benefits provided for in the CIC Plan in return for this Release will be payable to Executive.

EXECUTIVE ACKNOWLEDGES THAT EXECUTIVE HAS HAD A FULL OPPORTUNITY, AND HAS BEEN ADVISED BY THE COMPANY GROUP IN WRITING, TO CONSULT WITH AN ATTORNEY OR OTHER ADVISOR OF EXECUTIVE'S CHOOSING CONCERNING THE EXECUTION OF THIS RELEASE AND THAT EXECUTIVE IS SIGNING THIS RELEASE VOLUNTARILY AND WITH THE FULL INTENT OF RELEASING THE COMPANY GROUP FROM ALL SUCH CLAIMS.

This Release shall be effective and enforceable only if executed on or after Executive's termination of employment and only if executed by both Executive and the Company. This Release shall become effective and enforceable at twelve o'clock (12:00) midnight on the seventh (7th) full calendar day immediately following the date of execution of this Release (the "Effective Time") and Executive may revoke the Release at will prior to that time by giving written notice of the revocation to the Company. For such a revocation by Executive to be effective, it must be received by the Company's Chief Executive Officer or Chief Administrative Officer, prior to the Effective Time. The Release may not be revoked after that time.

<sup>1</sup> NTD: The Parties agree that the Company may revise the release in light of additional statutes or claims so that the Company receives the benefit of the fullest legally permissible release of claims and may also change the timing, if required, to obtain such release. This footnote and the other footnotes are part of the form of release and are to be removed only when the Company finalizes the letter agreement for execution. If the release is due after the executive's death, the Company will revise and provide for a comparable release by his estate or beneficiaries.

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DO NOT SIGN THIS RELEASE PRIOR TO THE EFFECTIVE DATE OF THE END OF YOUR EMPLOYMENT WITH THE COMPANY. YOU WILL BE REQUIRED TO SIGN A COPY OF THIS RELEASE ON OR AFTER YOUR SEPARATION DATE IN TO RECEIVE ANY SEVERANCE PAYMENTS OR CIC SEVERANCE PAYMENTS OR ANY COBRA BENEFIT OR CIC COBRA BENEFIT.

Date	SHARECARE, INC.
	By:
	Name:
	Title:
	SHARECARE OPERATING COMPANY, INC.
Date	
	By:
	Name:
	Title:
Date	[EXECUTIVE]

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Exhibit B

Change In Control Plan—Restrictive Covenants

In consideration for participation in the Plan, the Participant agrees to the following Restrictive Covenants.

**A. Definitions.** For purposes of these Restrictive Covenants, the following definitions shall apply:

1. **"Affiliated Entities"** means all of the Company's direct and indirect subsidiaries and affiliated companies. For purposes of this Agreement, a company is affiliated with the Company if it controls, is controlled by or is under common control with the Company.
2. **"Application"** means an application or registration for protection of the Work Product.
3. **"Business"** means those activities, products and services that are the same as, similar to or competitive with the activities conducted or products or services provided, offered or proposed to be offered by the Company during the preceding two (2) years, including, without limitation, providing a health and wellness platform, web based health and wellness information, consumer health tools, directory services, appointment services, professional referral services, lead generation services, advertising services, database services, diagnostic services, medical records services, release of information services, health risk assessments, population health management, health coaching, employee wellness solutions, artificial intelligence data tracking, capture or collection services and/or health and wellness planning and tracking services.
4. **"Business Partner"** means any Customer, Prospective Customer or Supplier.
5. **"Company"** means Sharecare, Inc.
6. **"Company Employee"** means any person who: (i) is employed by the Company Code at the time of the initial determination by the Determination Firm hereunder, it is possible that Payments hereunder will have been unnecessarily limited by this Section V(N) ("**Underpayment**"), consistent with the calculations required to be made hereunder. The Determination Firm shall determine the amount of the Underpayment that has occurred and any relevant solicitation; or (ii) was employed such Underpayment shall be promptly paid by the Company during to or for the benefit of Executive, but no later than March 15 of the year preceding after the year in which the Underpayment is determined to exist, which is when the legally binding right to such Underpayment arises.

**O. Clawback/Recoupment.** Any amounts payable under this Agreement are subject to any relevant solicitation policy or policies (whether in existence as of the Effective Date or as later adopted) established by the Company providing for clawback or recovery of amounts that were paid to the Executive on the terms consistent with those applicable to other senior executives of the Company. The Company will make any determination for clawback or recovery in its sole discretion and in accordance with the terms of such policy or any applicable law, regulation and/or stock exchange listing requirement.

7. **"Confidential Information"** means: (i) information [signature page follows]

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the Company, to the extent not considered a Trade Secret under applicable law, that (a) relates to the business of the Company, (b) was disclosed to Employee or of which Employee became aware of as a consequence of Employee's relationship with the Company, Effective Date.

**Brent Layton**

/s/ Brent Layton

Signature

(c) possesses an element of value to the Company and (d) is not generally known to the Company's competitors;  
and **SHARECARE, INC.**

By: /s/ Colin Daniel

(ii) information of any third party provided to the Company which the Company is obligated to treat as confidential, including, but not limited to, information provided to the Company by its licensors, suppliers or customers. Confidential Information includes, but is not limited to: (i) methods of operation; (ii) price lists; (iii) financial information and projections; (iv) personnel data; (v) future business plans; (vi) the composition, description, schematic or design of products, future products or equipment of the Company or any third party; (vii) advertising or marketing plans; and/or (viii) information regarding independent contractors, employees, clients, licensors, Business Partners or any third party, including, but not limited to, Customer Content, Supplier, Customer or Prospective Customer lists compiled by the Company, and Business Partner information compiled by the Company.

Confidential Information shall not include any information that (x) is or becomes generally available to the public other than as a result of an unauthorized disclosure by Employee, (y) has been independently developed and disclosed by others without violating this Agreement or the legal rights of any party or (z) otherwise enters the public domain through lawful means. Colin Daniel, Chief Administrative Officer

## 8. SHARECARE OPERATING COMPANY, INC. "

By: Customer" means any person or entity to which the Company has sold its products or /s/ Colin Daniel services.

9. "Customer Content" means any nonpublic information or content owned by the Company's Customers and disclosed to the Company and/or Employee, either directly or through the Company's services, including technical data, financial information, proprietary information, business information or information protected by a confidentiality agreement between the Company and its Customers.

Colin Daniel, Chief Administrative Officer

[Signature Page to Employment Agreement]

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## EXHIBIT A

10. "Intellectual Property Rights" are all: (i) patents and associated reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part; (ii) all inventions, whether patentable or not and whether or not reduced to practice; (iii) registered and unregistered trademarks, service marks, certification marks, trade dress, logos, trade names, brand names, corporate names, business and product names, internet domain names, internet uniform resource locators and internet protocol addresses and all goodwill associated with these rights; (iv) Trade Secrets, industrial rights, industrial designs; (v) registered and unregistered works of authorship, copyrights, moral rights and publicity rights; (vi) all rights to computer software, computer software source code, proprietary databases and mask works and all documentation and developer tools associated with these; (vii) proprietary rights that are similar in nature to those enumerated in (i) through (vi) anywhere in the world; (viii) all enhancements and improvements to and all derivations of any of the rights enumerated in (i) through (vii); and (ix) all applications, registrations and documentation associated with the rights described in (i) through (vii).

11. "Key Employee" means that, by reason of the Company's investment of time, training, money, trust, exposure to the public or exposure to Customers, vendors or other business relationships during the course of Employee's employment with the Company, Employee will gain a high level of notoriety, fame, reputation or public persona as the Company's representative or spokesperson, or will gain a high level of influence or credibility with the Company's Customers, vendors or other business relationships, or will be intimately involved in the planning for or direction of the business of the Company or a defined unit of the business of the Company. Such term also means that Employee will possess selective or specialized skills, learning or abilities or customer contacts or customer information by reason of having worked for the Company.

12. "Material Contact" means contact between Employee and a Customer, Prospective Customer or Supplier, as applicable: (i) with whom or which Employee dealt on behalf of the Company; (ii) whose dealings with the Company were coordinated or supervised by Employee; (iii) about whom Employee obtained

Confidential Information as a result of Employee's association with the Company; or (iv) who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commissions or earnings for Employee at any time during the preceding two (2) years.

13. "Professional" means an employee who has a primary duty the performance of work requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction or requiring invention, imagination, originality or talent in a recognized field of artistic or creative endeavor. Such term shall not include employees performing technician work using knowledge acquired through on-the-job and classroom training, rather than by acquiring the knowledge through prolonged academic study, such as might be performed, without limitation, by a mechanic, a manual laborer or a ministerial employee.

14. "Prospective Customer" means any person or entity to which the Company has solicited (other than through general broad-based solicitations) to purchase the Company's products or services.

15. "Restricted Period" means the time period during Employee's employment with the Company and for one (1) year after Termination of Employee's Employment.

16. "Supplier" means any person or entity that has provided goods or services to the Company, including, but not limited to, vendors, independent contractors and consultants of the Company, and any other business partner of the Company.

17. "Termination of Employee's Employment" and any similar phrase shall mean termination or cessation of Employee's employment with the Company for any reason whatsoever, including but not limited to, termination of employment for Disability or death, whether the termination of employment is instituted by Employee or the Company, and whether the termination of employment is with or without Cause or with or without Good Reason.

18. "Territory" means within each of the following discrete, severable, geographic areas: (i) states in which the Company has conducted Business at any time during the preceding two (2) year period; (ii) states of domicile of Customers or Prospective Customers with whom Employee had Material Contact during Employee's employment with the Company; and (iii) the United States.

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19. "Trade Secrets" means information that is a trade secret as defined under applicable state and federal law. In the absence of a statutory definition under applicable law, a "Trade Secret" shall be defined as information or data (other than Confidential Information) of or about the Company, its business, its independent contractors, employees, licensors, Business Partners or any third party (including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, Customer or Prospective Customer lists, licensors or suppliers) that: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

20. "Work Product" means: (i) any data, databases, materials, documentation, computer programs, inventions (whether or not patentable), designs, trademarks, trade dress and/or works of authorship, including but not limited to, discoveries, ideas, concepts, properties, formulas, compositions, methods, programs, procedures, systems, techniques, products, improvements, innovations, writings, pictures, audio, video, images and artistic works and any related application or registrations and each and every original, interim and final version, copy, replica, prototype or other original work of authorship thereof or in any way related thereto, any and all reproductions, distribution rights, ancillary rights, performances, displays, derivative works, amendments, versions, modifications, copies or other permutations of the foregoing, regardless of the form or type and the renewals and extensions thereof; (ii) any subject matter (including but not limited to any new and useful process, machine, manufacture, composition, matter or any new and useful improvement thereof) protected or eligible for protection under patent, copyright, proprietary database, trademark, trade dress, Trade Secret, rights of publicity, confidential information or other property rights, including all worldwide rights therein; (iii) any goodwill, commercial and economic benefits, relationship and contracts arising out of or resulting from Employee's employment; and (iv) any Intellectual Property Rights included within and associated with the items described in (i), (ii) and (iii).

**B. Restrictions Reasonable.** Employee acknowledges and agrees that the restrictions contained in herein are reasonable and necessary to protect the legitimate business interests of the Company, and they will not impair or infringe upon his or her right to work or earn a living upon Termination of Employee's Employment, and: (i) Employee (a) serves the Company as a Key Employee; and/or (b) serves the Company as a Professional; and/or (c) customarily and regularly solicits Customers and/or Prospective Customers for the Company; and/or (d) customarily and regularly engages in making sales or obtaining orders or contracts for products or services to be provided or performed by others in the Company; and/or (e) (1) has a primary duty of managing a department or subdivision of the Company, (2) customarily and regularly directs the work of two or more other Company

Employees and (3) has the authority to hire or fire other Company Employees; and/or (ii) Employee's position is a position of trust and responsibility with access to: (a) Confidential Information; (b) Trade Secrets; (c) information concerning employees of the Company; (d) information concerning Customers of the Company; and/or (e) information concerning Prospective Customers of the Company.

**C. No Conflicts.** Employee represents and warrants that: (i) he or she is not subject to any legal or contractual duty or agreement that would prevent or prohibit him or her from performing his or her duties for the Company or complying with this Agreement; and (ii) he or she is not in breach of any legal or contractual duty or agreement, including any agreement concerning trade secrets or confidential information, owned by any other person or entity.

**D. Confidentiality.** Employee shall not: (i) both during and after his or her employment with the Company, use, disclose or reverse engineer the Trade Secrets or the Confidential Information for any purpose other than the Company's business, except as authorized in writing by the Company; (ii) during Employee's employment with the Company, use, disclose or reverse engineer (a) any confidential information or trade secrets of any former employer or third party or (b) any works of authorship developed in whole or in part by him or her during any former employment or for any other party, unless authorized in writing by the former employer or third party; or (iii) upon the Termination of Employee's Employment for any reason, (a) retain Trade Secrets or Confidential Information, including any copies existing in any form (including electronic form) that are in his or her possession or control or (b) destroy, delete or alter the Trade Secrets or Confidential Information without the Company's prior written consent. The obligations in this Section D shall: (i) with regard to the Trade Secrets, remain in effect as long as the information constitutes a trade secret under applicable law; and (ii) with regard to the Confidential Information, remain in effect for so long as such information constitutes Confidential Information.

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**E. Non-Solicitation, Non-Interference and Non-Hire.**

During the Restricted Period, Employee shall not, directly or indirectly, through his or her affiliates or otherwise:

1. solicit any Business Partner for the purpose of entering into a business relationship with such Business Partner in connection with the Business. This restriction only applies to Business Partners with whom Employee had Material Contact during his or her employment with the Company; **PERMITTED ACTIVITIES**
2. solicit any Business Partner for the purpose of: (i) persuading or attempting to persuade such Business Partner to cease doing business with, or materially reduce the volume of, or adversely alter the terms with respect to, the Business Partner did with the Company or any of its Affiliated Entities, or (ii) in any way interfering with the relationship between such Business Partner on the one hand, and the Company or any of its Affiliated Entities, on the other hand. With respect to Business Partners that are Prospective Customers, these restrictions apply only to Prospective Customers with whom Employee had Material Contact during his or her employment with the Company;
3. solicit, recruit, encourage or induce (or attempt to do any of the foregoing) any Company Employee (other than any Company Employee who is a licensed attorney, with respect to employment or other engagement as a licensed attorney) to: (i) terminate his or her employment relationship with the Company; or (ii) work for any other person or entity engaged in the Business; or
4. employ, hire or engage any Company Employee (other than any Company Employee who is a licensed attorney for employment or engagement as a licensed attorney).

**F. Non-Disparagement.** Employee shall not, and shall cause his or her affiliate's not to, at any time make negative comments or otherwise disparage the Company or any of its Affiliated Entities or any officers, directors, employees, services or products of the Company or any of its Affiliated Entities.

**G. Intellectual Property; Work Product.**

1. Employee acknowledges and agrees that, as between Employee and the Company, the Company shall own, and Employee hereby assigns to the Company, all right, title and interest, including, without limitation all Intellectual Property Rights, in and to any existing and future Work Product that: (i) is created within the scope of Employee's

employment; (ii) is based on, results from, or is suggested by any work performed within the scope of Employee's employment and is related to the Company's business; (iii) has been or will be paid for by the Company; or (iv) was created or improved in whole or in part through use of the Company's time, personnel,

resources, data, facilities or equipment (hereinafter, "Company Work Product"). All Company Work Product, to the extent permitted by applicable law, shall constitute work made for hire and shall be owned upon its creation exclusively by the Company.

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2. Employee shall not take any actions inconsistent with the provisions of these Restrictive Covenants, including but not limited to the execution of any agreements with any third parties that may affect the Company's title in and to any Company Work Product. At the Company's request, Employee agrees to perform, during or after Employee's employment with the Company, any acts to transfer, perfect and defend the Company's

ownership of the Company Work Product, including, but not limited to: (i) executing all documents and instruments (including additional written assignments to the Company), whether for filing an Application or otherwise under any form of intellectual property laws whether in the United States or elsewhere in the world; (ii) explaining the nature and technical details of construction and operation of the Company Work Product to persons designated by the Company; (iii) reviewing and approving Applications and other related papers; or (iv) providing any other assistance reasonably required for the orderly prosecution of Applications. Employee agrees to provide additional evidence to EXHIBIT B

#### FORMS OF AWARD AGREEMENTS UNDER THE SHARECARE, INC. 2021 OMNIBUS INCENTIVE PLAN

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Exhibit 10.28

support the foregoing if such evidence is considered necessary by the Company, is in Employee's possession or control and is reasonably available and retrievable.

**3. EXHIBIT C** Employee agrees to disclose to the Company and provide the Company with a complete written description of any Company Work Product in which Employee is involved (solely or jointly with others) and the circumstances surrounding the creation of such Company Work Product, upon creation of any subject matter that may constitute Company Work Product and upon request by the Company. Employee's failure to provide such a description to the Company, or the Company's failure to request such a description from Employee, will not alter the rights of the Company to any Company Work Product under these Restrictive Covenants.

**H. Disclosure of Agreement.** During the Restricted Period, Employee shall provide a copy of this Agreement to persons and/or entities for whom Employee works or consults as an owner, partner, joint venturer, employee or independent contractor. During the Restricted Period, Employee authorizes the Company to provide a copy of this Agreement to persons and/or entities whom Employee works or consults as an owner, partner, joint venturer, employee or independent contractor.

**I. Return of Property.** Upon Termination of Employee's Employment, Employee shall return to the Company all of the Company's property, including, but not limited to, computers, computer equipment, office equipment, mobile phones, keys, passcards, credit cards, Confidential Information, Trade Secrets and any other property, record, document or piece of equipment belonging to the Company. Upon Termination of Employee's Employment, Employee shall not: (i) retain any copies of the Company's property, including any copies existing in electronic form, which are in his or her possession, custody or control; or (ii) destroy, delete or alter any Company property, including, but not limited to, any files stored electronically, without the Company's prior written consent.

**J. Remedies; Affiliated Entities.**

1. Employee agrees that if he or she breaches any of the Restrictive Covenants set forth herein: (i) the Company would suffer irreparable harm; (ii) it would be difficult to determine damages, and money damages alone would be an inadequate remedy for the injuries suffered by the Company; and (iii) if the Company seeks injunctive relief to enforce any of the restrictions in this Agreement, Employee shall waive and shall not: (a) assert any defense that the Company has an adequate remedy at



law with respect to the breach; (b) require that the Company submit proof of the economic value of any Trade Secret or Confidential Information or (c) require the Company to post a bond or any other security. Nothing in this Agreement shall limit the Company's right to any other remedies at law or in equity. The confidentiality, property and proprietary rights protections available in this Agreement are in addition to, and not exclusive of, any and all other rights to which the Company is entitled under federal and state law, including, but not limited to, rights provided under copyright laws, trade secret and confidential information laws and laws concerning fiduciary duties.

2. Each of the Restrictive Covenants set forth herein shall be construed as an agreement independent of: (i) any other agreements; or (ii) any other provision in this Agreement, and the existence of any claim or cause of action by Employee against the Company, whether predicated on this Agreement or otherwise, regardless of who was at fault and regardless of any claims that either Employee or the Company may have against the other, shall not constitute a defense to the enforcement by the Company of any of the covenants set forth in this Agreement. The Company shall not be barred from enforcing any of the covenants set forth in this Agreement by reason of any breach of: (i) any other part of this Agreement; or (ii) any other agreement with Employee. Employee acknowledges and agrees that the covenants contained in this Agreement are reasonable in time, scope and in all other respects and that should any part or provision of any covenant be held invalid, void or unenforceable in any court of competent jurisdiction, such invalidity, voidness or unenforceability shall not render invalid, void or unenforceable any other part or provision of this Agreement. If any portion of the foregoing provisions is found to be invalid or unenforceable by a court of competent jurisdiction because its duration, the territory, the definition of activities or the definition of information covered is considered to be invalid or unreasonable in scope, the invalid or unreasonable term shall be redefined, or a new enforceable term provided, such that the intent of the Company and Employee in agreeing to the provisions of this Agreement will not be impaired and the provision in question shall be enforceable to the fullest extent of the applicable laws; and that the existence of any claim or cause of action by Employee against the Company, whether predicated upon this or any other contract, shall not constitute a defense to the enforcement by the Company of said covenants.

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Exhibit 10.28

3. FOR PURPOSES FORM OF THESE RESTRICTIVE COVENANTS: (I) ALL REFERENCES TO THE COMPANY SHALL INCLUDE THE COMPANY AND ITS AFFILIATED ENTITIES; AND (II) ALL REFERENCES TO THE COMPANY IN DEFINED TERMS USED IN THESE RESTRICTIVE COVENANTS SHALL INCLUDE THE COMPANY AND ITS AFFILIATED ENTITIES. RELEASE

K. DTSA. Notice is hereby given that this Agreement does not affect any immunity under the Defend Trade Secrets Act 18 U.S.C. §§ 1833(b)(1) or (2) ("DTSA"). In accordance with the DTSA, Employee will not be held criminally or civilly liable under any federal or state trade secret law that Employee (A) made (i) in confidence to a federal, state, or local government official or to Employee's attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, if Employee files a lawsuit alleging retaliation by an employer for reporting a suspected violation of law, Employee may disclose the trade secret to his or her attorney and use the trade secret information in the court proceeding if Employee: (A) files the document containing the trade secret in a sealed court document and (B) does not disclose the trade secret, except pursuant to court order. The DTSA does not, however, offer protection from liability for individuals who access trade secrets by unlawful means.

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Exhibit 21.1

SHARECARE, INC.

List of Significant Subsidiaries

Entity Name	Jurisdiction of Organization
CareLinx, Inc.	Delaware
Healthways SC, LLC	Delaware
MindSciences, Inc.	Delaware
SC-WHAI, LLC	Delaware
Sharecare	France
Sharecare ACO 1, LLC	Delaware
Sharecare ACO 2, LLC	Delaware
Sharecare ACO 3, LLC	Delaware
Sharecare ACO 4, LLC	Delaware
Sharecare ACO 5, LLC	Delaware
Sharecare AI, Inc.	Delaware
Sharecare Australia Pty Limited	Australia
Sharecare Brasil Servicos de Consultoria Ltda.	Brazil
Sharecare CL, LLC	Delaware
Sharecare Digital Health International Limited	Ireland
Sharecare GmbH	Germany
Sharecare Hawkins, LLC	Delaware
Sharecare Health Data Services, Inc.	Delaware
Sharecare Health Data Services, LLC	Delaware
Sharecare Operating Company, Inc.	Delaware
Visualize Health, LLC	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-271828) pertaining to the Sharecare, Inc. 2021 Omnibus Incentive Plan,
- (2) Registration Statement (Form S-8 No. 333-259344) pertaining to the Sharecare, Inc. 2021 Omnibus Incentive Plan, and
- (3) Post-Effective Amendment No. 2 to the Registration Statement (Form S-1 on Form S-3 No. 333-259333) and related Prospectus of Sharecare, Inc.;

of our report dated March 30, 2023 March 29, 2024, with respect to the consolidated financial statements of Sharecare, Inc., included in this Annual Report (Form 10-K) of Sharecare, Inc. for the year ended December 31, 2022 December 31, 2023.

/s/ Ernst & Young LLP  
Atlanta, Georgia  
March 30, 2023 29, 2024

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO EXCHANGE ACT RULE 13a-14(a) AS  
ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, **Jeffrey T. Arnold**, **Brent Layton**, certify that:

1. I have reviewed this Annual Report on Form 10-K of Sharecare, Inc.;
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)) 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; and
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.

Dated: **March 30, 2023** **March 29, 2024**

/s/ **Jeffrey T. Arnold** **Brent Layton**

**Jeffrey T. Arnold** **Brent Layton**

Chief Executive Officer  
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO EXCHANGE ACT RULE 13a-14(a) AS  
ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Justin Ferrero, certify that:

1. I have reviewed this Annual Report on Form 10-K of Sharecare, Inc.;
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)) 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; and
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.

Dated: March 30, 2023 March 29, 2024

*/s/ Justin Ferrero*

Justin Ferrero

President and Chief Financial Officer  
(Principal Financial Officer)

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Sharecare, Inc. (the "Company") on Form 10-K for the year ended ~~December 31, 2022~~ December 31, 2023, as filed with the Securities and Exchange Commission (the "Report"), I, ~~Jeffrey T. Arnold~~, Brent Layton, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: ~~March 30, 2023~~ March 29, 2024

By: /s/ ~~Jeffrey T. Arnold~~ Brent Layton

~~Jeffrey T. Arnold~~ Brent Layton

Chief Executive Officer

(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Sharecare, Inc. (the "Company") on Form 10-K for year ended ~~December 31, 2022~~ December 31, 2023, as filed with the Securities and Exchange Commission (the "Report"), I, Justin Ferrero, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: ~~March 30, 2023~~ March 29, 2024

By: /s/ Justin Ferrero

Justin Ferrero

President and Chief Financial Officer

(Principal Financial Officer)

SHARECARE, INC.  
CLAWBACK POLICY

(As adopted on May 17, 2023)

1. **Purpose.** The purpose of this Policy is to describe the circumstances in which Executive Officers will be required to repay or return Erroneously Awarded Compensation to members of the Company Group. This Policy is designed to comply with, and will be interpreted in a manner that is consistent with, Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Section 10D of the Securities Exchange Act of 1934 and the listing standards of the Exchange.

2. **Administration.** This Policy shall be administered by the Committee. Any determinations made by the Committee shall be final and binding on all affected individuals.

3. **Definitions.** For purposes of this Policy, the following capitalized terms shall have the meanings set forth below.

(a) **"Accounting Restatement"** shall mean an accounting restatement (i) due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial restatements that is material to the previously issued financial statements, or (ii) that corrects an error that is not material to previously issued financial statements, but would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

(b) **"Board"** shall mean the Board of Directors of the Company.

(c) **"Clawback Eligible Incentive Compensation"** shall mean, in connection with an Accounting Restatement and with respect to each individual who served as an Executive Officer at any time during the applicable performance period for any Incentive-based Compensation (whether or not such Executive Officer is serving at the time the Erroneously Awarded Compensation is required to be repaid to the Company Group), all Incentive-based Compensation Received by such Executive Officer (i) on or after the Effective Date, (ii) after beginning service as an Executive Officer, (iii) who served as an Executive Officer at any time during the performance period for the Incentive-based Compensation, (iv) while the Company has a class of securities listed on a national securities exchange or a national securities association and (v) during the applicable Clawback Period.

(d) **"Clawback Period"** shall mean, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Date and any transition period (that results from a change in the Company's fiscal year) of less than nine months within or immediately following those three completed fiscal years.

(e) **"Committee"** shall mean the Compensation and Human Capital Committee of the Board.

(f) **"Company"** shall mean Sharecare, Inc., a Delaware corporation.

(g) **"Company Group"** shall mean the Company, together with each of its direct and indirect subsidiaries.

(h) **"Exchange"** shall mean the Nasdaq Stock Market LLC or any other national securities exchange on which the Company's securities are listed.

(i) **"Effective Date"** shall mean May 17, 2023.

(j) **"Erroneously Awarded Compensation"** shall mean, with respect to each Executive Officer in connection with an Accounting Restatement, the amount of Clawback Eligible Incentive Compensation that exceeds the amount of Incentive-based Compensation

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that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid.

(k) **"Executive Officer"** shall mean (i) the Company's current and former president, principal financial officer, principal accounting officer (or if there is no principal accounting officer, the controller), any vice-president in charge of a principal business unit, division or function (such as sales, administration, or finance), any other officer who performs a policy-making function for the Company, or any other person who performs similar policy-making functions for the Company, as determined by the Committee in accordance with Federal securities laws, SEC rules or the rules of any national securities exchange or national securities association on which the Company's securities are listed. Identification of an executive officer for purposes of this Policy includes at a minimum executive officers identified pursuant to 17 C.F.R. 229.401(b).

(l) **"Financial Reporting Measures"** shall mean measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and all other measures that are derived wholly or in part from such measures. Stock price and total

shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return) shall for purposes of this Policy be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company's financial statements or included in a filing with the SEC.

(m) **"Incentive-based Compensation"** shall mean any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive-based Compensation does not include: (i) bonuses paid solely at the discretion of the Board or the Committee that are not paid from a bonus pool that is determined by satisfying a financial reporting measure performance goal or solely upon satisfying one or more subjective standards and/or completion of a specified employment period, (ii) non-equity incentive plan awards earned solely upon satisfying one or more strategic or operational measures, (iii) equity awards not contingent upon achieving any financial reporting measure performance goal and vesting is contingent solely upon the completion of a specified employment period and/or attaining one or more non-financial reporting measures or (iv) any Incentive-based Compensation received before the Company had a class of securities listed on a national securities exchange.

(n) **"Policy"** shall mean this Clawback Policy, as the same may be amended and/or restated from time to time.

(o) **"Received"** shall, with respect to any Incentive-based Compensation, mean actual or deemed receipt, and Incentive-based Compensation shall be deemed received in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation award is attained, even if payment or grant of the Incentive-based Compensation occurs after the end of that period. **"Restatement Date"** shall mean the earlier to occur of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the issuer is required to prepare an Accounting Restatement, or (ii) the date of court, regulator or other legally authorized body directs the issuer to prepare an Accounting Restatement.

(p) **"SEC"** shall mean the U.S. Securities and Exchange Commission.

## 1. Repayment of Erroneously Awarded Compensation.

(a) In the event of an Accounting Restatement, the Committee shall determine the amount of any Erroneously Awarded Compensation for each Executive Officer in connection with such Accounting Restatement and thereafter, provide each Executive Officer with a written notice containing the amount of Erroneously Awarded Compensation and a demand for repayment or return, as applicable. For Incentive-based Compensation based on (or derived from) stock price or total shareholder return where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the

applicable Accounting Restatement, the amount shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-based Compensation was Received (in which case, the Company shall maintain documentation of such determination of that reasonable estimate and provide such documentation to the Exchange).

(b) The Committee shall take such action as it deems appropriate to recover Erroneously Awarded Compensation reasonably promptly after such obligation is incurred and shall have broad discretion to determine the appropriate means of recovery of such Erroneously Awarded Compensation based on all applicable facts and circumstances. The Committee may seek recoupment in the manner it chooses, in its sole discretion, which may include, without limitation, one or a combination of the following: (i) direct reimbursement from the Executive Officer of Incentive-based Compensation previously paid, (ii) deduction of the recouped amount from unpaid compensation otherwise owed by the Company to the Covered Executive, (iii) set-off, (iv) rescinding or cancelling vested or unvested equity or cash based awards, and (v) any other remedial and recovery action permitted by law, as determined by the Committee. For the avoidance of doubt, except as set forth in Section 4(d) below, in no event may the Company Group accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of an Executive Officer's obligations hereunder.

(c) To the extent that an Executive Officer fails to repay all Erroneously Awarded Compensation to the Company Group when due (as determined in accordance with Section 4(b) above), the Company shall, or shall cause one or more other members of the Company Group to, take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the applicable Executive Officer. The applicable Executive Officer shall be required to reimburse the Company Group for any and all expenses reasonably incurred (including legal fees) by the Company Group in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence.

(d) Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated by Section 4(b) above if the following conditions are met and the Committee determines that recovery would be impracticable:



(i) The direct expenses paid to a third party to assist in enforcing the Policy against an Executive Officer would exceed the amount to be recovered, after the Company has made a reasonable attempt to recover the applicable Erroneously Awarded Compensation, documented such attempts and provided such documentation to the Exchange.

(ii) Recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to the Exchange, that recovery would result in such a violation and a copy of the opinion is provided to the Exchange; or

(iii) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company Group, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

**4. Reporting and Disclosure.** The Company shall file all disclosures with respect to this Policy in accordance with the requirement of the Federal securities laws, including the disclosure required by the applicable SEC filings.

**5. Indemnification Prohibition.** No member of the Company Group shall be permitted to indemnify any Executive Officer against (i) the loss of any Erroneously Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Company Group's enforcement of its rights under this Policy. Further, no member of the Company Group shall enter into any agreement that exempts any Incentive-based Compensation from the application of this Policy or that waives the Company Group's right to recovery of any Erroneously

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Awarded Compensation and this Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date).

**6. Interpretation.** The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. This Policy shall be binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors or other legal representatives.

**7. Effective Date.** This Policy shall be effective as of the Effective Date.

**8. Amendment; Termination.** The Committee may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary, including as and when it determines that it is legally required by any Federal securities laws, SEC rules or the rules of any national securities exchange or national securities association on which the Company's securities are listed. The Committee may terminate this Policy at any time. Notwithstanding anything in this Section 9 to the contrary, no amendment or termination of this Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any Federal securities laws, SEC rules or the rules of any national securities exchange or national securities association on which the Company's securities are listed.

**9. Other Recoupment Rights; No Additional Payments.** The Committee intends that this Policy will be applied to the fullest extent of the law. This Policy shall be incorporated by reference into and shall apply to all incentive, bonus, equity, equity-based and compensation plans, agreements, and awards outstanding as of the Effective Date or entered into on or after the Effective Date. The Committee may require that any employment agreement, equity award agreement, or any other agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require an Executive Officer to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company Group under applicable law, regulation or rule or pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company Group.

**10. Entire Agreement.** This Policy supersedes, replaces and merges any and all previous agreements and understandings regarding the Company's policy on the recovery of compensation, and this Policy constitutes the entire agreement between the Company and the Executive Officers with respect to such terms and conditions.

**11. Successors.** This Policy shall be binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.



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