



Capital Markets Day
23 May 2022



Putting an accessible and affordable quality
health service in the hands of every person on Earth

Disclaimer

Additional information and where to find it

Babylon Holdings Limited ("Babylon") is subject to the informational reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We file reports and other information with the Securities and Exchange Commission (the "SEC") under the Exchange Act. Our SEC filings are available over the Internet at the SEC's website at www.sec.gov.

Forward-looking statements

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

These forward-looking statements are not guarantees of future performance, conditions, or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside of Babylon's management's control, that could cause actual results to differ materially from the results discussed in the forward-looking statements. These risks, uncertainties, assumptions and other important factors include, but are not limited to our future financial and operating results and that we may require additional financing; uncertainties related to our ability to continue as a going concern; the growth of our business and organization; our failure to compete successfully; our ability to renew contracts with existing customers, and risks of contract renewals at lower fee levels, or significant reductions in members, pricing or premiums under our contracts due to factors outside our control; our dependence on our relationships with physician-owned entities; our ability to maintain and expand a network of qualified providers; our ability to increase engagement of individual members or realize the member healthcare cost savings that we expect; a significant portion of our revenue comes from a limited number of customers; the uncertainty and potential inadequacy of our claims liability estimates for medical costs and expenses; risks associated with estimating the amount and timing of revenue recognized under our licensing agreements and value-based care agreements with health plans; risks associated with our physician partners' failure to accurately, timely and sufficiently document their services; risks associated with inaccurate or unsupported information regarding risk adjustment scores of members in records and submissions to health plans; risks associated with reduction of reimbursement rates paid by third-party payers or federal or state healthcare programs; risks associated with regulatory proposals directed at containing or lowering the cost of healthcare, including the ACO REACH model; immaturity and volatility of the market for telemedicine and our unproven digital-first approach; our ability to develop and release new solutions and services; the impact of COVID-19 or any other pandemic, epidemic or outbreak of an infectious disease in the United States or worldwide on our business; and the other risks and uncertainties identified in Babylon's Annual Report on Form 20-F filed with the SEC on March 30, 2022, and in other documents filed or to be filed by Babylon with the SEC and available at the SEC's website at www.sec.gov.

Babylon cautions that the foregoing list of factors is not exclusive and cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Except as required by law, Babylon does not undertake any obligation to update or revise its forward-looking statements to reflect events or circumstances after the date of this presentation.

Information sources

The information herein is derived from various internal and external sources. Unless otherwise indicated, information contained in this presentation concerning Babylon's industry and the regions in which it operates, including Babylon's general expectations and market position, market opportunity, market share and other management estimates, is based on information obtained from various independent publicly available sources and reports provided to us, and other industry publications, surveys and forecasts. We have not independently verified the accuracy or completeness of any third-party information. Similarly, internal surveys, industry forecasts and market research, which we believe to be reliable based upon our management's knowledge of the industry, have not been independently verified. While we believe that the market data, industry forecasts and similar information included in this presentation are generally reliable, such information is inherently imprecise. In addition, assumptions and estimates of our future performance and growth objectives and the future performance of our industry and the markets in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those discussed under the heading "Forward-looking statements" and our filings with the SEC.

This presentation contains references to trademarks, trade names and service marks belonging to other entities. Solely for convenience, trademarks, trade names and service marks referred to in this presentation may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that the applicable licensor does not assert, to the fullest extent under applicable law, its rights to these trademarks and trade names. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Use of Non-IFRS Financial Measures

This presentation includes certain financial measures to evaluate Babylon's projected financial and operating performance, and measures calculated based on these measures, including Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Claims Expense Ratio and Adjusted Claims Margin, that are not prepared in accordance with IFRS. EBITDA is defined as profit (loss) for the period, adjusted for depreciation and amortization, finance costs and income, and tax provision or benefit. Adjusted EBITDA is defined as profit (loss) for the period, adjusted for depreciation and amortization, finance costs and income, tax provision or benefit, share-based compensation, change in fair value of warrant liabilities, gain on sale of subsidiary, and foreign exchange gains or losses. Loss for the period is the most directly comparable IFRS measure to Adjusted EBITDA. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by Total revenue for the corresponding period. IFRS Loss for the period margin is the most directly comparable IFRS measure to Adjusted EBITDA Margin. Adjusted Claims Expense Ratio is Claims Expense divided by the Value-based care Revenue, adjusted to exclude non-health plan revenue and provider incentives, add estimated reinsurance recoveries, and adjust for prior period developments through April 30, 2022. Adjusted Claims Margin is 1 less Adjusted Claims Expense Ratio.

We believe that EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are useful metrics for investors to understand and evaluate our operating results and ongoing profitability because they permit investors to evaluate our recurring profitability from our ongoing operating activities. EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin have certain limitations, and you should not consider them in isolation or as a substitute for analysis of our results of operations as reported under IFRS. We caution investors that amounts presented in accordance with our definitions of EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin may not be comparable to similar measures disclosed by other companies, because some companies calculate EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin differently or not at all, limiting their usefulness as direct comparative measures.

We believe that Adjusted Claims Expense Ratio and Adjusted Claims Margin are useful metrics for investors to understand and evaluate our operating results and ongoing profitability because they permit investors to evaluate our Claims Expense as a percentage of our Value-based care revenue. In particular, we believe that the exclusion of these amounts provides useful measures for period-to-period comparisons of our business. Babylon's management team uses these measures in assessing Babylon's performance, as well as in planning and forecasting future periods. These non-IFRS financial measures are not computed according to IFRS, and the methods we use to compute them may differ from the methods used by other companies. Adjusted Claims Expense Ratio and Adjusted Claims Margin have certain limitations, and you should not consider them in isolation or as a substitute for analysis of our results of operations as reported under IFRS.

A reconciliation of EBITDA and Adjusted EBITDA from the most directly comparable IFRS measure, Loss for the period, the calculations of IFRS Loss for the period margin, Adjusted EBITDA Margin, Claims Margin and Adjusted Claims Margin, and reconciliation of Adjusted Claims Expense Ratio from Claims Expense Ratio, the most directly comparable IFRS measure, have been provided in this presentation.

We are not able to reconcile projected 2022 Adjusted EBITDA or 2022 Adjusted EBITDA Margin to their respective most directly comparable IFRS measures as we are not able to forecast IFRS loss on a forward-looking basis without unreasonable efforts due to the high variability and difficulty in predicting certain items that affect IFRS loss for the period, including, but not limited to, impairment expense, share-based compensation, foreign exchange gains or losses and gains and losses on sale of subsidiaries. Adjusted EBITDA should not be used to predict IFRS loss as the difference between the two measures is variable and may be significant.

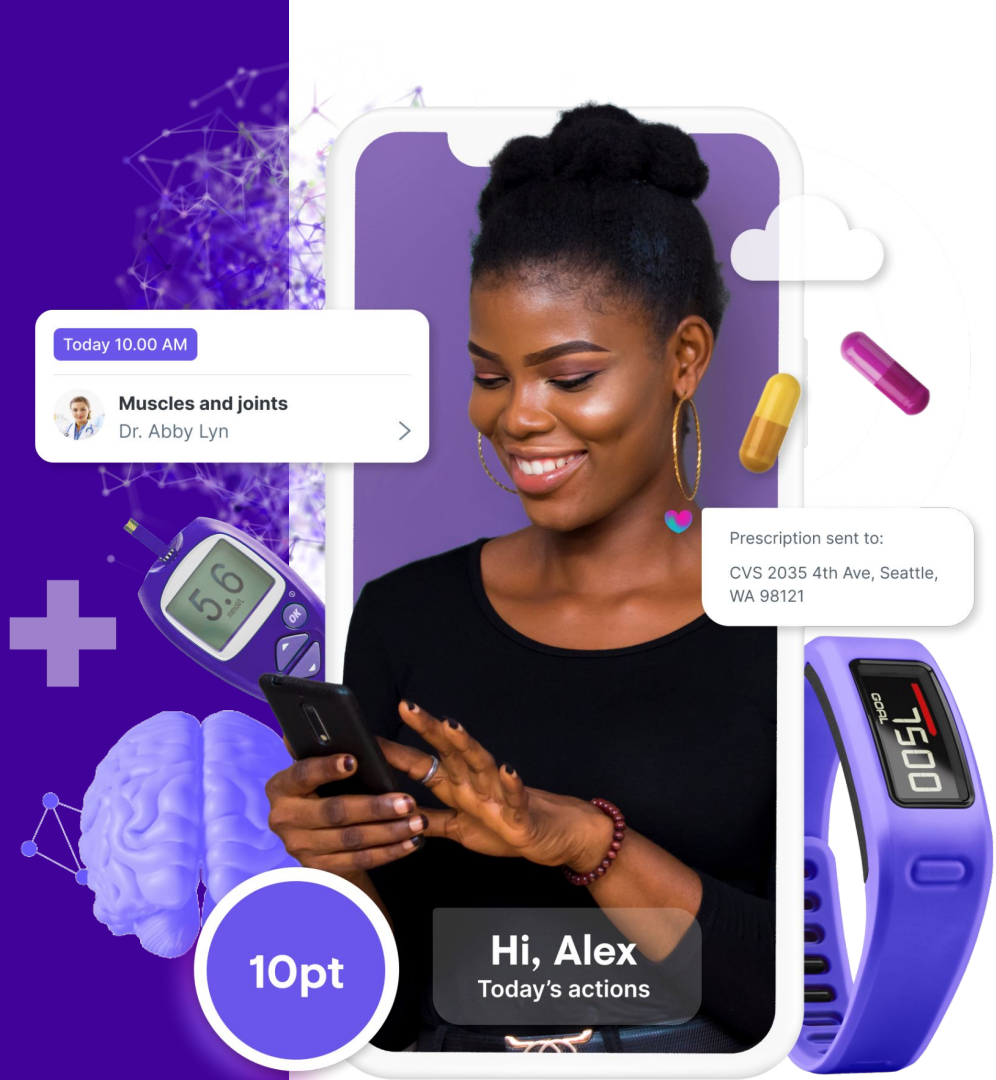
Agenda

- 1.30 pm **Welcome & Agenda** - Charlie Steel, CFO
- 1.35pm **Building Babylon: An Overview** - Dr Ali Parsa, Founder & CEO
- 2.05pm **Babylon's Technology: Our Competitive Advantage** - Steve Davis, CTO & Saurabh Johri, PhD, CSO
- 2.25pm **Our Product: An Integrated End to End Experience** - Yon Nuta, CPO
- 2.45pm *Break*
- 2.55pm **Babylon's Clinical Model: Transforming Delivery** - Darshak Sanghavi, MD, CMO
- 3.20pm **Fireside Chat** - Misty Zelk, MD, Babylon Physician & Darshak Sanghavi, MD, CMO
- 3.40pm **Our Financials: How We Create Value** - Charlie Steel, CFO
- 4.00pm **Q&A** - All
- 4.20pm **Closing Remarks** - Dr Ali Parsa, Founder & CEO
- 4.25pm **Reception** - All




Building Babylon: An Overview

Dr Ali Parsa, Founder & CEO










We Are at the Dawn of the Transformation of the Healthcare Sector

Sick Care

-  Reactive
-  Episodic
-  Physical
-  One Size Fits All
-  Provider-centric
-  Human Cognition
-  Fee for Service

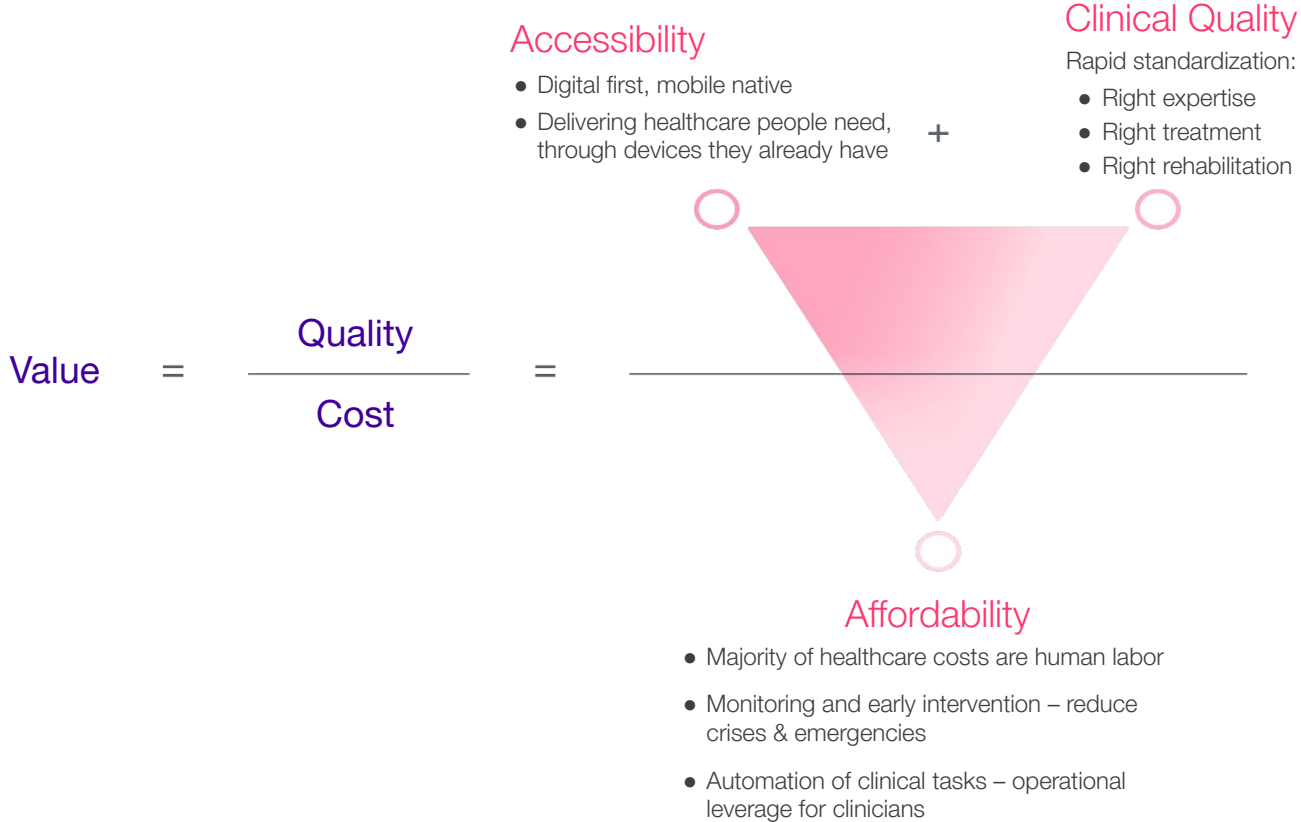


Health Care

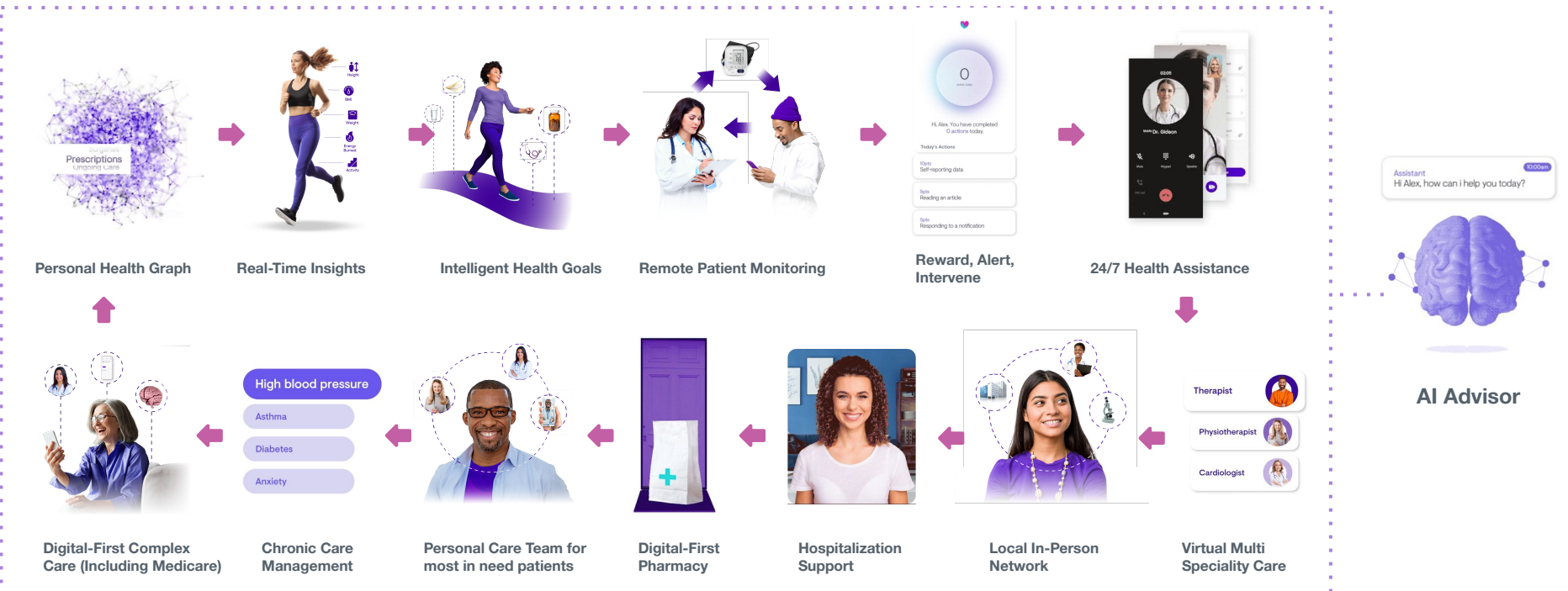
-  Proactive
-  Continuous
-  Virtual
-  Personalized
-  Patient-centric
-  AI Enhanced
-  Value Based Care

Transformation of one of the largest sectors of the world economy has the potential to give birth to some of the most valuable and impactful companies

The Winners Will be Those That Re-engineer a Superior “Value Proposition”

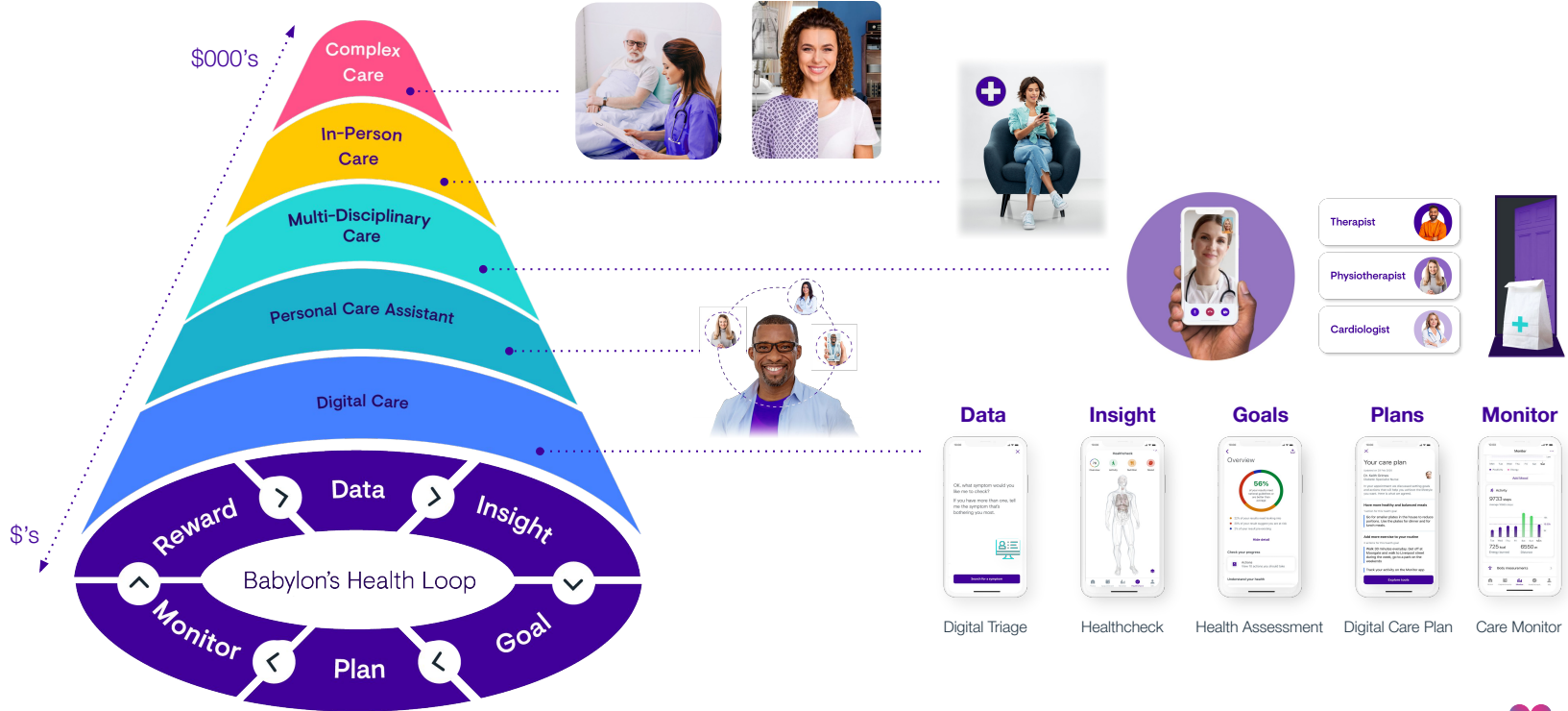


Babylon is Creating an Integrated, Digital First, Healthcare Experience



Note: Some features, or elements of features may be under active development, have not been commercialized and we cannot guarantee if/when the product will be delivered to members.

Our Model Rationalises the Structure and Cost of Healthcare Delivery



Babylon's Business Model Has Three Revenue Drivers

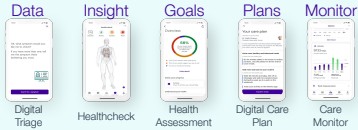
What

How

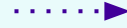
Who

How Much

Babylon Cloud Services



License Our Technology



\$s

Fee For Service



Initial FFS arrangements provides client entry point



\$10s

Babylon 360



Take Patient Budgets



Capture Cost Savings

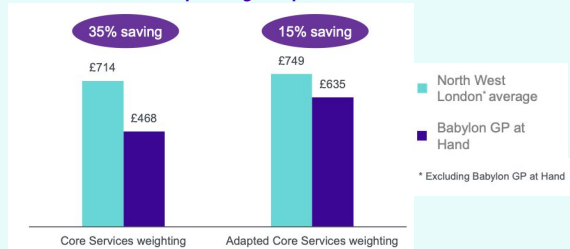


\$1000s

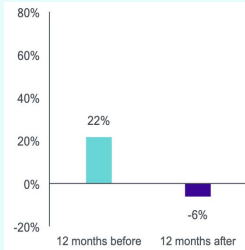
We Have Proven The Benefits of Our Operating Model in the UK

JOURNAL OF MEDICAL INTERNET RESEARCH
Original Paper
The Effect of 24/7, Digital-First, NHS Primary Care on Acute Hospital Spending: Retrospective Observational Analysis
Sam Winward, MBChB, BSc; Tejal Patel, MBBS; Mazin Al-Saffar, MBBS, BSc; Matthew Noble, MBBS
Babylon Health, London, United Kingdom

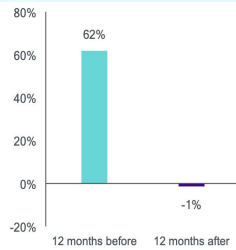
Acute care cost per weighted patient⁽²⁾



Members' likelihood to attend A&E before and after joining Babylon⁽¹⁾



Members' likelihood to call NHS 111 before and after joining Babylon⁽¹⁾



We reduce Emergency Room visits⁽¹⁾ by over

25%

as shown by an independent Ipsos Mori study

And create acute care cost savings⁽²⁾ of up to

35%

as proven in a peer-reviewed study of NHS data

Notes: **(1)** Based on an evaluation by Ipsos Mori of NHS data, comparing newly registered patients at our Babylon GP at Hand (NHS) service to patients newly registered at London GP Practices. London, UK is used as the comparator as Babylon GP at Hand is based in this area. **(2)** Based on UK data, specifically for our Babylon GP at Hand (NHS) service. Babylon GP at Hand acute care cost per weighted patient in 2019/20 was compared to the North West London average in 2019/20, using NHS funding formulae to account for age, sex and other factors influencing health need. North West London is used as the comparator as Babylon GP at Hand is based in this area.

We Are Bringing this Digital First Model to the US

As in the transformation of sectors like retail, a digital model offers the benefits of scalability, accessibility and automation



Physician Groups

Mostly bricks and mortar

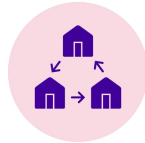
Single handers/small partnerships

Single Neighborhood

Primarily Episodic

Manual processes

Low Growth/Low Capital



“Franchise” Model

Mostly bricks and mortar

Small/medium partnerships

Multiple Neighborhoods

Primarily Episodic

Semi-manual processes

Medium Growth/Medium Capital



“Retail” Chain Model

Mostly bricks and mortar

Employees/contractors

Multiple Neighborhoods

Episodic/Continuous

Semi-manual processes

Medium Growth/High Capital



Digital First

Mostly Virtual

Employed/Contracted

Regional/National

Primarily Continuous

Leverages Digital Automation

High Growth/Medium Capital

Increasing scalability, operating leverage and ability to provide continuous, proactive care

Demand for Babylon's Services Suggests Product-Market Fit

Clinical Service Lives



4m+

US clinical services members with access to Babylon's digital suite and its virtual consultation network

VBC Member Growth



16x

17k⁽¹⁾ members in our first contract to **271k**⁽²⁾ members by Q1 2022

Revenue Growth



8x

\$29m first year revenue in US to **\$228m** in 2021⁽³⁾ (circa **\$1 billion**⁽⁴⁾ projected for 2022 with vast majority coming from US)

Market Growth



4x

2 states at US launch in 2020 to **8 states** as at Q1-22. **20 states** are in our pipeline

Quality Scoring



95%+

4 and 5-star Ratings⁽⁵⁾

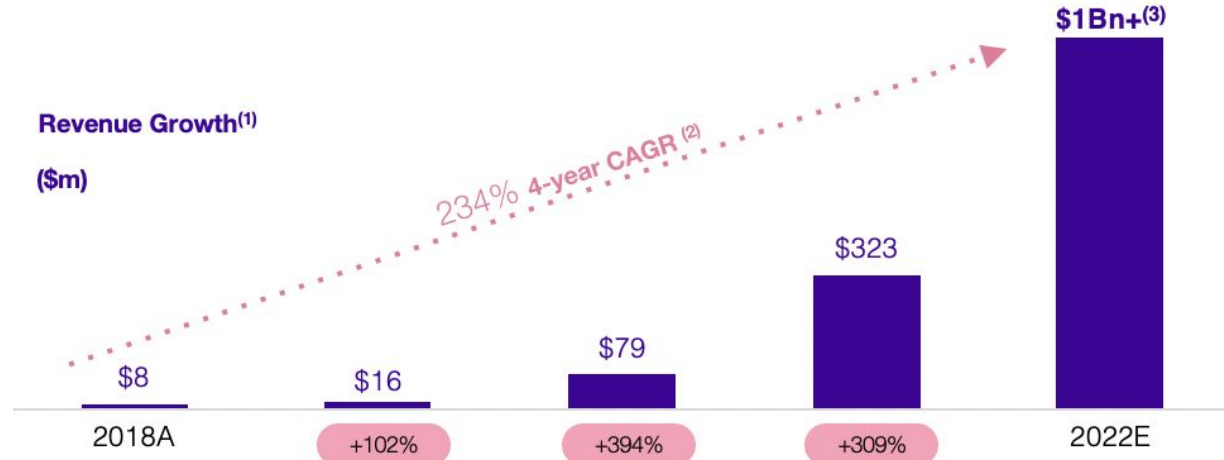
Our Technology Platform Enables Us to Rapidly Scale, Delivering Extraordinary Revenue Growth...

66m Lives

Covered by 153 US payors in our target pipeline⁽⁴⁾

271k VBC Lives covered at Q1-22⁽⁵⁾

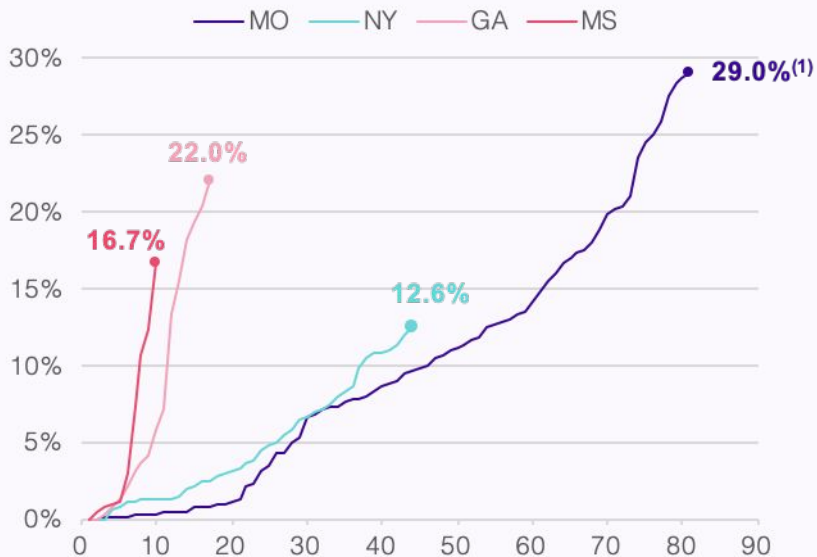
17k VBC Lives (Babylon's first US VBC contract in 2020)



Notes: **(1)** Audited financials through December 31, 2021. **(2)** Calculated using \$1bn 2022 revenue guidance **(3)** 2022 full year projected revenue as of May 12, 2022, as reported in Babylon's first quarter 2022 earnings release, filed with the SEC on Form 6-K on May 12, 2022. Babylon is not reaffirming its previously reported guidance or projections at this Capital Markets Day presentation. **(4)** Estimate of the total addressable lives covered by Babylon's target pipeline of US payors, which are not under contract. **(5)** Represents total US VBC members as at Q1-22 rounded to the nearest 1000.

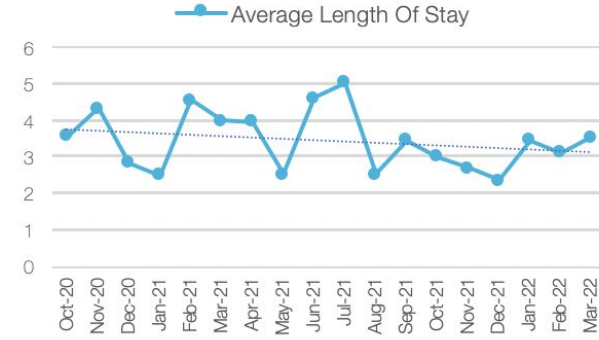
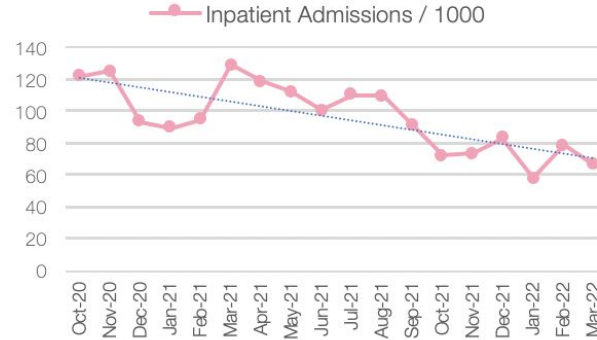
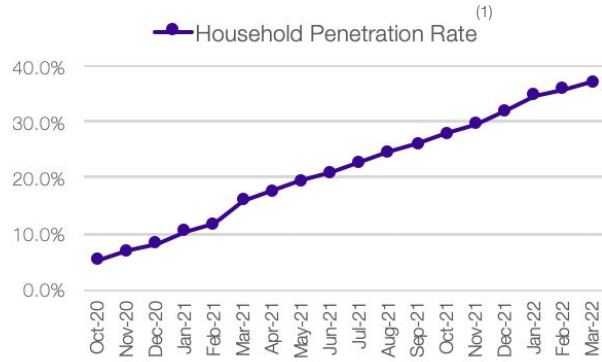
Our Performance is Accelerating as We Learn from Each Contract

% of High Risk Prospects Signed Up Since Launch



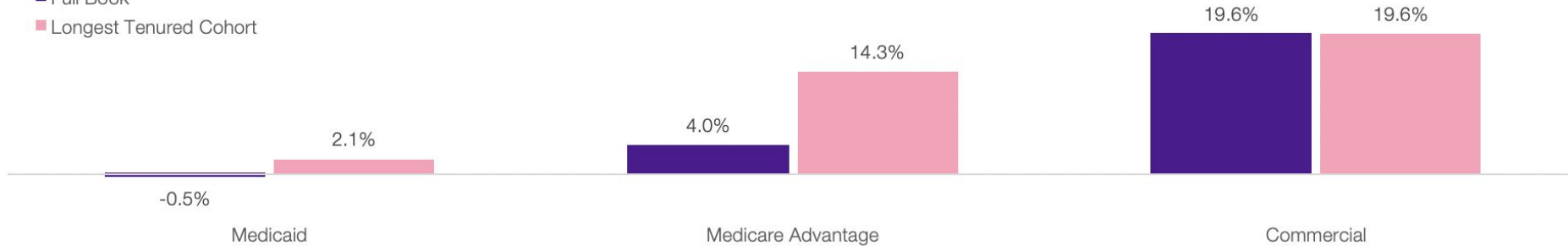
- Compared to New York and Missouri contracts, our weekly high-risk sign up rates for Georgia have been **4-5x** faster and Mississippi rates have been **8-10x**⁽²⁾ faster
- Continuous optimization and tailored outreach approach driving improvement in penetration rates over time
- Onboarding high risk prospects early allows Babylon to quickly stratify and manage the most expensive populations' health needs

Improvements in Margins and Performance Across All lines of Business as Value-Based Care Cohorts Develop



2021 Adjusted Claims Margin⁽²⁾

■ Full Book
■ Longest Tenured Cohort

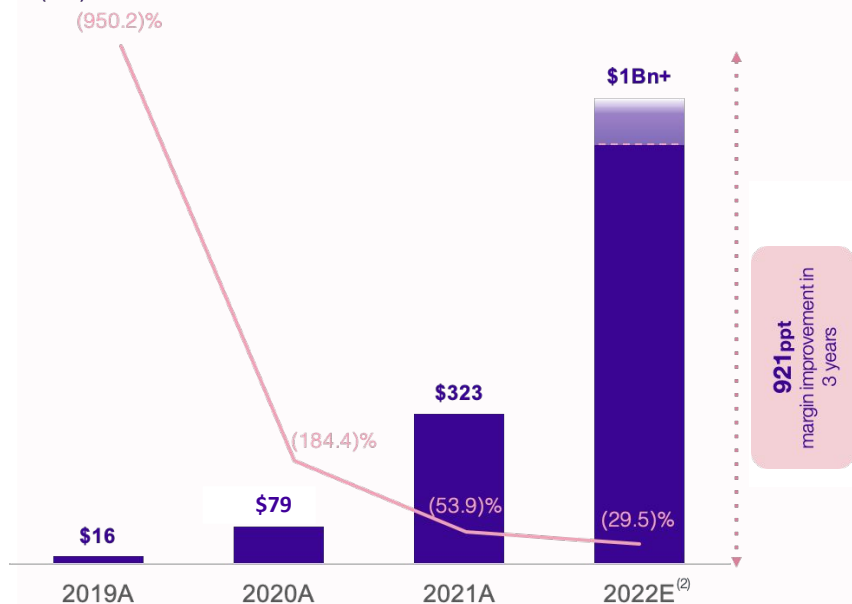


Notes: **(1)** Home State Health VBC household penetration, October 2020 to March 2022. Babylon defines household penetration as obtaining a sign up from at least one individual that lives in a household in its covered population, meaning at least one individual in the household has created a profile (through app or web registration) to generate a Babylon account. **(2)** Adjusted Claims Margin is 1 less Adjusted Claims Expense Ratio. Adjusted Claims Expense Ratio is Claims Expense divided by Value-based care Revenue, adjusted to exclude non-healthplan revenue and provider incentives, add estimated reinsurance recoveries, and adjust for prior period developments through April 30, 2022. See appendix slide titled 'Adjusted Claims Expense Ratio Reconciliation and Calculation of Claims Expense Ratio, Claims Margin and Adjusted Claims Margin' for additional detail.

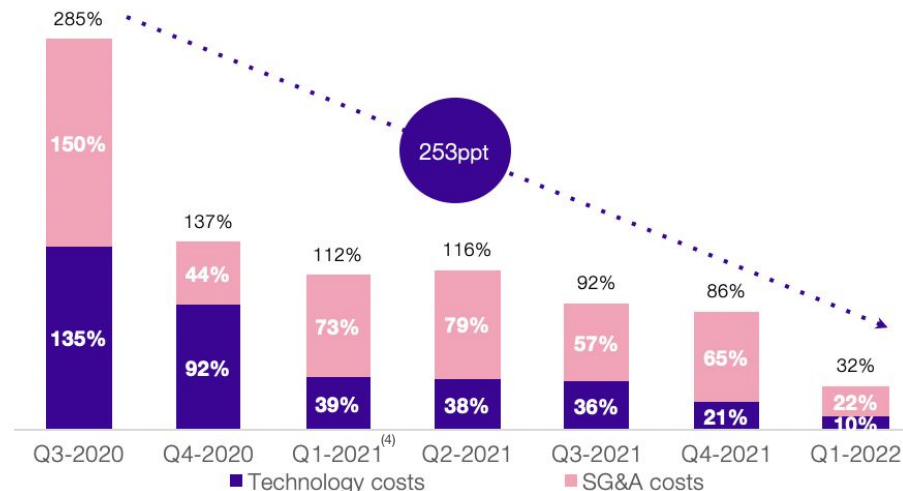


Operational Leverage and Increased Scale Underpins the Route to Profitability

Revenue & Adj. EBITDA Margin (unaudited)⁽¹⁾
(\$m)



Technology & SG&A costs as a % of revenue (unaudited)⁽³⁾



Operational leverage and scalability of digital platform underpins route to profitability.

128ppt SG&A margin and 125ppt technology margin improvement since Q3-20

Notes: **(1)** See appendix slide titled 'Adjusted EBITDA Reconciliation and Calculation of Adjusted EBITDA Margin' for additional detail. **(2)** 2022 full year projected revenue as of May 12, 2022, as reported in Babylon's first quarter 2022 earnings release, filed with the SEC on Form 6-K on May 12, 2022. Babylon is not reaffirming its previously reported guidance or projections at this Capital Markets Day presentation. **(3)** Technology costs is Research & development expenses and Platform & application expenses. Technology costs and SG&A costs as percentages of revenue have been calculated excluding the one-off \$28.4m revenue from Q1 2021. **(4)** \$28.4m of one-off upfront revenue recognition in connection with a software licensing arrangement in Q1 2021.

Babylon's Business Model Has Structural Advantages



Highly scalable

- Scalability with minimal capital outlay
- Accelerated **speed to market**
- Flexible market distribution

2 states at US launch to **8** states across the US as of Q1-22 with **20** states in our pipeline

Digitization of Manual Processes and Physical Pathways



- Highly automated back office processes
- Standardised digital pathways
- Patient **self-service**

65+ RPA and clinical workflows operate in our back office

AI

AI driven

- Targeting those at risk with data-centric AI risk prediction
- Codification of care enabling **real-time influence** and modelling
- Delivering real-time insights and **actions at point of care**

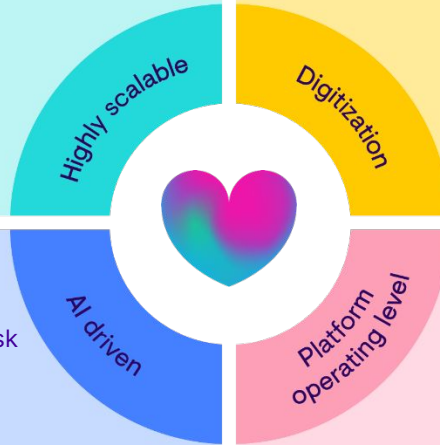
80% recall, on average, achieved by our AI compared to 83.9% recall by doctors taking the same test⁽¹⁾

Platform operating leverage



- Operational leverage and scale delivers **path to profitability**
- BCS provides licence revenue with **minimal up front and operational costs**

Fixed costs as a percentage of revenue has **declined by 24%** since Q1-21⁽²⁾



Scale is the Key to Profitability

Illustrative examples of breakeven economics at scale ⁽¹⁾

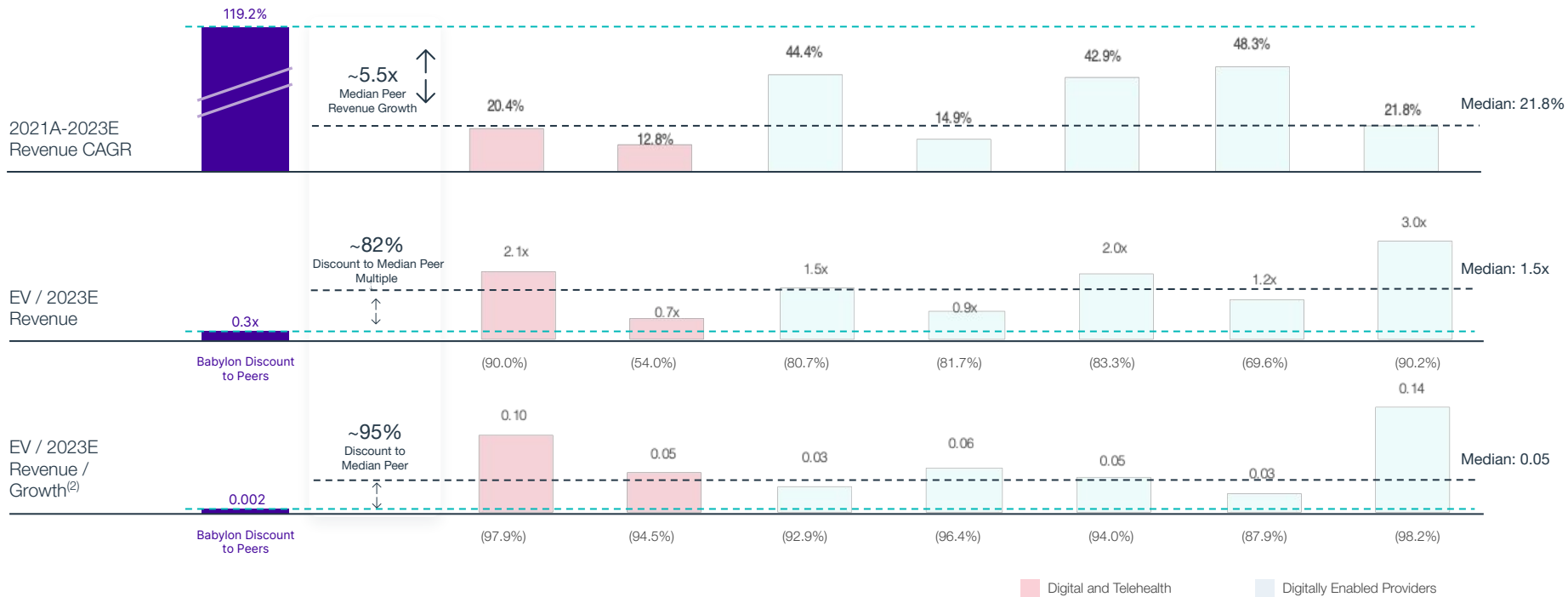
Blended Gross Margin	Blended BCS & B360 Revenue (\$m)				
	1,000	2,000	3,000	4,000	5,000
10.0%	(200)	(150)	(100)	(50)	0
12.5%	(175)	(100)	(25)	50	125
15.0%	(150)	(50)	50	150	250
17.5%	(125)	0	125	250	375
20.0%	(100)	50	200	350	500
Gradually increasing operating costs	300	350	400	450	500

Denotes illustrative breakeven or profitability

- With the leverage in our model, we can keep growth in operating costs modest as we scale
- A combination of **\$3-4bn** of VBC revenue at **7.5-10%** average gross margin, and **\$150-200m** of licensing revenue at **~90%** margin could allow us to breakeven

Notes: **(1)** Illustrative breakeven economics table shows theoretical breakeven points by calculating illustrative gross profit figures (defined as Revenue multiplied by Blended Gross Margin), minus illustrative operating costs for the corresponding revenue level to display theoretical breakeven when the illustrative gross margin are greater than illustrative operating costs.

We are Trading at a Significant Discount to Peers



■ Digital and Telehealth

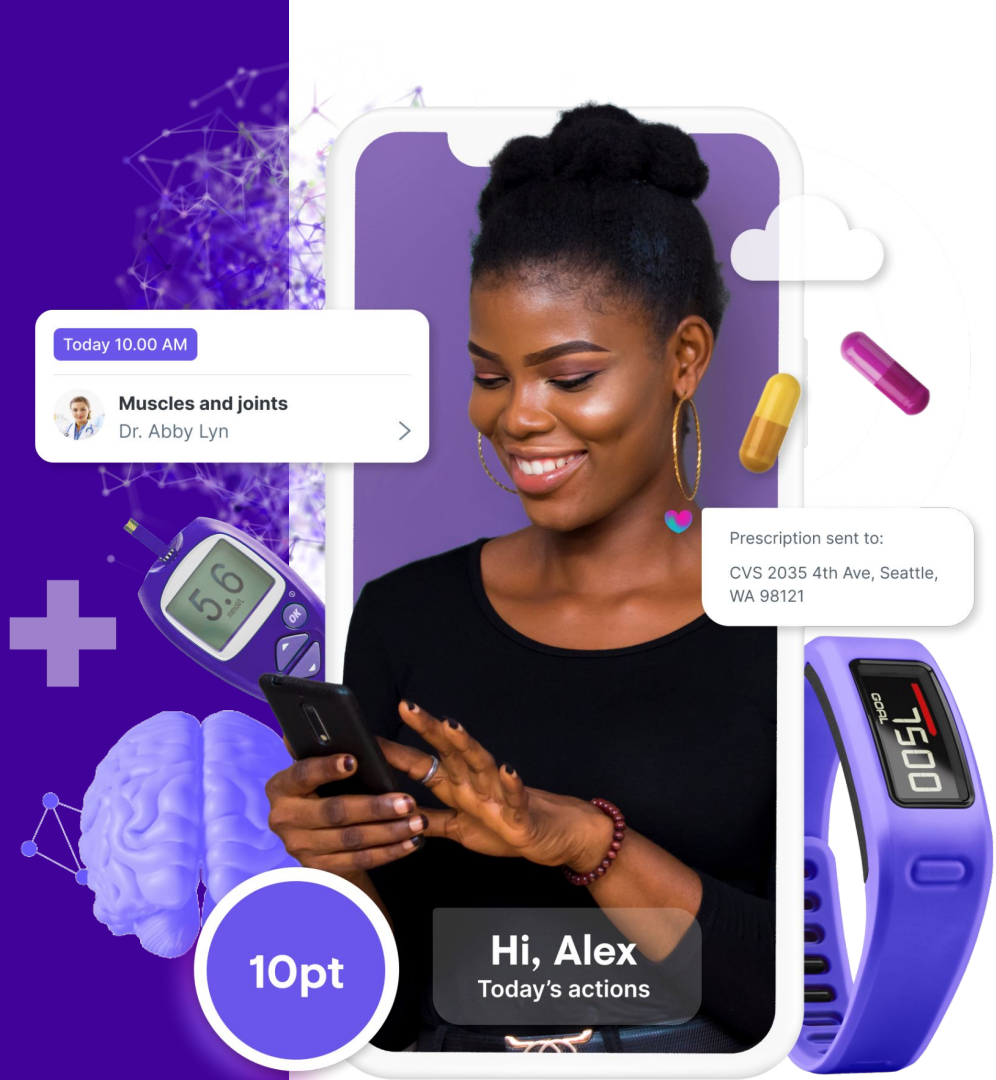
■ Digitally Enabled Providers

Source: Public filings. Market data as of May 20, 2023E based on FactSet consensus estimates.
 Notes: (1) FY21 revenue based on FactSet consensus revenue. (2) Growth represents 2021A-2023E Revenue CAGR.



Babylon's Technology: Our Competitive Advantage

Steve Davis, Chief Technology Officer &
Saurabh Johri, PhD, Chief Science Officer



Today 10.00 AM



Muscles and joints

Dr. Abby Lyn



Prescription sent to:
CVS 2035 4th Ave, Seattle,
WA 98121

10pt

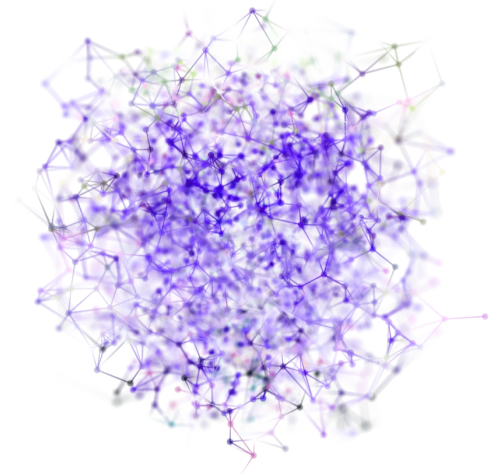
Hi, Alex
Today's actions

As a Human Our Lives Have Already Been Influenced by Other Technology Companies

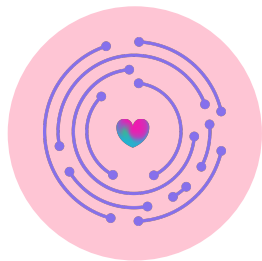
Industry leaders have influenced how we **Shop, Travel, Stream, and Drive**



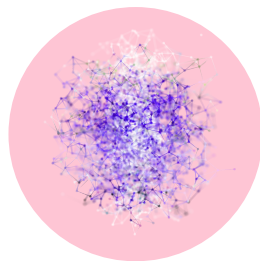
At the foundation of these companies are **Purpose-built Platforms deeply coupled with Data & AI**



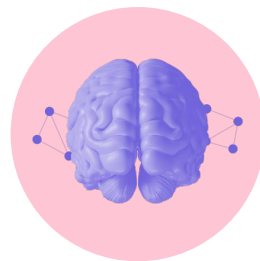
Babylon Took a Similar Approach Following Industry Leaders



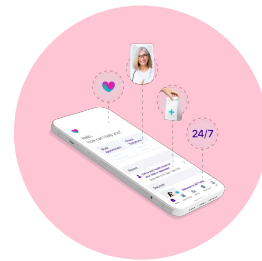
1 The Technology
Purpose-built
Platform



2 Data Enabled
Real-time
Unified Health Graph

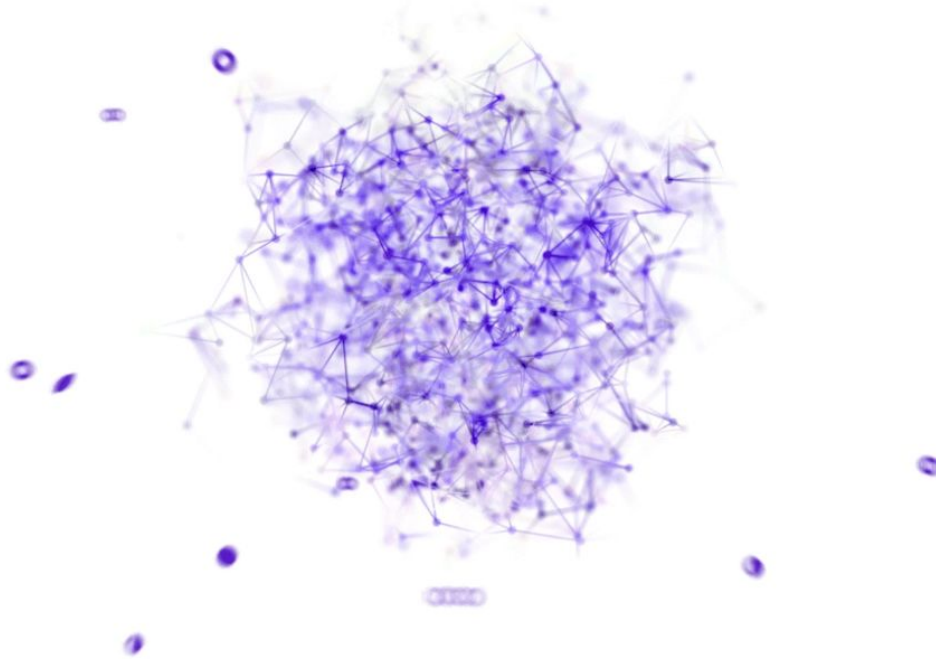


3 AI Powered
Actionable
Intelligence

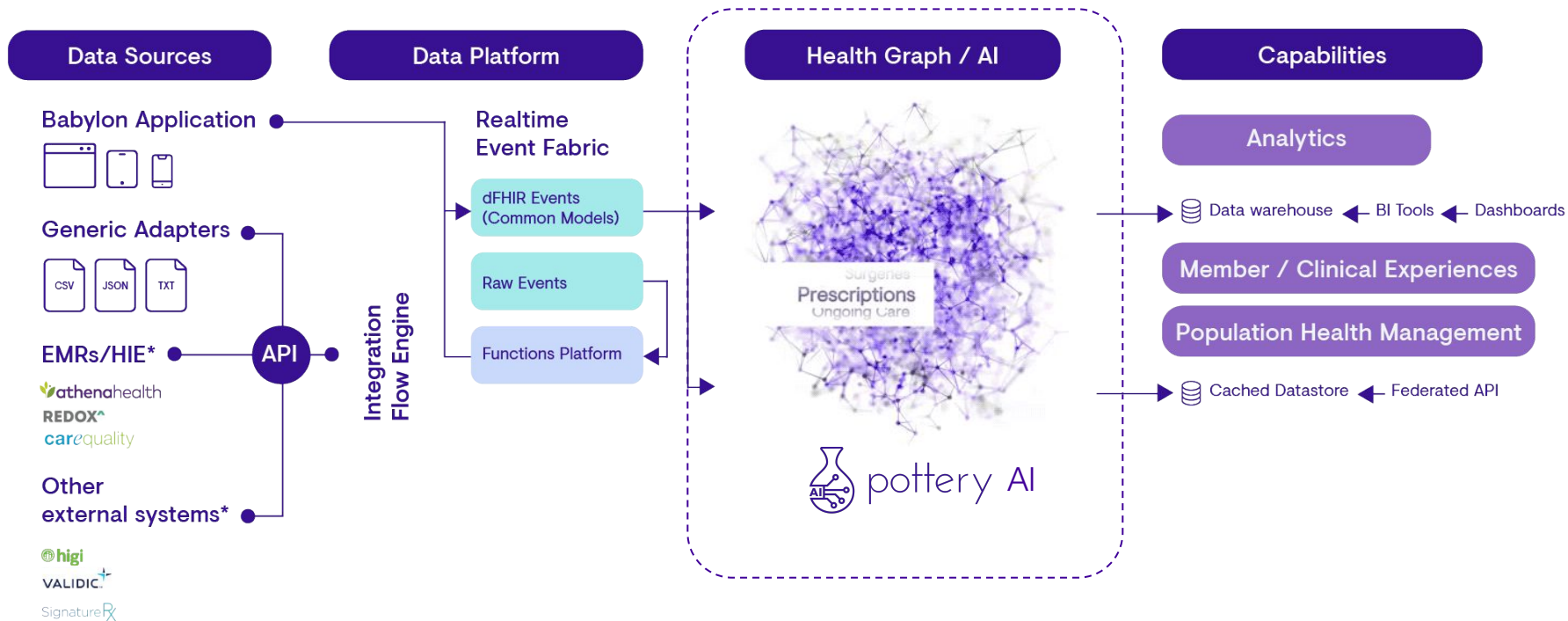


4 Member Focused
Digital-First
Approach

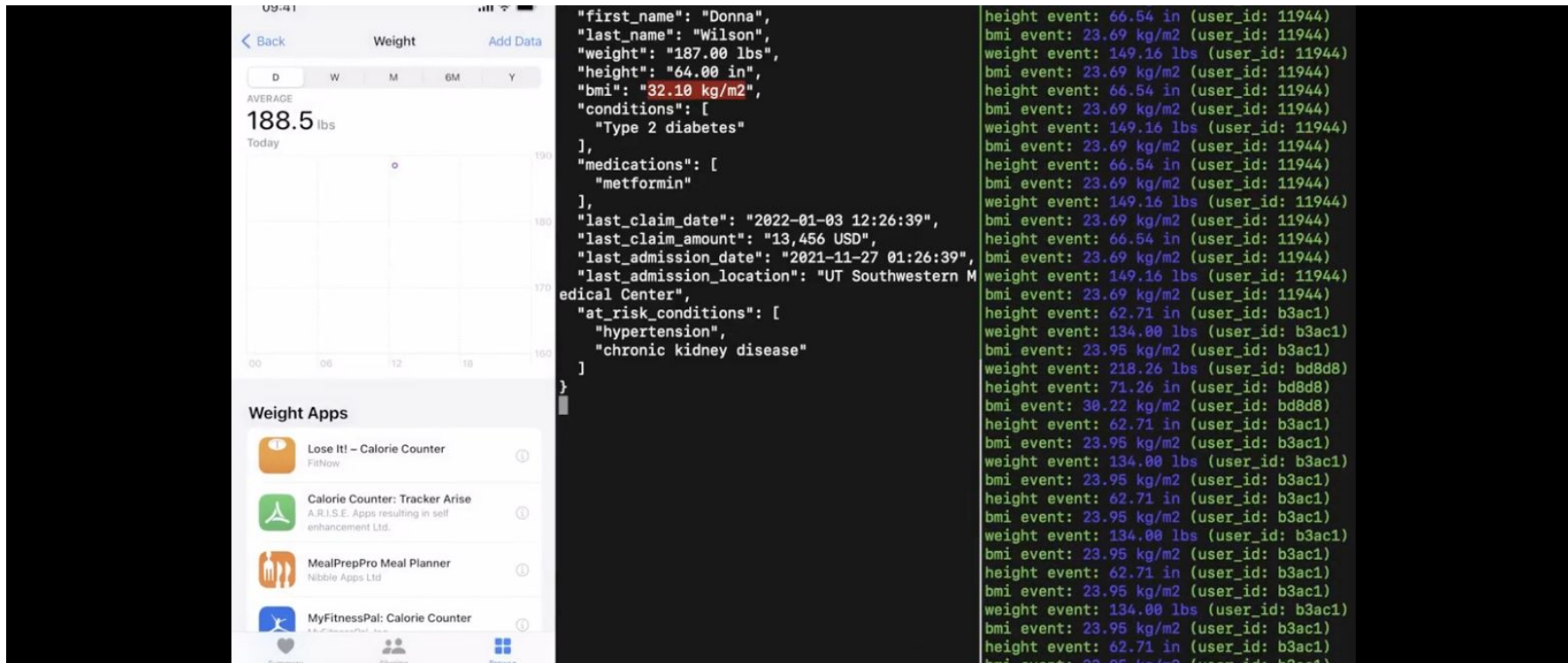
Health Graph | The foundation of our innovation



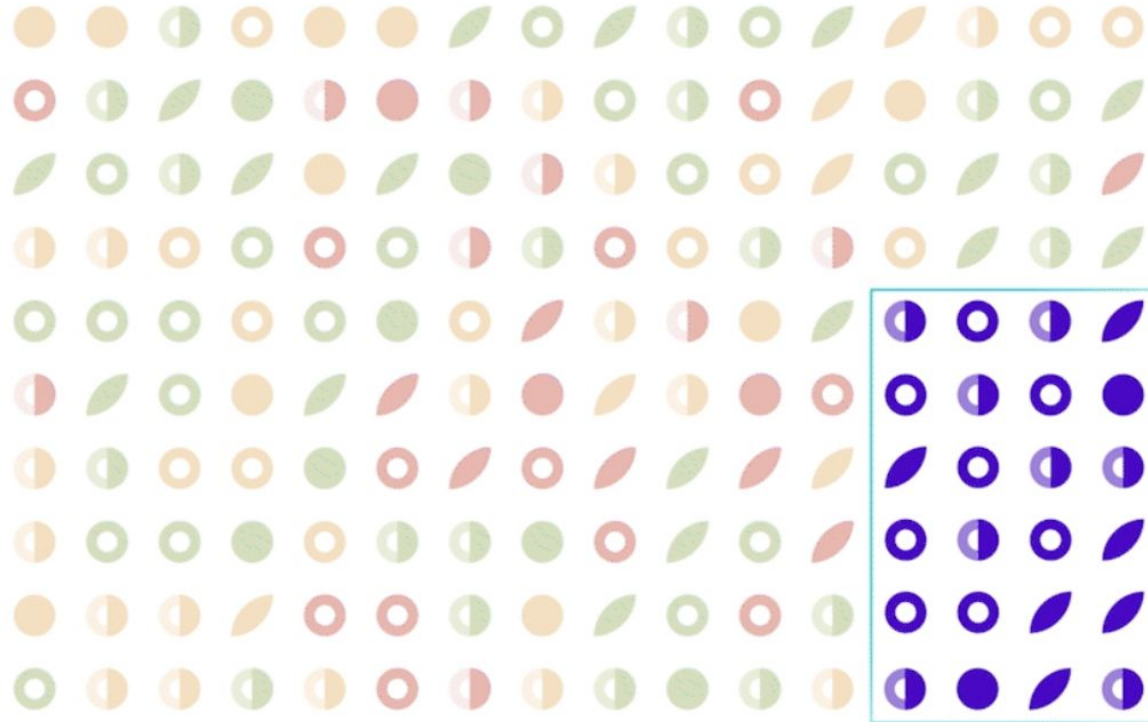
Health Graph | How we collect the data



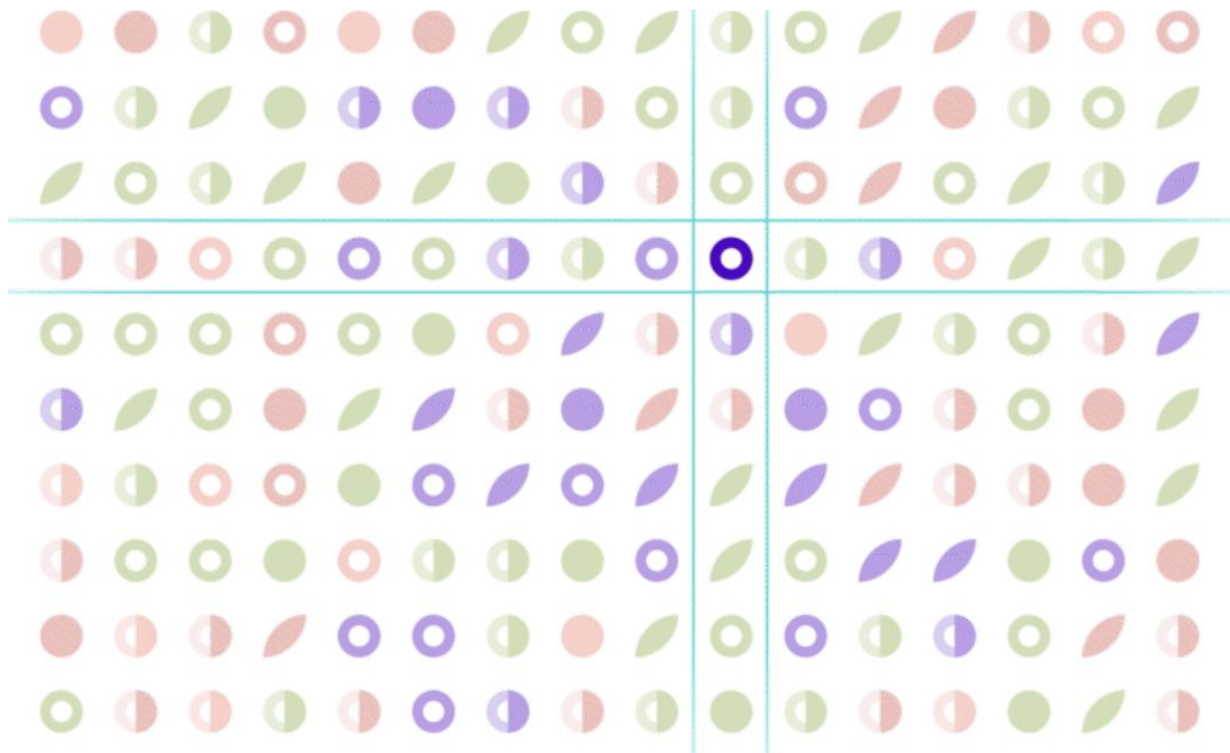
Health Graph | Real-time data fabric



AI Platform | Rapid iteration of AI models to predict and prevent



Health IQ | Growing library of disease and risk prediction models



Health IQ | Growing library of disease and risk prediction models

HealthIQ 0.1.0 GA3
/openapi.json

12 month hospital admission risk prediction

GET /health Health

GET / Index

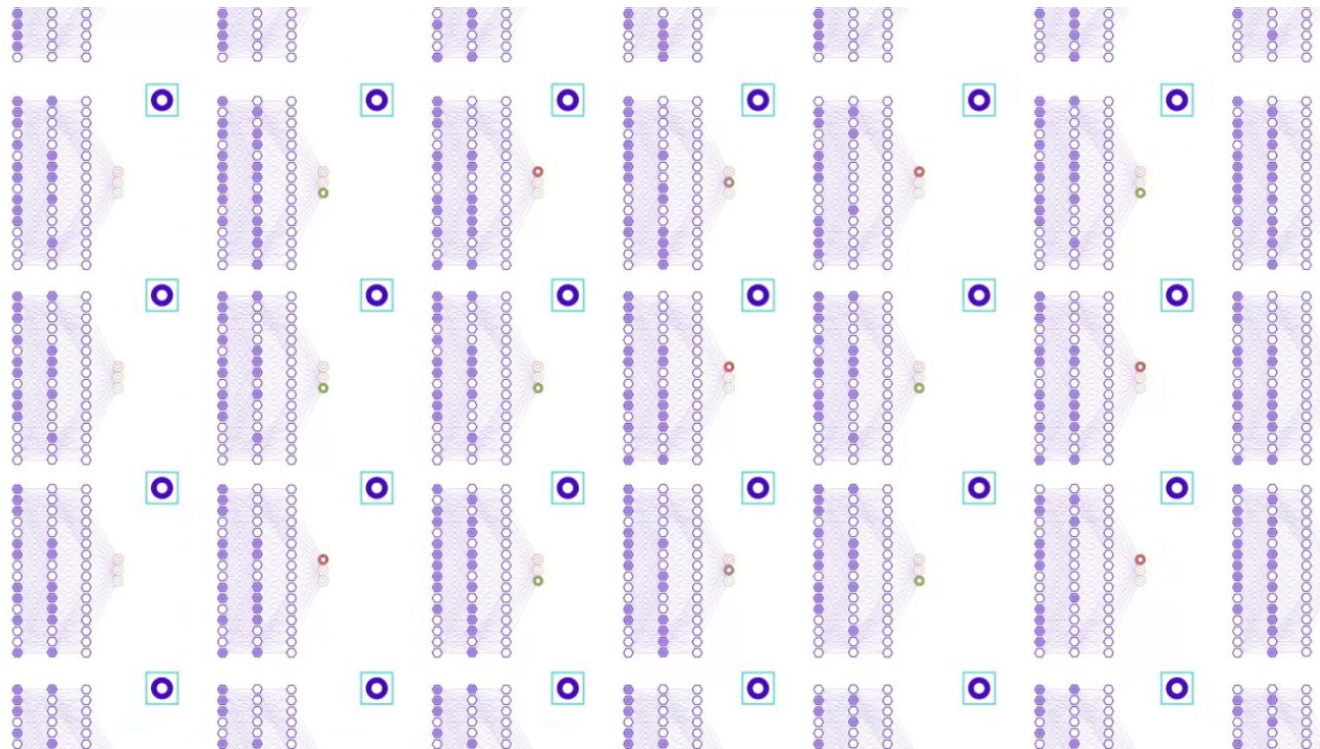
POST /predict Handler

Schemas

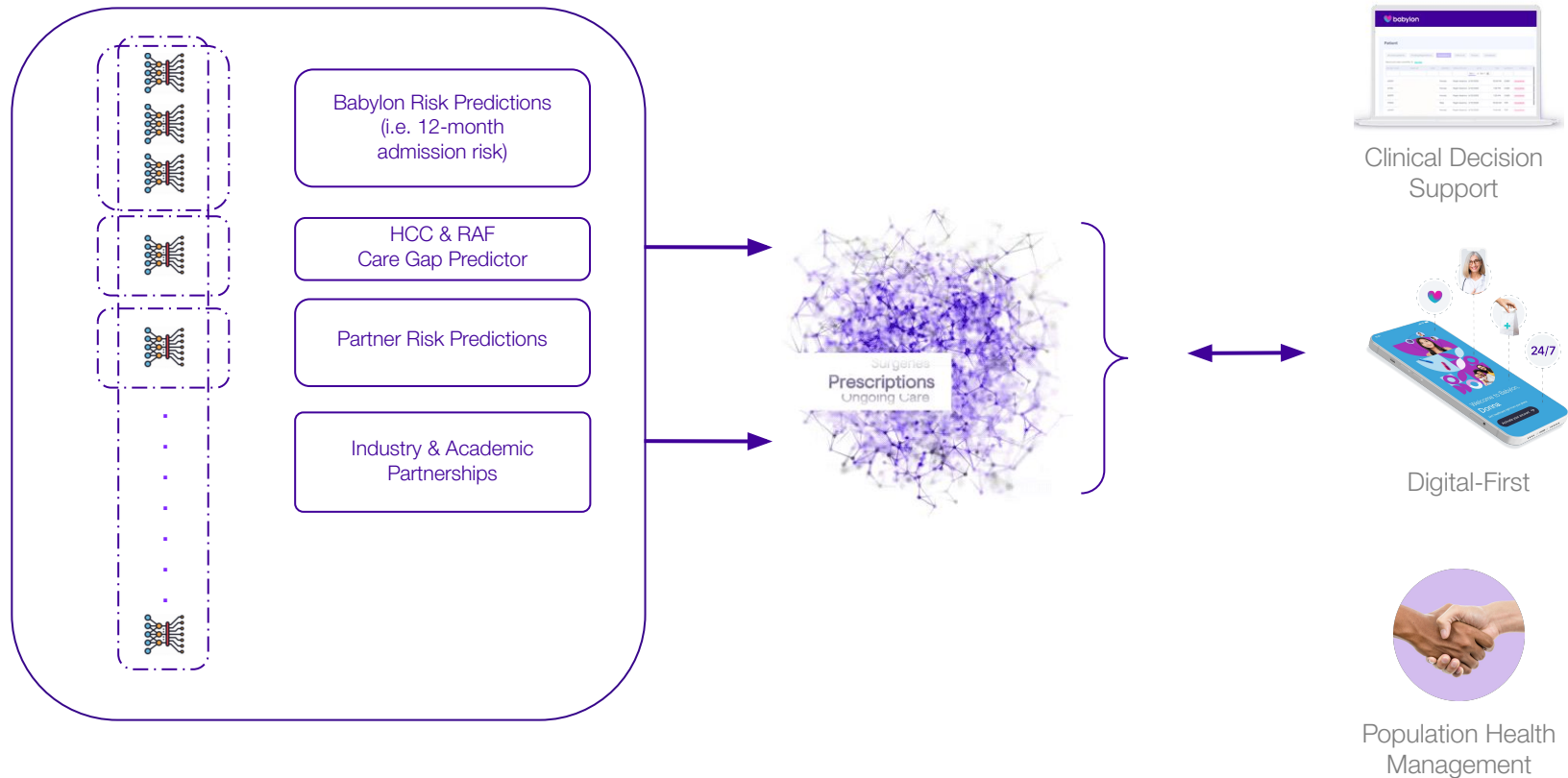
- HTTPValidationError >
- PredictBody >
- ValidationError >

```
1.0.2. This might lead to breaking code or invalid results. Use at your own r
isk. For more info please refer to:
https://scikit-learn.org/stable/modules/model_persistence.html#security-mainta
inability-limitations
UserWarning,
/opt/conda/lib/python3.7/site-packages/sklearn/base.py:338: UserWarning: Tryin
g to unpickle estimator DecisionTreeRegressor from version 0.23.2 when using v
ersion 1.0.2. This might lead to breaking code or invalid results. Use at your
own risk. For more info please refer to:
https://scikit-learn.org/stable/modules/model_persistence.html#security-mainta
inability-limitations
UserWarning,
/opt/conda/lib/python3.7/site-packages/sklearn/base.py:338: UserWarning: Tryin
g to unpickle estimator GradientBoostingClassifier from version 0.23.2 when us
ing version 1.0.2. This might lead to breaking code or invalid results. Use at
your own risk. For more info please refer to:
https://scikit-learn.org/stable/modules/model_persistence.html#security-mainta
inability-limitations
UserWarning,
[2022-05-19 09:59:12,184] WARNING - Sentry is not configured
[2022-05-19 09:59:12,184] WARNING - LOGGING_CONFIG environment variable is not
set, falling back to basic logging
2022-05-19 09:59:12,186 [INFO] Loaded predict function from (risk_prediction_a
pi.pottery_predict:predict)
2022-05-19 09:59:12,196 [DEBUG] Using selector: EpollSelector
INFO: Started server process [1830]
2022-05-19 09:59:12,259 [INFO] Started server process [1830]
INFO: Waiting for application startup.
2022-05-19 09:59:12,260 [INFO] Waiting for application startup.
INFO: Application startup complete.
2022-05-19 09:59:12,262 [INFO] Application startup complete.
INFO: Uvicorn running on http://0.0.0.0:8080 (Press CTRL+C to quit)
2022-05-19 09:59:12,264 [INFO] Uvicorn running on http://0.0.0.0:8080 (Press C
TRL+C to quit)
INFO: 172.17.0.1:54056 - "GET /docs HTTP/1.1" 200 OK
INFO: 172.17.0.1:54056 - "GET /openapi.json HTTP/1.1" 200 OK
```

Health IQ | Growing library of disease and risk prediction models



Advisor | Health IQ predictions driving better health outcomes



Advisor | NLP Capabilities

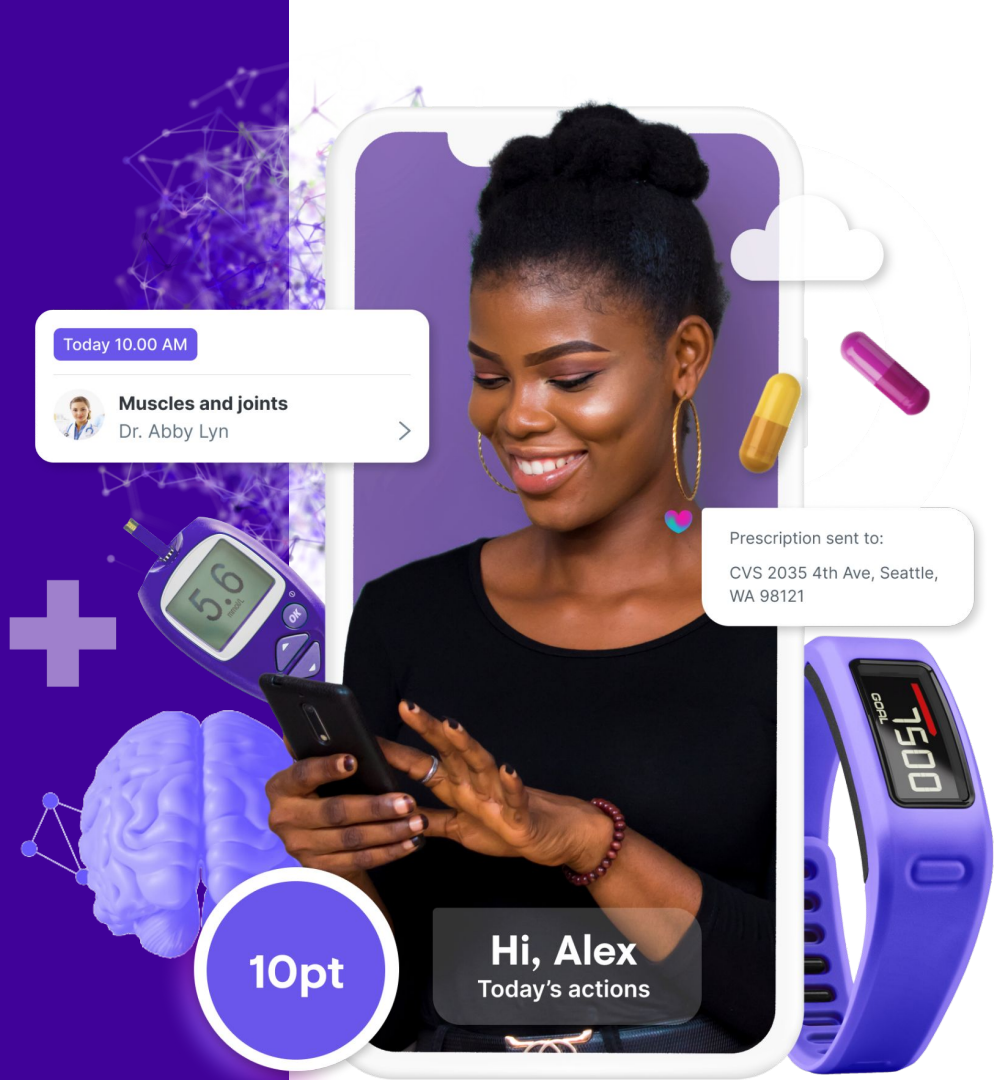
The screenshot displays the Babylon Advisor interface during a video consultation. The interface is divided into several sections:

- Header:** Babylon logo and a back arrow.
- Patient Information:** WILSON, Donna; SENT WITH LOVE; Male | 17 Apr 1966 (56y); +44 7590 037800; ID: 527 465.
- Call Details:** 31 May 2022, 17:40; 10 min video call; Consult. ID: 418 6252.
- Video Call:** A live video feed of the patient, a 'Stop video call' button, a 'REC' indicator, and a timer showing 0:00:19.
- Note Assistant:** A panel labeled 'Note Assistant' with an 'Active' status.
- Preparation:** A section for 'Alerts' with a 'Create alert' button and a notification for 'babylon employee' regarding a 'Membership code'.
- Booking reason:** (Patient entered) Hypertension review.
- Patient summary:** Problems list (0). No problems found for this patient from the Babylon Clinical Portal.
- Patient timeline:** Future (6). A consultation on 31 May 2022 (in 1 week) is listed as a 'Future consultation' with a 'GP' icon and the text 'MY CONSULTATION "Test"'. A 'View help' link is also present.



Our Product: An Integrated End to End Experience

Yon Nuta, Chief Product Officer



Today 10.00 AM



Muscles and joints

Dr. Abby Lyn

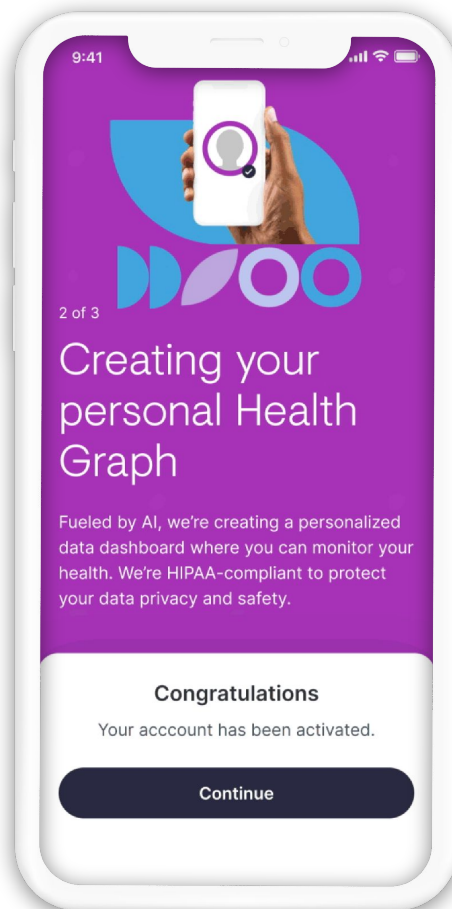


Prescription sent to:
CVS 2035 4th Ave, Seattle,
WA 98121

10pt

Hi, Alex
Today's actions

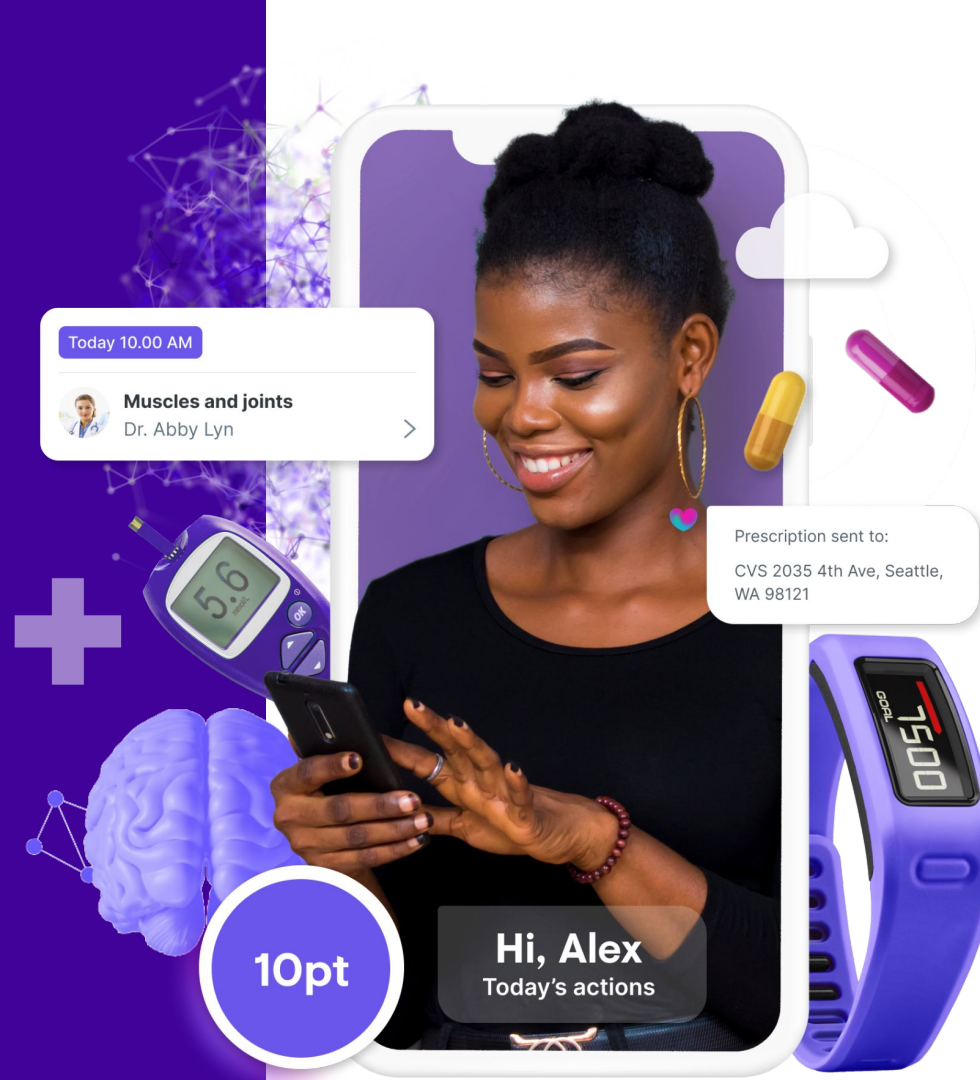
Babylon Prototype





Babylon's Clinical Model: Transforming Delivery

Darshak Sanghavi, MD, Chief Medical Officer



Today 10.00 AM

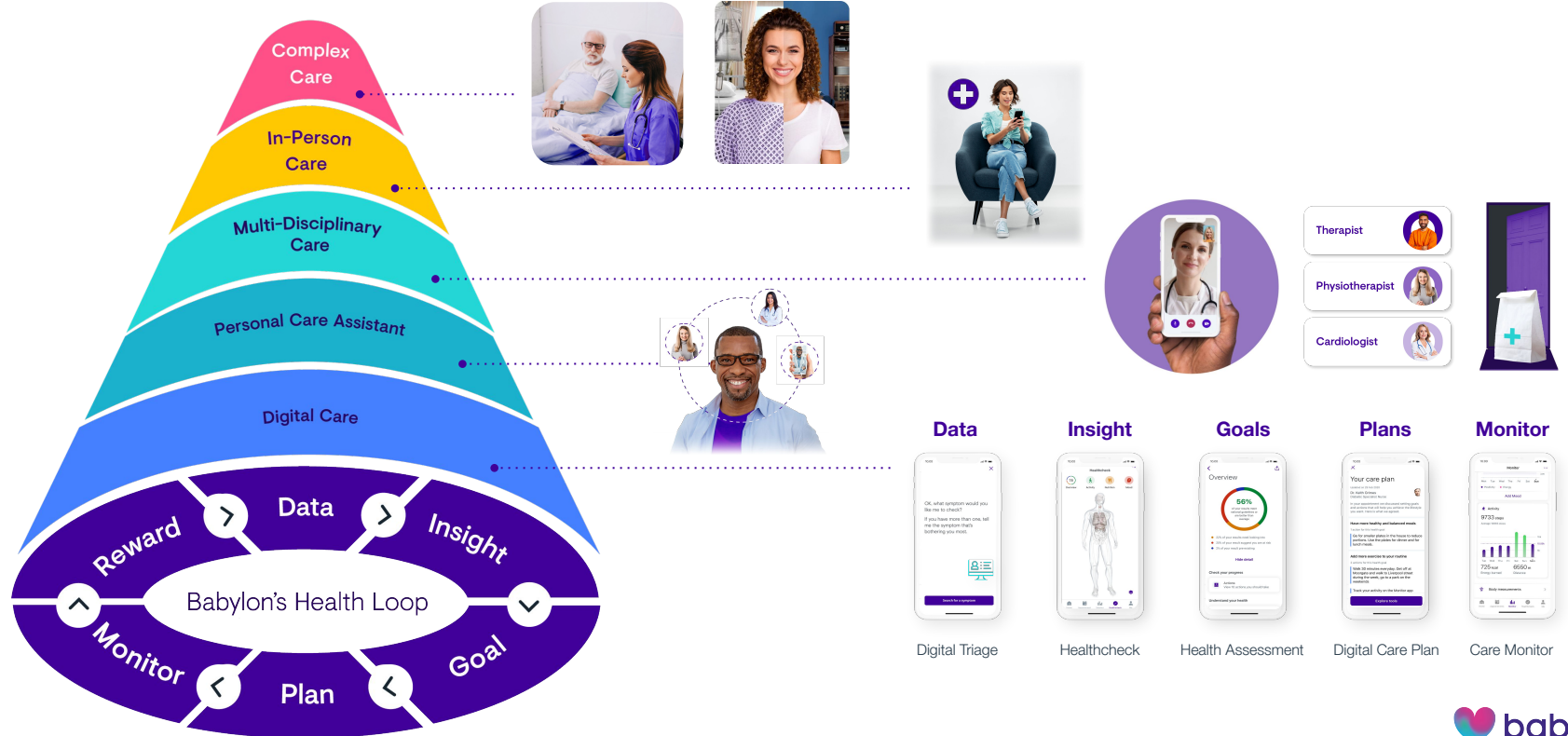
Muscles and joints
Dr. Abby Lyn

Prescription sent to:
CVS 2035 4th Ave, Seattle,
WA 98121

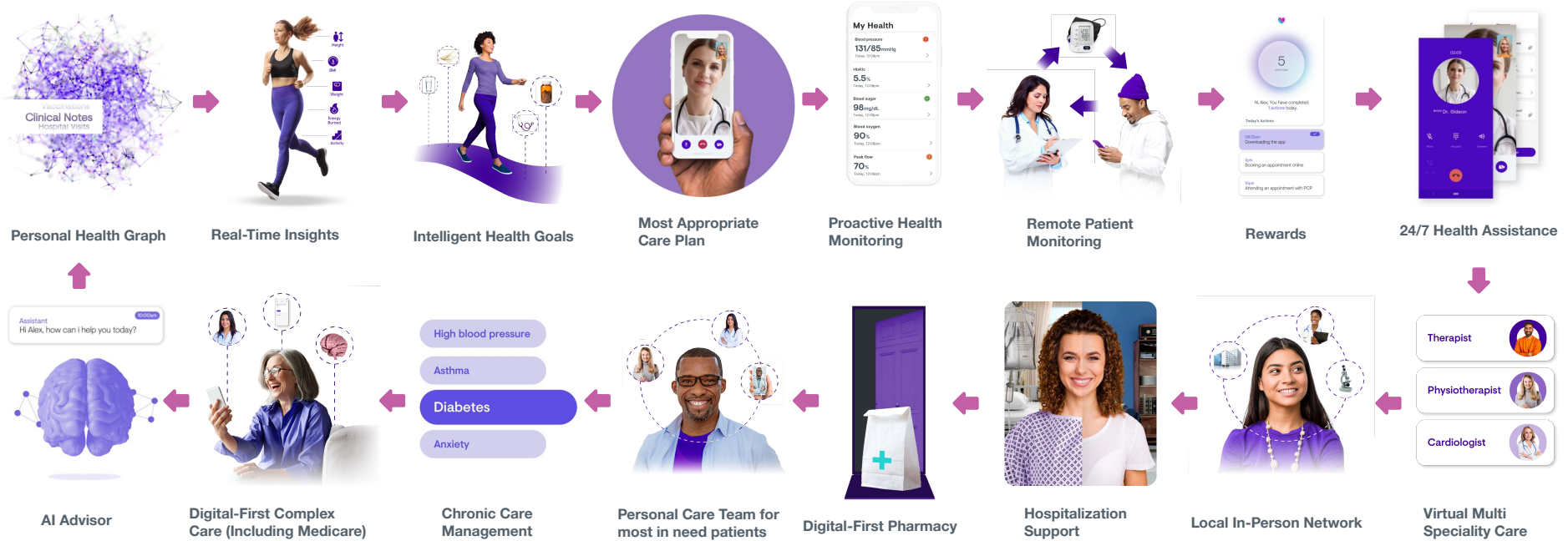
10pt

Hi, Alex
Today's actions

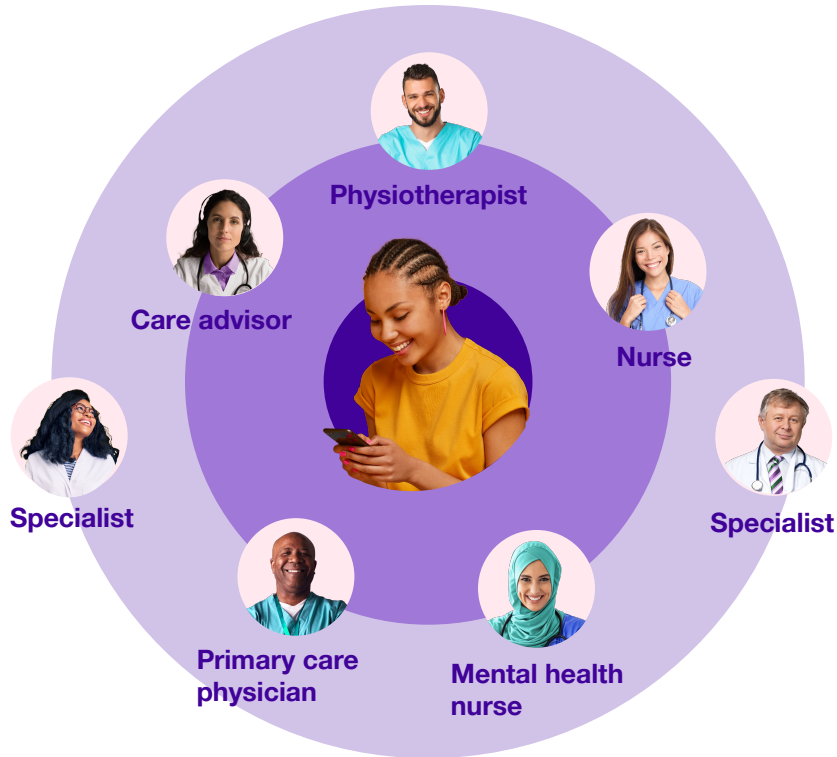
We Are Reengineering the Healthcare Continuum



Becoming A Single Gateway for Our Members' Health Needs



Babylon's Care Team Is Assembled Based On Member Needs



A wraparound virtual care team provides a 24/7 seamless member experience, across **chat, email and audio/video calls, tailored to the members' needs.**

- Health advisors and coordinators
- Member support managers
- Primary care physicians
- Registered nurses
- Psychiatrists and Behavioral Health specialists
- Clinical pharmacist
- Health coaches
- *And others*

Illustrative

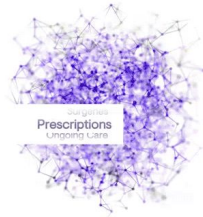
Real-life Member Case Study



Amy⁽¹⁾

Rural Midwest member, in late 20s

Health Assessment



Jan 2021: Initial digital assessment

- Chronic back pain
- Chronic gynecological pain caused by previous childbirth

Jan 2021: Virtual PCP/Insight

- History of PCOS, food sensitivities, abnormal labs including thyroid abnormalities hadn't been tx'd
- Anxiety and depression from childhood trauma

Treatment



Digital Primary Care

- Thyroid issue treated with Rx

Care Team Virtual Care

- Therapy course for anxiety (digital)
- Virtual dietician visit with nutrition plan
- Virtual specialist gyn visit

Longitudinal Care



Monitor/Data/Plan

- Continued therapy to monitor and reduce anxiety, regular monitoring for GAD-7, PHQ-9
- Pursued pregnancy after anxiety addressed
- Treatment of abnormal pap smear

Enabled Through Proactive Care Team Support

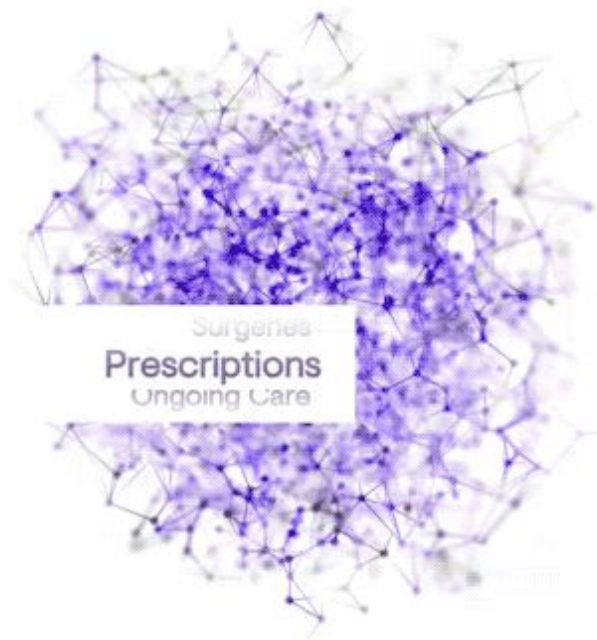
Reminders to attend appointments

Proactive outreach to discuss and reschedule after Jane missed appointments

Support managing bills from previous medical treatment



Our Data Enabled Approach | Deep Dive



Clinical Playbook



Telehealth Clinical Programs (Provider-driven)

1 24/7 Primary Care
Longitudinal, prevention
and disease management

2 Integrated Behavioral Health
Focus on collaboration
with other providers

3 Babylon Specialty Offerings
Timely access to a virtual
specialty consult



Population Health Management (CareTeam-driven)

4 Chronic Condition Management
Risk-based management of
11 chronic diseases

5 Episode Management
Transitions of Care, NICU,
elective surgical

6 24/7 Health Assistance
Personal care team for high
risk members

Formula for Achieving B360 Margin in the U.S.

Claims Savings Programs

24/7 Primary Care

+

Integrated Behavioral Health

+

Babylon Specialty Offerings (eConsults, network navigation)

+

Chronic Condition Management

+

Episode Management (TCM, NICU)

+

24/7 Health Assistance (High Risk, Personal Care Team)

Revenue Generation



Quality care gap closure


+



Prescriptions
Lungshots
Labs

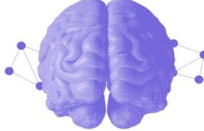
Risk documentation

Optimize CoCD



National Network & Skills Mix

+

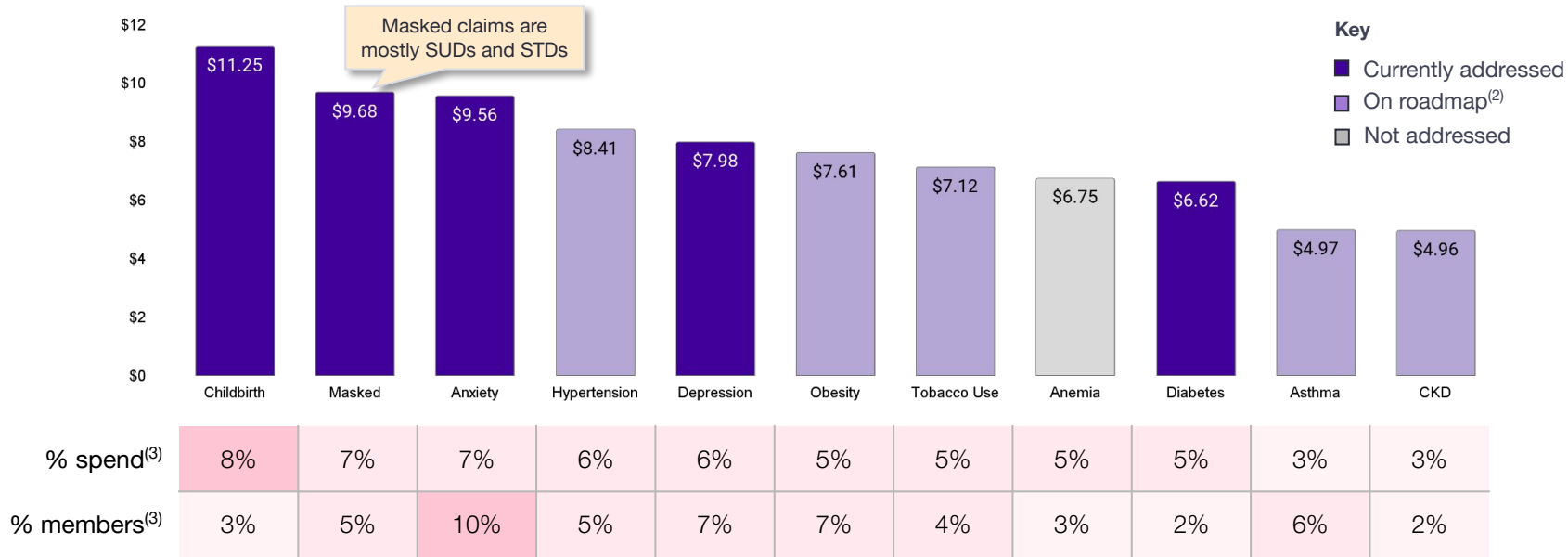


& Maximizing Use of Data

Adjustment Factor for Member Engagement
.....→

Our Care Management Initiatives Address the Top Conditions in Our Population

Spend by CMS Chronic Condition Warehouse defined chronic conditions⁽¹⁾



Notes: (1) The initiatives cannot be summed as there will be overlap between them. This represents condition-related claims i.e. diabetes-related claims rather than cost of diabetic members. \$mpm, all Medicaid populations, most recent 12 months of data used, so time periods vary. Claims data for the most recent 12 months available for Medicaid health plans in Missouri, Georgia, Mississippi and Iowa. (2) Some features or elements of features may be under active development, have not been commercialized and we cannot guarantee if / when the product will be delivered to members. (3) Percentage of spend and members have been rounded to one significant figure.



Our Clinical Initiatives Target 5 Key Focus Areas Which Have High Spending Impact

Our Q2 initiatives focus on maternity and behavioural health, which are key areas of spend across all populations.

	Iowa	Georgia	HSH	Magnolia	Commentary
Maternity	Med	High	High	High	<ul style="list-style-type: none"> Spend is concentrated around childbirth in non-expansion states, rather than pre- or postnatal care
Behavioural health	High	High	High	High	<ul style="list-style-type: none"> Anxiety and depression are top spend drivers for children and adults (18-44-years-old) across all populations
Chronic conditions	High	Med			<ul style="list-style-type: none"> Concentrated in >45-year-olds Focus on building solutions for hypertension, diabetes and chronic kidney disease
Lifestyle	High	Med			<ul style="list-style-type: none"> Modifiable lifestyle factors (e.g. smoking, obesity) are high-spend categories in the adult population and will lead to more costly chronic conditions downstream
Masked claims	High				<ul style="list-style-type: none"> Masked claims cannot be viewed due to privacy concerns As a category it is significant, but the fragmentation of conditions is unknown

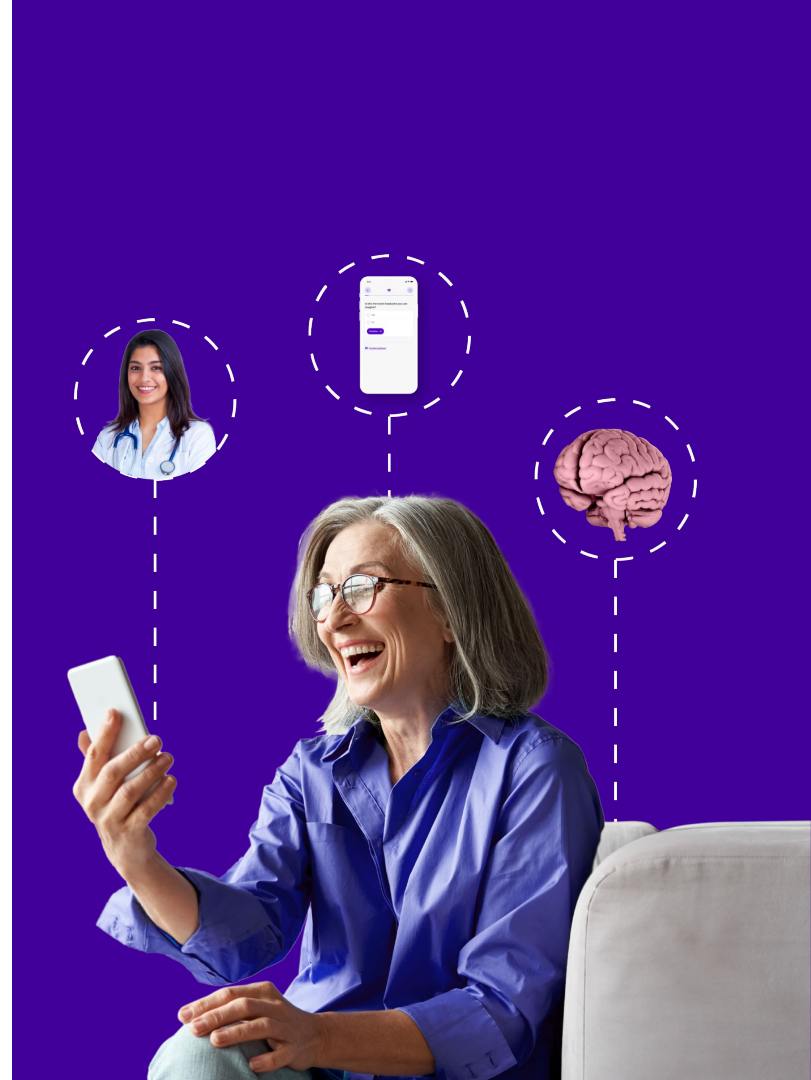
Spending impact: ■ High ■ Med

Deep Dive: Chronic Condition Management

Lifetime support of chronic conditions to improve longevity and inhibit unnecessary progression of disease

Chronic condition management supported by monitoring, proactive analytics, and patient education, outreach, and intervention

- Identification and stratification of chronic risk members (delivered via Babylon Health Graph)
- Outreach strategy customized to targeted members in consultation with our partners delivered through the Babylon platform of solutions
- Longitudinal engagement with patients through areas such as: biometric monitoring, medication management / adherence, gaps in care closure, patient education, alerts and escalations

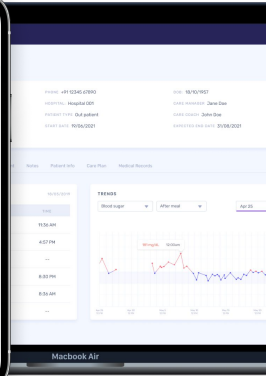
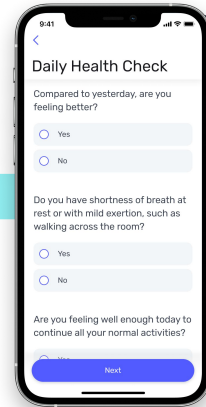
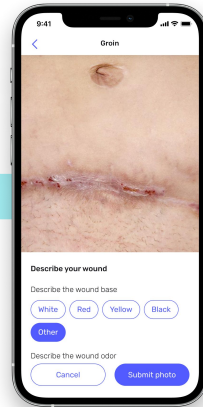
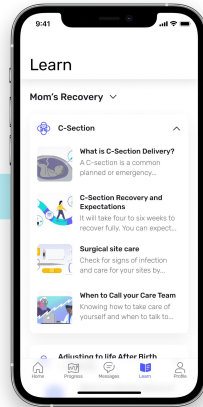
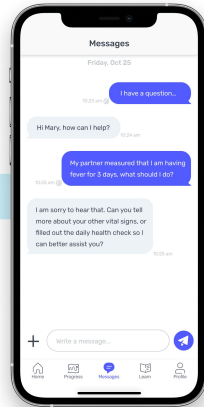
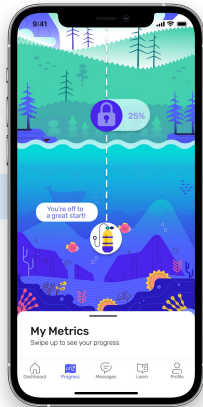
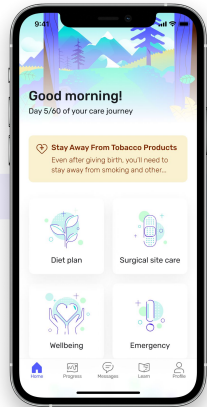


Chronic Condition Management and Intelligent Intervention

	Example	Sample Engagement
Diabetes	Type 2 Diabetes	Twice daily reminder for glucose testing, automated test strips refills, automated insulin/diabetic drug refills, patient visibility into out of range glucose results
Mental Health	Depression, Anxiety	Care journey engagement assisted by digital and clinical resources w/ escalation and alerts; app-based care journeys; Collaborative Care Model
Substance Use Disorder	Alcohol and Opioid Use Disorder	Enrollment in BH programs, daily monitoring, alerts
Musculoskeletal Health⁽¹⁾	Lower Back Pain	Care plan engagement via patient facing app for management of symptoms and exercises
Sexual Health⁽¹⁾	Contraception; Maternity	Automated flow for contraception prescription and refills / notifications for home delivery; postnatal care journey
Sleep⁽¹⁾	Chronic Insomnia	Home based sleep apnea test and sleep schedule recording + sleep coaches end education
Heart Health⁽¹⁾	ASCVD risk	Home-based BP monitoring device, home based lab testing, risk management
Kidney Health⁽¹⁾	CKD	Home-based urine microalbumin test, medication review, alerting for CKD Stage 3 or higher
Lung Health⁽¹⁾	Asthma	Asthma control test survey, daily symptom check, daily peak flow measurement (connected device)
Cancer⁽¹⁾	Colon Cancer Screening	Home-based colon cancer testing, digital tools for Q&A, one-touch referral for in-person or virtual visits
Fitness⁽¹⁾	Obesity	Weight tracking (cellular scale), exercise tracking, alerting

Notes: **(1)** Conditions have not been commercialized and we cannot guarantee if / when these will be delivered to members. The current aim is to deliver them by the end of Q4 2022.

Chronic Condition Management | Guiding Members Through Our DayToDay App



To guide patient to do everything they have to do today

Goal oriented monitoring to motivate patients around their care and prevent issues

High touch, end to end presence and support provided by care team

Consumer friendly, tailored and holistic content to support patients and caregivers with advice, information and clear checklist of actions

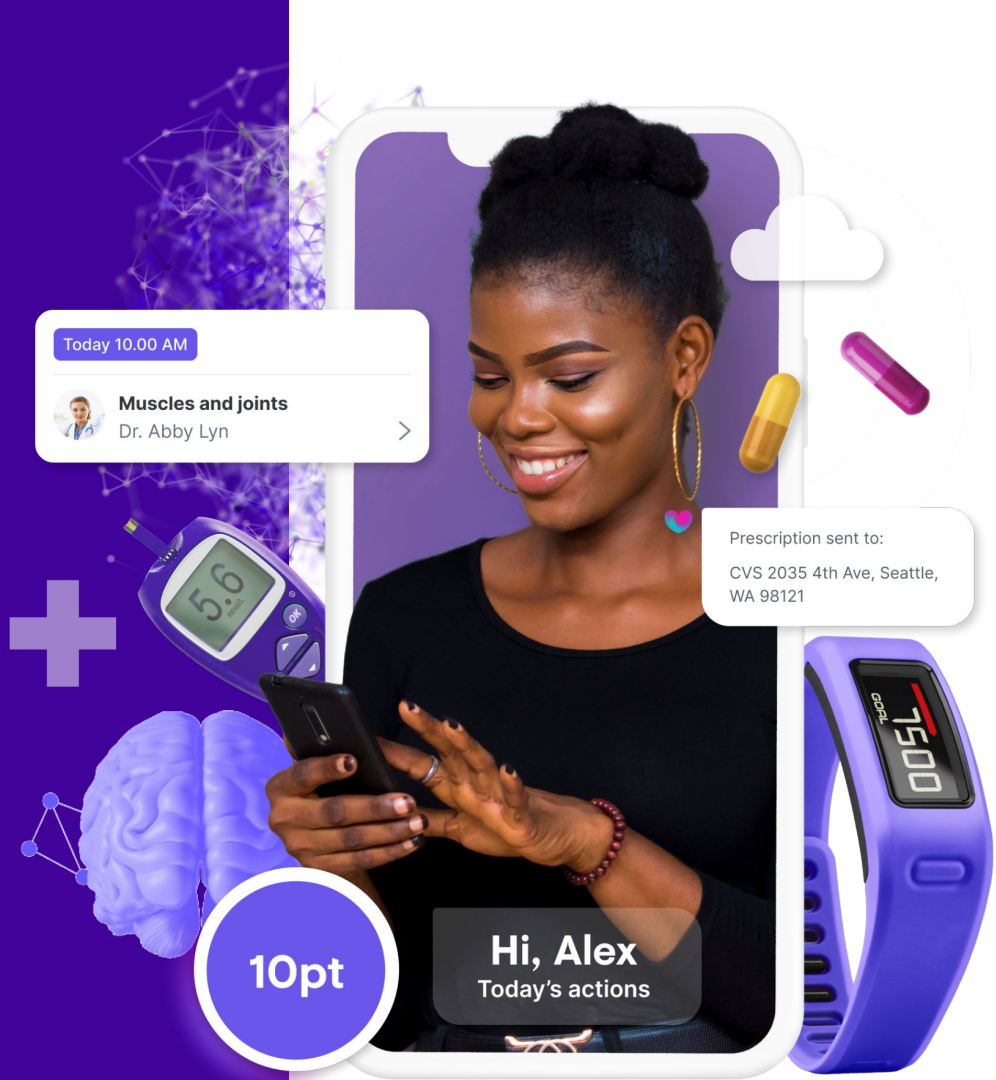
Monitor and prevent issues before they become a serious problem

Better risk management for clinicians. Identifying high risk patients due to increased visibility & reduced cancellations due to patient being unprepared



Fireside Chat

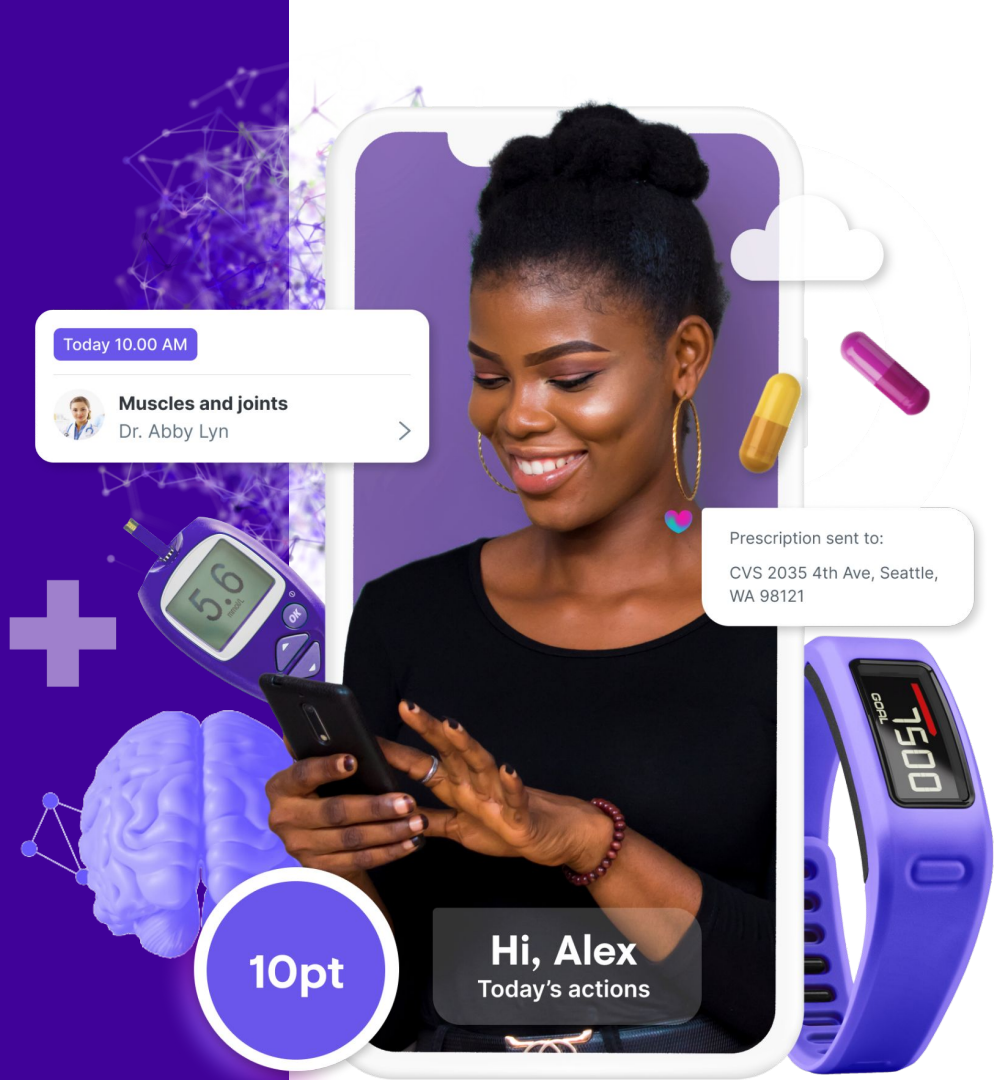
Misty Zelk, MD, Babylon Physician &
Darshak Sanghavi, MD, CMO





Our Financials: How We Create Value

Charlie Steel, Chief Financial Officer



Today 10.00 AM



Muscles and joints

Dr. Abby Lyn



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WA 98121

10pt

Hi, Alex
Today's actions

Babylon's Business Model Has Three Revenue Drivers

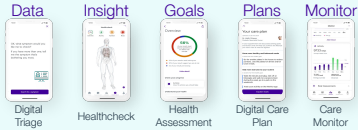
What

How

Who

How Much

Babylon Cloud Services



License Our Technology



\$s

Fee For Service



Initial FFS arrangements provides client entry point



\$10s

Babylon 360



Take Patient Budgets



\$1000s

Capture Cost Savings

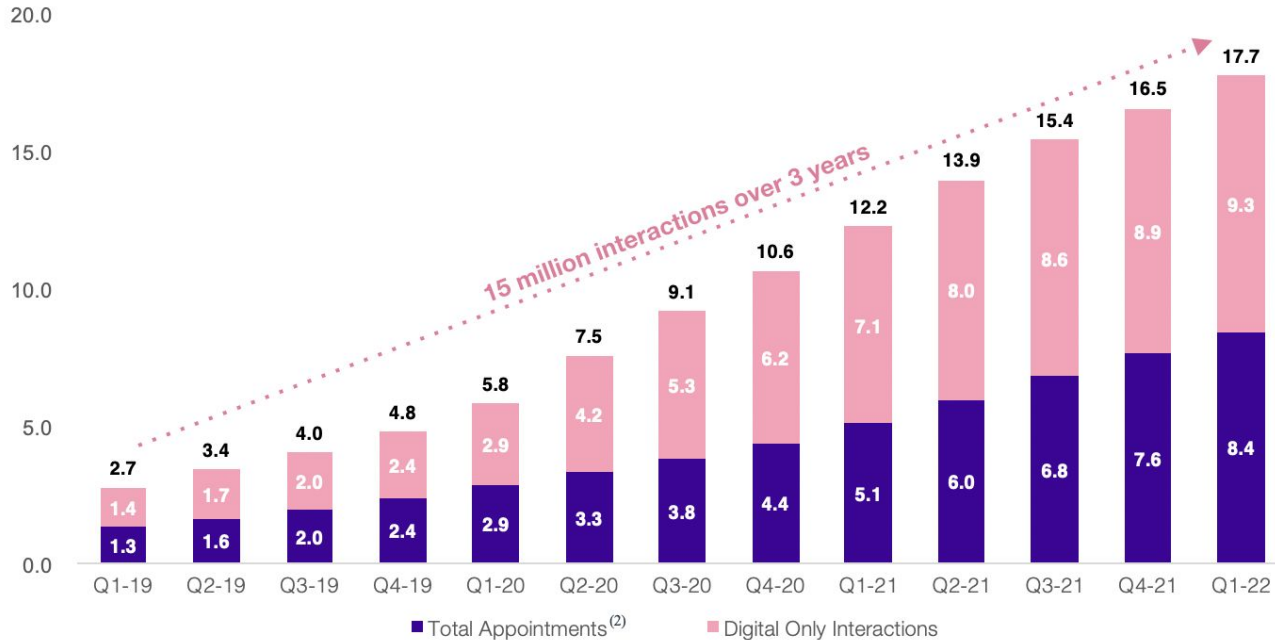
Our Technology Platform Enables Us to Rapidly Scale, Delivering Extraordinary Revenue Growth...



Notes: (1) Audited financials through December 31, 2021. (2) Calculated using \$1bn 2022 revenue guidance. (3) 2022 full year projected revenue as of May 12, 2022, as reported in Babylon's first quarter 2022 earnings release, filed with the SEC on Form 6-K on May 12, 2022. Babylon is not reaffirming its previously reported guidance or projections at this Capital Markets Day presentation.

...with Human Resources Being the Main Driver of Healthcare Costs, Digital Only Interactions Drive Down Our Cost of Care Delivery...

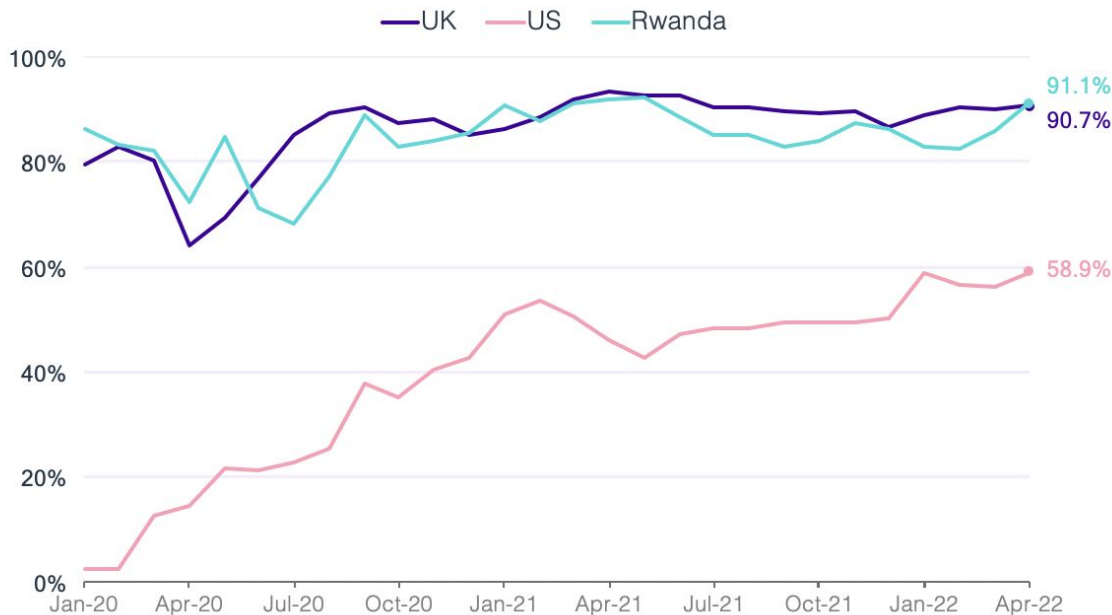
Cumulative user interactions (from 2019 to date)⁽¹⁾



Over the last 3 years, digital-only interactions have been **over half** of all interactions with Babylon across all our geographies

...and Utilisation Rates in the U.S. are Increasing to Reach the Steady State Levels Seen in our Mature Markets...

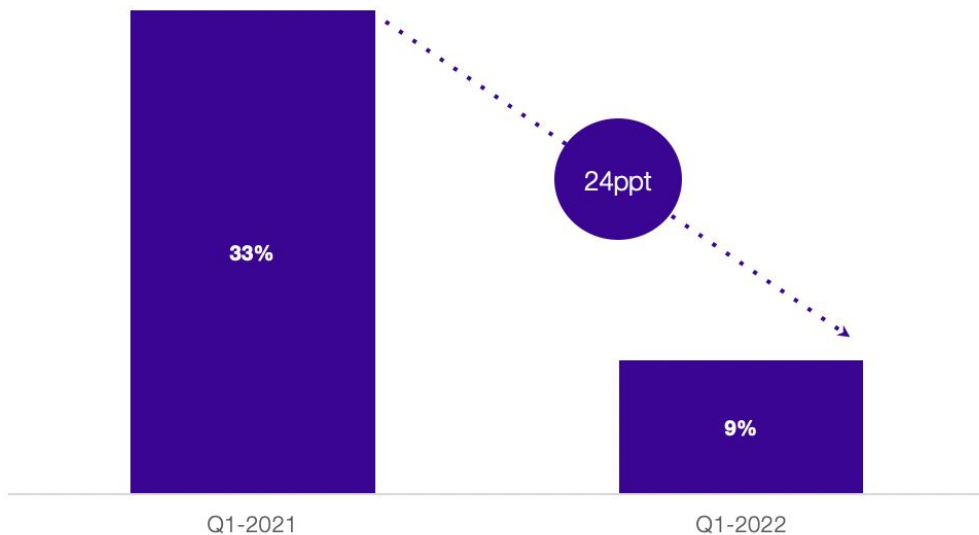
Clinician Utilisation By Geography (%)⁽¹⁾



- **Over 90%** clinician utilisations rates in our most mature markets
- **US utilisation** has ramped up to almost **60%** as our appointment volume increases to fill our existing clinician capacity
- And we expect to continue to drive improvements through cross-state licensing and economies of scale

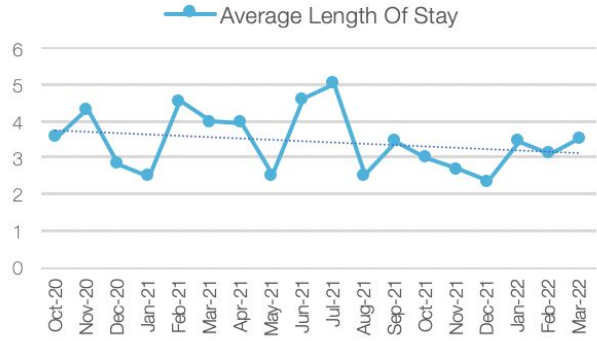
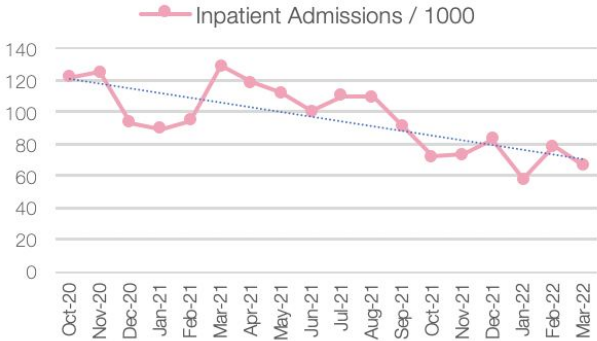
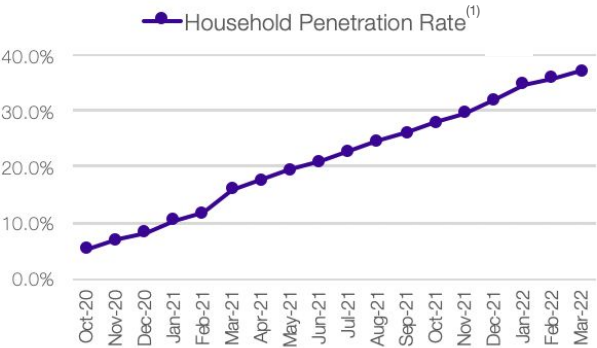
...and Clinical Care Delivery Expense Margin is Reducing as Our Care Model Scales

Clinical Care Delivery Expense Margin ⁽¹⁾
(%)

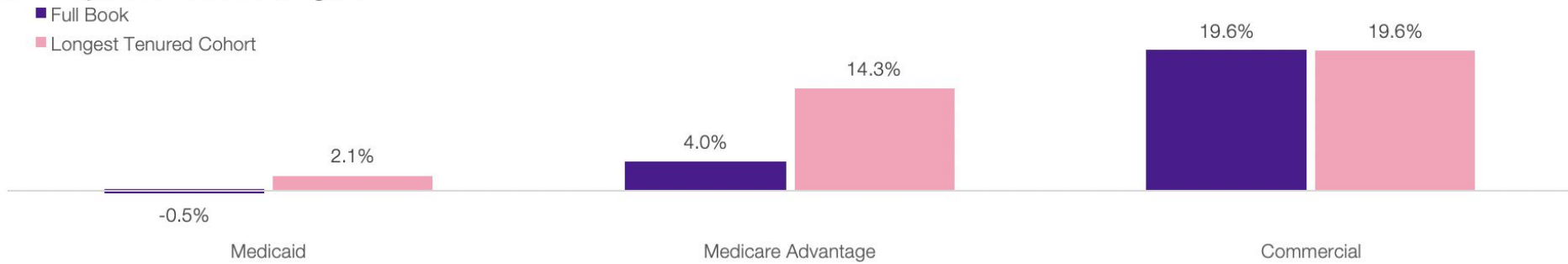


- **Over two-thirds** reduction in Clinical Care Delivery Expense ratio year over year
- We expect our Clinical Care Delivery Expense ratio to continue to decline despite using engagement to drive down claims cost
- The decrease is driven by increased efficiency and improved utilisation as we scale up new contracts

With Mature Cohorts We Are Beginning To See The Impact Of Up-Front Engagement, Efficiency and Scale



2021 Adjusted Claims Margin% (2)

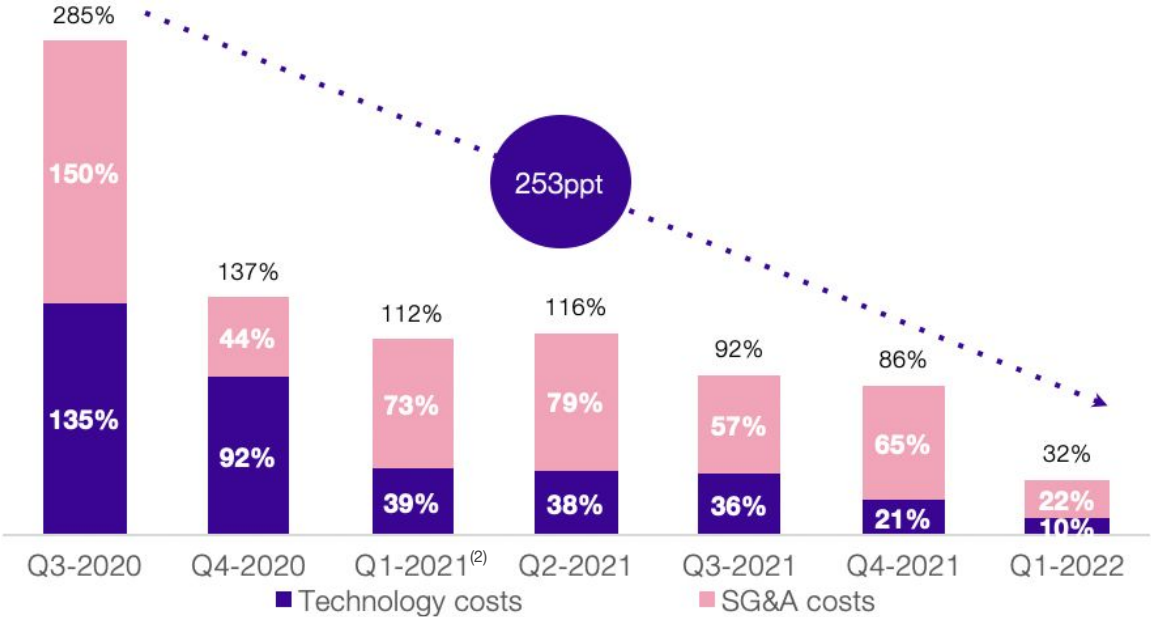


Notes: (1) Home State Health VBC household penetration, October 2020 to March 2022. Babylon defines household penetration as obtaining a sign up from at least one individual that lives in a household in its covered population, meaning at least one individual in the household has created a profile (through app or web registration) to generate a Babylon account. (2) Adjusted Claims Margin is 1 less Adjusted Claims Expense Ratio. Adjusted Claims Expense Ratio is Claims Expense divided by Value-based care Revenue, adjusted to exclude non-healthplan revenue and provider incentives, add estimated reinsurance recoveries, and adjust for prior period developments through April 30, 2022. See appendix slide titled 'Adjusted Claims Expense Ratio Reconciliation and Calculation of Claims Expense Ratio, Claims Margin and Adjusted Claims Margin' for additional detail.



Operational Leverage and Increased Scale Underpins the Route to Profitability...

Technology & SG&A costs as a % of revenue (unaudited)⁽¹⁾



Operational leverage and scalability of digital platform underpins route to profitability

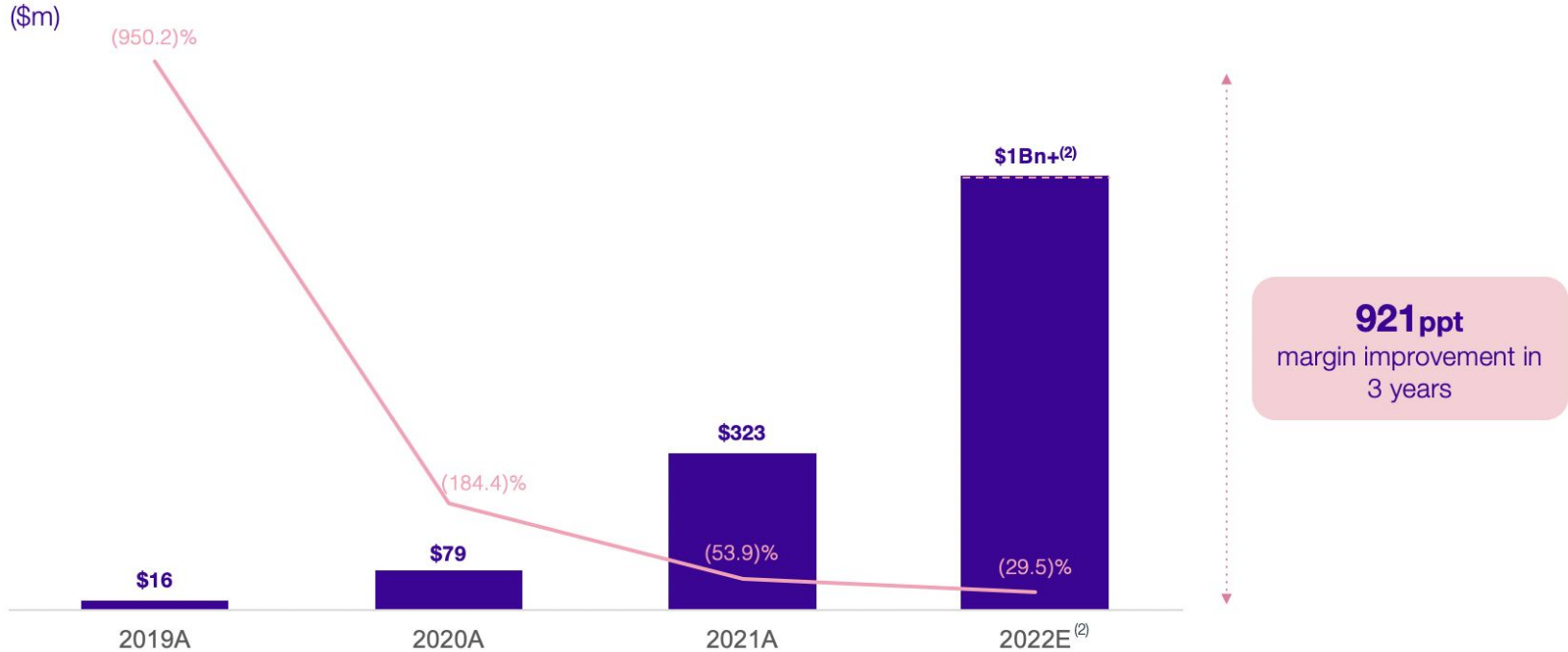
128ppt SG&A margin and 125ppt technology margin improvement since Q3 2020

Notes: (1) Technology costs is Research & development expenses and Platform & application expenses. Technology costs and SG&A costs as percentages of revenue have been calculated excluding the one-off \$28.4m revenue from Q1 2021. (2) \$28.4m of one-off upfront revenue recognition in connection with a software licensing arrangement in Q1 2021.



...and Delivers Steady Margin Improvement

Revenue & Adj. EBITDA Margin (unaudited)⁽¹⁾



Notes: **(1)** See appendix slide titled 'Adjusted EBITDA Reconciliation and Calculation of Adjusted EBITDA Margin' for additional detail. **(2)** 2022 full year projected revenue as of May 12, 2022, as reported in Babylon's first quarter 2022 earnings release, filed with the SEC on Form 6-K on May 12, 2022. Babylon is not reaffirming its previously reported guidance or projections at this Capital Markets Day presentation

Scale is the Key to Profitability

Illustrative examples of breakeven economics at scale ⁽¹⁾

Blended Gross Margin	Blended BCS & B360 Revenue (\$m)				
	1,000	2,000	3,000	4,000	5,000
10.0%	(200)	(150)	(100)	(50)	0
12.5%	(175)	(100)	(25)	50	125
15.0%	(150)	(50)	50	150	250
17.5%	(125)	0	125	250	375
20.0%	(100)	50	200	350	500
Gradually increasing operating costs	300	350	400	450	500

Denotes illustrative breakeven or profitability

- With the leverage in our model, we can keep growth in operating costs modest as we scale
- A combination of **\$3-4bn** of VBC revenue at **7.5-10%** average gross margin, and **\$150-200m** of licensing revenue at **~90%** margin could allow us to breakeven

Notes: **(1)** Illustrative breakeven economics table shows theoretical breakeven points by calculating illustrative gross profit figures (defined as Revenue multiplied by Blended Gross Margin), minus illustrative operating costs for the corresponding revenue level to display theoretical breakeven when the illustrative gross margin are greater than illustrative operating costs.

2022 Full-Year Guidance⁽¹⁾

Revenue Guidance

Full year revenue guidance of \$1.0bn

Adjusted EBITDA Guidance

Adjusted EBITDA guidance to be a maximum loss of \$(295)m at \$1.0bn revenue

Long Term Profitability Guidance

Adjusted EBITDA and cash flow breakeven no later than 2025

Funding Guidance

Sufficient cash to fund 2022, and continuing to pursue funding options for the long term⁽²⁾





Q&A



Thank you!

Risk Factors Summary

- We have a history of incurring losses, may not be able to achieve or maintain profitability, anticipate increasing expenses in the future and may require additional capital to support business growth. Additional financing may not be available on favorable terms or at all.
- Our historical operating results and dependency on further capital raising indicate substantial doubt exists related to our ability to continue as a going concern.
- If we fail to effectively manage our growth, we may be unable to execute our business plan, adequately address competitive challenges, maintain our corporate culture or grow at the rates we historically have achieved or at all.
- We may face intense competition, which could limit our ability to maintain or expand market share within our industry.
- Our existing customers may not continue or renew their contracts with us, or may renew at lower fee levels or decline to license additional applications and services from us, and significant reductions in members, per member per month (PMPM) fees, pricing or premiums under these contracts could occur due to factors outside our control.
- We are dependent on our relationships with physician-owned entities and our business could be harmed if those relationships or our arrangements with our providers or our customers were disrupted.
- Failure to maintain and expand a network of qualified providers could adversely affect our future growth and profitability.
- We may be unable to increase engagement of the individual members that interact with our platform, and even if we are successful in increasing member engagement, if we are unable to realize the member healthcare cost savings that we expect, our future profitability could be adversely affected.
- A significant portion of our revenue comes from a limited number of customers, and the loss of a material contract could adversely affect our business.
- The recognition of a portion of our revenue is subject to realizing healthcare cost savings and achieving quality performance metrics, and may not be representative of revenue for future periods.
- Our claims liability estimates for medical costs and expenses are uncertain and may not be adequate, and adjustments to our estimates may unfavorably impact our financial condition. If our estimates of the amount and timing of revenue recognized under our licensing agreements and value-based care agreements with health plans are materially inaccurate, our revenue recognition could be impacted.
- Our physician partners' failure to accurately, timely and sufficiently document their services could result in nonpayment for services rendered or allegations of fraud. Our records and submissions to a health plan may contain inaccurate or unsupported information regarding risk adjustment scores of members.
- Reimbursement rates paid by third-party payers or federal, state or foreign healthcare programs may be reduced, and third-party payers or government payers may restrain our ability to obtain or provide services to our members.
- Regulatory proposals directed at containing or lowering the cost of healthcare, including the ACO REACH model, and our participation in such proposed models, could impact our business and results of operations.
- The market for telemedicine is immature and volatile and our digital-first approach is relatively new and unproven.
- We may not be able to develop and release new solutions and services, or successful enhancements, new features and modifications to our existing solutions and services. Our proprietary solutions may not properly operate or interoperate with our customers' existing and future infrastructures.
- Our relatively limited operating history makes it difficult to evaluate our current business and future prospects.
- If we are unable to hire and retain talent to operate our business, we may not be able to grow effectively.
- Our growth depends in part on the success of our relationships with third parties.
- Our quarterly results may fluctuate significantly, adversely impacting the value of our Class A ordinary shares.
- Risks associated with our international operations, economic uncertainty, or downturns.

Risk Factors Summary (Continued)

- Failure to adequately expand our direct sales force will impede our growth.
- We may invest in or acquire other business and we may have difficulty integrating any such acquisitions successfully. We may also enter into collaborations and strategic alliances with third parties that may not result in the development of commercially viable solutions or the generation of significant future revenues.
- Our use of open-source software could adversely affect our ability to offer our solutions and subject us to possible litigation.
- Catastrophic events and man-made problems, and a pandemic, epidemic, or outbreak of an infectious disease, including the COVID-19 pandemic, could adversely affect our business.
- Our sales and implementation cycle can be long and unpredictable and requires considerable time, expense and ongoing support, the failure of which may adversely affect our customer relationships.
- Failure to obtain or maintain insurance licenses or authorizations allowing our participation in risk-sharing arrangements with payers could subject us to significant penalties and adversely impact our operations.
- Foreign currency exchange rate fluctuations and restrictions could adversely affect our business.
- We operate in a heavily regulated industry, and we are subject to evolving laws and government regulations.
- The changes in tax laws in different geographic jurisdictions could materially impact our business. We may be treated as a dual resident company for United Kingdom tax purposes. The applicability of tax laws on our business is uncertain and adverse tax laws could be applied to us or our customers.
- We may be unable to sufficiently protect our intellectual property, and our ability to successfully commercialize our technology may be adversely affected. We may be subject to intellectual property infringement claims, medical liability claims or other litigation or regulatory investigations.
- Certain of our software products could become subject to U.S. Food and Drug Administration (FDA) oversight, and certain of our products and operations are subject to medical device regulations.
- Cyberattacks, security breaches and other incidents, and other disruptions have compromised and could in the future compromise sensitive information and adversely affect our business and reputation. Our failure to comply with data privacy laws or to adequately secure the information we hold could result in significant liability or reputational harm. Any disruption of service at our third-party data and call centers or Amazon Web Services, or of third party infrastructure provider services, could interrupt our ability to serve customers, expose us to litigation and negatively impact our relationships with customers and members.
- The trading price of our Class A ordinary shares is volatile, and the value of our Class A ordinary shares may decline. An active trading market for our securities may not develop or be sustained. The dual class structure of our ordinary shares limits shareholders' ability to influence important transactions and has an unpredictable impact on the trading market for our Class A ordinary shares.
- Our status as an "emerging growth company" and a "foreign private issuer" may make our ordinary shares less attractive and affords less protection to our shareholders. We expect to lose our foreign private issuer status for 2022. As a "controlled company," we qualify for exemptions from certain corporate governance requirements.
- Our issuance of additional Class A ordinary shares will dilute all other shareholders. Future resales of our ordinary shares could cause the market price of our Class A ordinary shares to drop significantly, even if our business is doing well.
- We do not currently intend to pay dividends on our Class A ordinary shares. Some of our management team has limited experience managing a public company, and our management is required to devote substantial time to public company compliance.
- If our remediation of our identified material weaknesses is not effective, or if we fail to develop an effective internal control system, our ability to produce timely and accurate financial statements or comply with applicable laws could be impaired.
- U.S. holders that own 10% or more of our equity interests may be subject to adverse U.S. federal income tax consequences. Our U.S. holders may suffer adverse tax consequences if we are classified as a "passive foreign investment company." The Internal Revenue Service may not agree that we are a non-U.S. corporation for U.S. federal income tax purposes.
- Our shareholder rights and responsibilities are governed by Jersey law, which differs materially from U.S. companies' shareholders rights and responsibilities. It may be difficult to enforce a U.S. judgment or to assert U.S. securities law claims outside of the United States.
- The other matters described in the "Risk Factors" section of our Annual Report on Form 20-F, filed with the SEC on March 30, 2022, and our other SEC filings.



Appendix

Adjusted EBITDA Reconciliation and Calculation of Adjusted EBITDA Margin



	FY2019	FY2020	FY2021
IFRS Loss for the Period	(140,287)	(188,030)	(374,511)
Adjustments to calculate EBITDA:			
Depreciation and amortization	2,496	14,487	35,004
Finance costs and income	101	3,920	13,965
Tax provision/(benefit)	(5,559)	4,639	(1,474)
EBITDA	(143,249)	(164,984)	(327,016)
Adjustments to calculate Adjusted EBITDA:			
Recapitalization transaction expense	-	-	148,722
Share-based compensation	7,966	9,557	46,307
Change in fair value of warrant liabilities	-	-	(27,811)
Gain on remeasurement of equity interest	-	-	(10,495)
Gain on sale of subsidiary	-	-	(3,917)
Impairment expense	-	6,436	941
Exchange (gain) / loss	(17,075)	2,836	(868)
Adjusted EBITDA	(152,358)	(146,155)	(174,137)
Calculation of Adjusted EBITDA margin:			
Adjusted EBITDA	(152,358)	(146,155)	(174,137)
IFRS Revenue	16,034	79,272	322,921
Adjusted EBITDA margin (%)	(950.2)%	(184.4)%	(53.9)%

Note: See "Item 5. Operating and Financial Review and Prospects--A. Operating Results--Key Business and Financial Metrics--EBITDA and Adjusted EBITDA" in our Form 20-F filed with the SEC on March 30, 2022. We are not able to reconcile projected 2022 Adjusted EBITDA or 2022 Adjusted EBITDA margin to their respective most directly comparable IFRS measures as we are not able to forecast IFRS loss on a forward-looking basis without unreasonable efforts due to the high variability and difficulty in predicting certain items that affect IFRS loss for the period, including, but not limited to, impairment expense, share-based compensation, foreign exchange gains or losses and gains and losses on sale of subsidiaries. Adjusted EBITDA should not be used to predict IFRS loss as the difference between the two measures is variable and may be significant. The table above includes non-IFRS measures. Non-IFRS financial measures are supplemental to and should not be considered a substitute for financial information presented in accordance with IFRS.

Adjusted Claims Expense Ratio Reconciliation and Calculation of Claims Expense Ratio, Claims Margin and Adjusted Claims Margin

We believe that Adjusted Claims Expense Ratio and Adjusted Claims Margin are useful metrics for investors to understand and evaluate our operating results and ongoing profitability because they permit investors to evaluate our Claims Expense as a percentage of our Value-based care revenue. We believe that these metrics provide useful measures for period-to-period comparisons of our business. Babylon's management team uses these measures in assessing Babylon's performance, as well as in planning and forecasting future periods. These non-IFRS financial measures are not computed according to IFRS, and the methods we use to compute them may differ from the methods used by other companies. Adjusted Claims Expense Ratio and Adjusted Claims Margin have certain limitations, and you should not consider them in isolation or as a substitute for analysis of our results of operations as reported under IFRS. The following table presents a calculation of our Claims Expense Ratio, Claims Margin and Adjusted Claims Margin and a reconciliation of Adjusted Claims Expense Ratio from Claims Expense Ratio, the most directly comparable IFRS measure, for the twelve months ended December 31, 2021 based on information available through April 30, 2022.

	2021
Value-based care Revenue	\$220.9
Claims Expense	\$219.6
Claims Expense Ratio	99.4%
Claims Margin	0.6%
Net Adjustments	
Net adjustments to Claims Expense Ratio	-2.0%
Restated (Non-IFRS)	
Adjusted Claims Expense Ratio	97.4%
Adjusted Claims Margin	2.6%
Adjusted Claims Expense Ratio (Non-IFRS) By LOB	
Medicaid	100.5%
Medicare Adv.	96.0%
Commercial	80.4%
Adjusted Claims Margin (Non-IFRS) By LOB	
Medicaid	-0.5%
Medicare Adv.	4.0%
Commercial	19.6%

Definitions

Adjusted Claims Expense Ratio

The Adjusted Claims Expense Ratio is the Claims Expense divided by the Value-based care Revenue, adjusted to exclude non-healthplan revenue and provider incentives, add estimated reinsurance recoveries, and adjust for prior period developments.

Adjusted Claims Margin

Adjusted Claims Margin is 1 less Adjusted Claims Expense Ratio.

Adjustments

Exclude non-healthplan revenue

In order to arrive at Adjusted Claims Expense Ratio, all non-healthplan revenue including MSO and TPA fees were excluded.

Exclude provider incentives

In order to arrive at Adjusted Claims Expense Ratio, all provider incentive related expenses including payments for annual wellness visits were excluded.

Add estimated reinsurance recoveries

These adjustments capture expected future reinsurance recoveries that are related to prior periods but were not yet reflected in SEC reported data. Estimates are based on analysis of claims data and historical recoveries.

Prior period developments

This consists of adjustments booked in the current and prior periods which relate to prior period dates of service. We map these amounts back to the period in which they belong or were incurred to illustrate the underlying performance trend.