



**babylon**

**Analyst Day**

July 14, 2021

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**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, that are not prepared in accordance with IFRS and that may be different from non-IFRS financial measures used by other companies. These non-IFRS measures, and other measures that are calculated using these non-IFRS measures, are an addition, and not a substitute for or superior to measures of financial performance prepared in accordance with IFRS and should not be considered as an alternative to operating income, net income or any other performance measures derived in accordance with IFRS. Babylon believes that these non-IFRS measures of financial results (including on a forward-looking basis) provide useful supplemental information to investors about Babylon. Additionally, to the extent that forward-looking non-IFRS financial measures are provided, they are presented on a non-IFRS basis without reconciliations of such forward-looking non-IFRS measures due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations.

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# Today's Agenda



## Opening Remarks

*Rich Williams, CEO, Alkuri Global*



## Babylon's Mission

*Dr. Ali Parsa, Founder & CEO*

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## Stakeholder Video



## Babylon's Clinical Advantage

*Darshak Sanghavi, MD, Chief Medical Officer*



## Global Operations

*Stacy Saal, Chief Operations Officer*

*Erin Lee, VP Global Operations*

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*Q&A: Global Operations (15 Minutes)*

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*10 Minute Break*



## Product

*Yon Nuta, Chief Product Officer*



## Technology

*Steve Davis, Chief Technology Officer*

*Dr. Saurabh Johri, Head of AI*

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*Q&A: Product & Technology (15 Minutes)*

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*10 Minute Break*



## Commercial

*Dr. Marcus Zachary, Head of Value Based Care*



## Financials

*Charlie Steel, Chief Financial Officer*

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*Q&A: Full Executive Team (30 Minutes)*

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## Closing Remarks



*Dr. Ali Parsa, Founder & CEO*

# Opening Remarks



**Rich Williams**  
*CEO, Alkuri Global*



**babylon**



**24/7**



Care that revolves  
around **you**



# Why Babylon Health Is The Perfect Match For Alkuri Global



## Alkuri's Investment Thesis

A

**Massive Total Addressable Market**

B

**Artificial Intelligence-Led Disruptor**

C

**Global Traction & Opportunity**

D

**Scalability of Margins**

E

**World-Class Team**

## Babylon Exceeds All of Alkuri's Acquisition Criteria

\$10T global healthcare market<sup>(1)</sup> that is ripe for disruption and shift to value based care

Proprietary technology and AI poised to lead the transformation to Digital Health Services

Proven global product-market fit and performance with demonstrated traction in the US

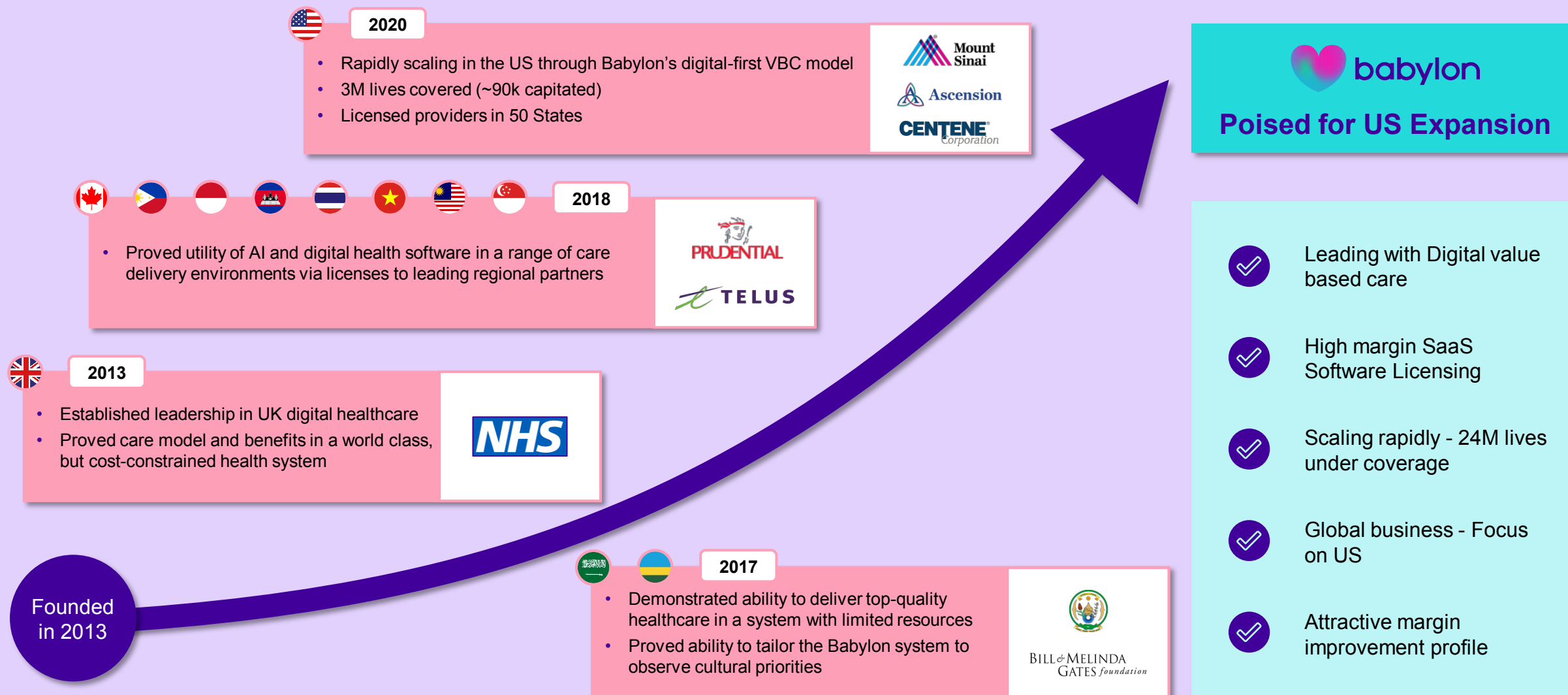
- ~166% revenue CAGR 2020A-2023E, improving unit economics and path to profitability in 2023E<sup>(2)</sup>

Margin expansion over time through scale as expensive secondary care is replaced with cost-efficient primary care

- Gross margin scaling to ~23% by 2023E

Visionary founder and talented management that knows how to grow and operate at scale

# Babylon has Grown From its Roots in the UK Healthcare Market to Become a Leader in Scalable, Digital-First, Value Based Healthcare



# One of the Most Experienced Management Teams in Digital Health



## Founder & CEO



**Ali Parsa, PhD**



Founded and built Circle, the UK's largest privately-financed hospital chain and undertook an IPO into the London market

## Chief Business Officer



**Paul-Henri Ferrand**



President



CMO & President

BREX COO

## Chief Operating Officer

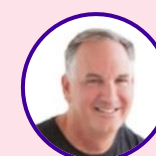


**Stacy Saal**



Globally rolled out Amazon Prime and Amazon Fresh

## Chief Technology Officer



**Steve Davis**



SVP, AI & Data



SVP & CIO



VP, Tech & Product

## Chief Financial Officer



**Charlie Steel**



Ran CMC Markets' IPO into the FTSE 250

## Chief Product Officer



**Yon Nuta**



Served as one of the earliest CPOs of Xbox

## Chief Medical Officer



**Darshak Sanghavi, MD**



CMO, Medicare & Retirement



CMO, OptumLabs

## Chief People Officer



**Samira Lowman**



VP, Talent Acquisition & Development

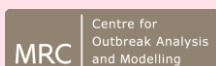


VP, Strategic Workforce Planning

## Chief Science Officer



**Saurabh Johri, PhD**



Imperial College London

15 years of experience in developing AI for Healthcare

## Global Lead of VBC



**Marcus Zachary, MD**



Assoc. CMO



Senior Medical Director

## VP of Global Operations



**Erin Lee**



Director of Comm. Operations



Product Strategy & Operations

# The Babylon Solution



**Ali Parsa, PhD**  
*Founder & CEO*




**babylon**



We're here  
for you **24/7**



The image is a composite of two photographs. The left side shows a woman with long brown hair tied back, smiling as she looks at a tablet held by a young boy with blonde hair. The boy is also smiling and holding a large brown teddy bear. The right side shows a young Black woman with her hair in braids, smiling and clapping her hands. In the background of the right side, other people are visible but out of focus. A large, colorful heart icon with a gradient from purple to blue is positioned in the center, overlapping both photographs.

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

# Understanding Babylon in 5 Questions



1

What Problem Are We Solving?

- \$10T global healthcare sector<sup>(1)</sup> has been unable to balance the needs of accessibility, quality and affordability
- Babylon's Digital-First Value Based Care (VBC<sup>(2)</sup>) offering seeks to align system-wide incentives

2

How Do We Do It?

- Through the creation of a proactive, digital-first care network, which provides every member with a well structured "Care Pyramid," shifts the majority of member interactions to the mobile device and provides timely and targeted in-person care when needed

3

What Have We Accomplished?

- We continue to scale at an impressive rate, with ~5x revenue growth in 2020, serving 24M lives across North America, Europe, Africa and Asia and delivering a patient interaction every 5 seconds<sup>(3)</sup>
- We have achieved 90% 5-star ratings<sup>(4)</sup> and demonstrated up to 35% cost savings<sup>(5)</sup>

4

How Do We Monetize It?

- Through **Clinical Services** (taking the entire or proportion of medical cost of a population & capturing cost savings) & **Software Licensing** (selling technology to those who want to achieve similar results)
- Compelling financial model with 30%+ margins in clinical services & 90%+ margins in software licensing<sup>(6)</sup>

5

How Will We Grow?

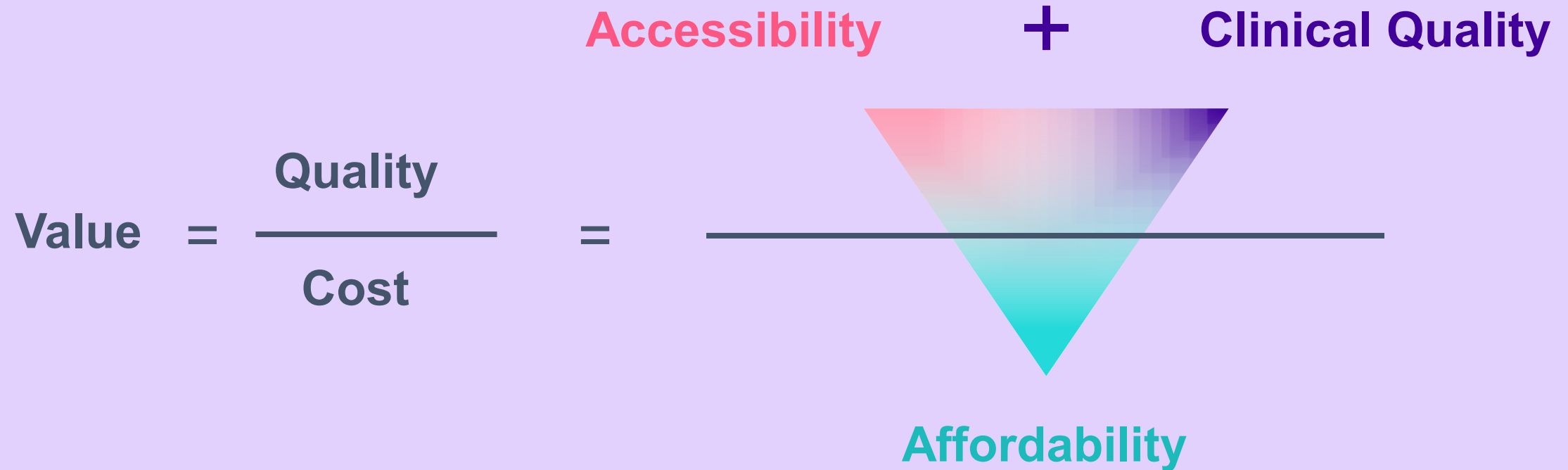
- Expanding our existing service with our current customers into their wider operations and converting more of them to VBC (currently less than 1% penetration)
- Replicating existing model to new customers with the same needs in current markets & selective acquisitions

Notes: T=trillion.

1) Deloitte 2019 Global Health Care Outlook Report. 2) VBC – arrangement where providers are paid the total health budget for the managed lives. 3) Based on ~2.0M clinical consultations (involving doctors, in virtual or physical setting) and ~3.9M AI interactions (app interactions, including digital triage, health assessment) performed in 2020. 4) Based on patient survey in the UK, US and Canada for 2020-2021YTD. 5) Based on UK data, specifically for our UK 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. 6) Based on a select software licensing contract. Gross Margin includes some technology costs that are classified as operating expenses in the company's financial projections.



# We Believe the \$10T<sup>(1)</sup> Global Healthcare Sector has Been Unable to Balance the Needs of Accessibility, Quality and Affordability



# Babylon Addresses Each of the Accessibility, Quality and Affordability Challenges with a Clear Solution

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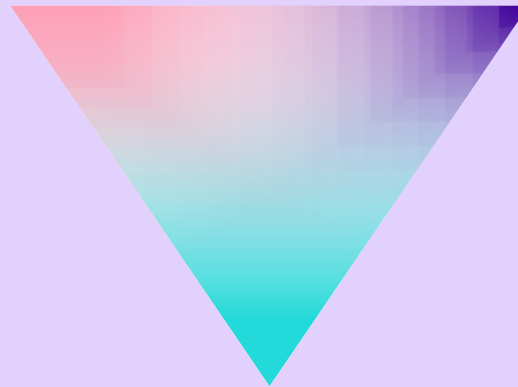


## Accessibility

- ♥ Digital-First
- ♥ Mobile Native

## Clinical Quality

- ♥ Standardized Expertise
- ♥ Standardized Treatment
- ♥ Standardized Rehabilitation



## Affordability

- ♥ Automation of Clinical Tasks – Operational Leverage for Clinicians
- ♥ Monitoring of Members – Reduce Crisis & Emergencies

# Babylon is Positioned to Unify and Empower the Two Critical Trends in Healthcare



## Value Based Care

- ✓ Movement away from broken fee-for-service model
- ✓ Aligns system around proactive care
- ✗ Not scalable traditionally
- ✗ Challenge addressing many patient types

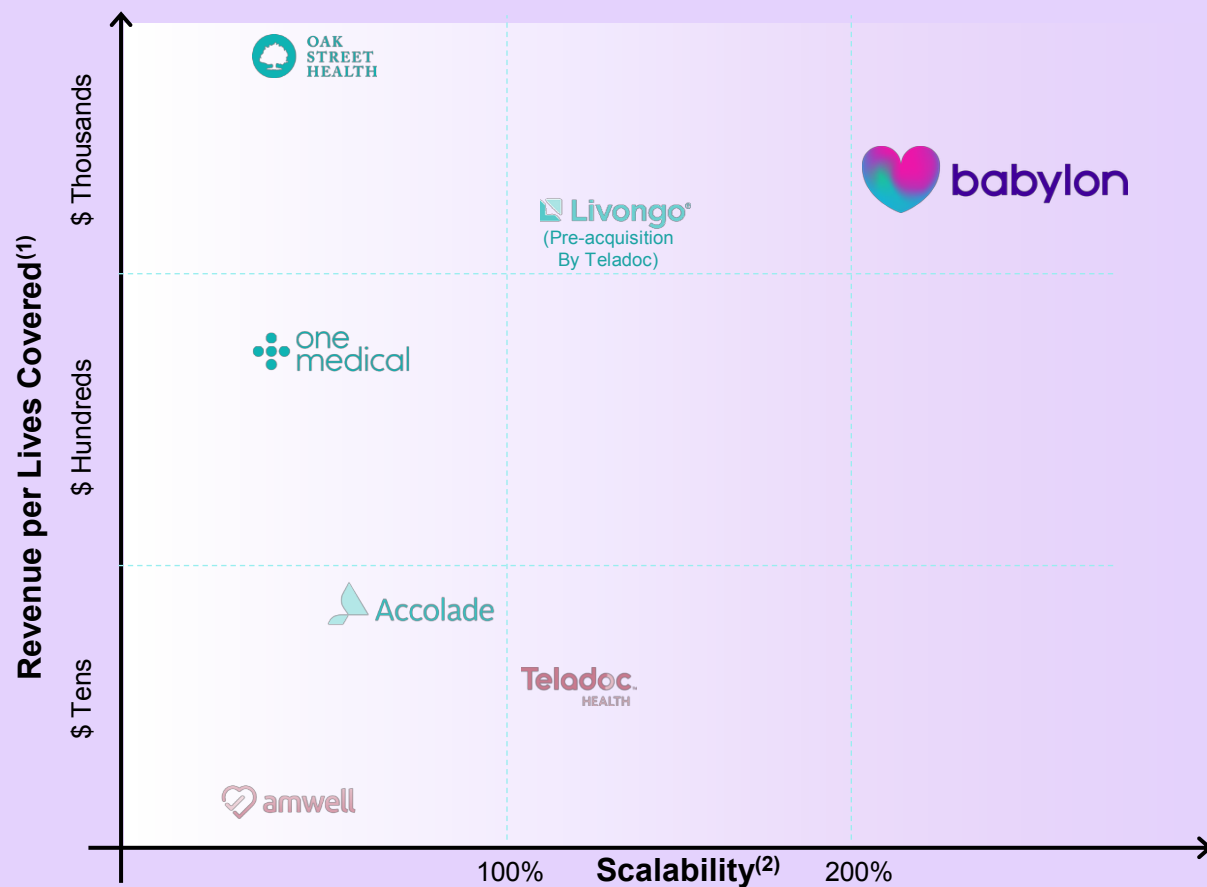
## Digital Health

- ✓ Leverages technology-driven efficiencies
- ✓ Bringing care to the patient vs patient to care
- ✗ Not scaled to address holistic care
- ✗ Shifts site of care vs addressing overall care and cost



**Babylon is  
Scalable,  
Digital-First,  
Value Based Care**

# Creating an Alternative Using Scalable Digital-First Value Based Care



## Digitally-Enabled Providers

- ✓ Capture significant share of health spend
- ✗ Physical-first, brick and mortar models limit scalability
- ✗ Limited technological capabilities



## Virtual Care Providers

- ✓ Digital-first models
- ✓ Scalable to most populations
- ✗ Often specialized, limited care offerings
- ✗ Lower revenue per user

Notes: Axes are not to scale and based on management estimates.

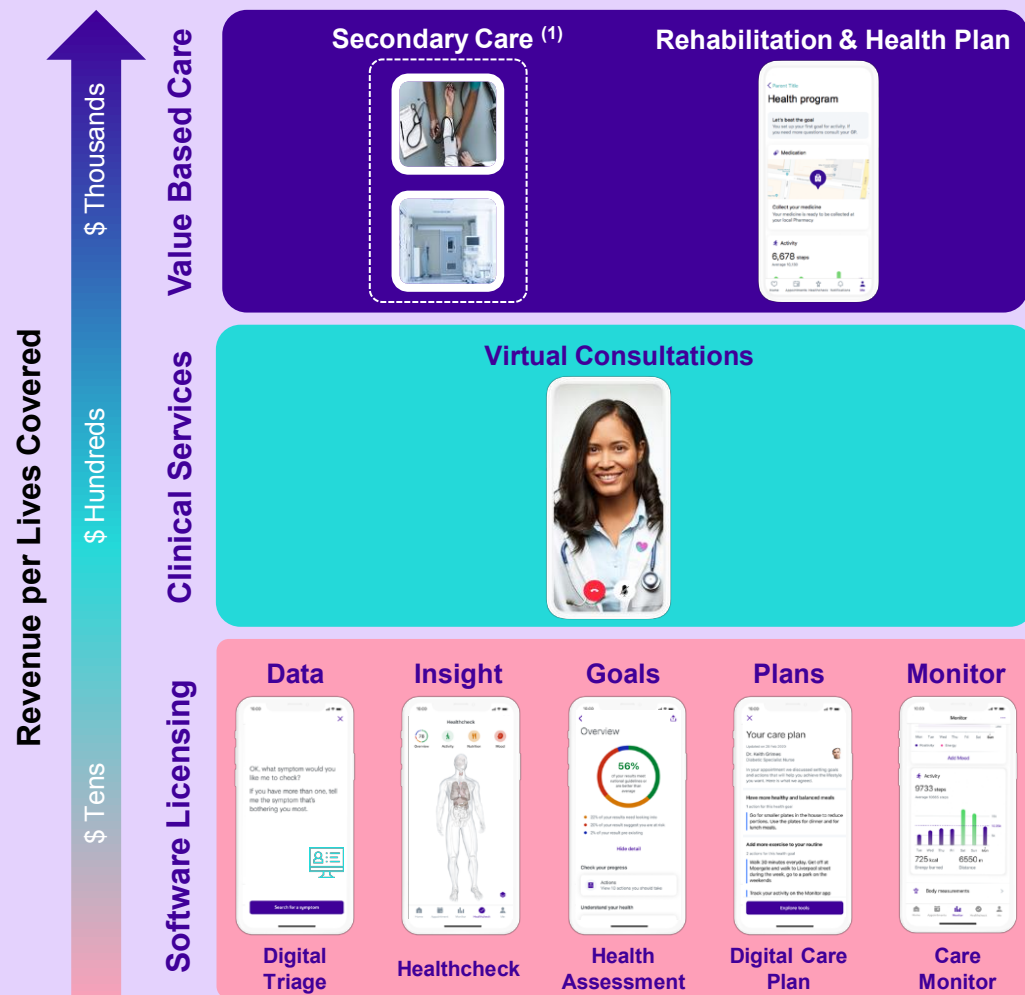
1) Based on projected primary revenue contribution. Sourced from public filings unless otherwise stated. ONEM, OSH, and TDOC reflect FY20 revenue divided by the average of the current and prior year lives covered. TDOC FY20 Revenue pro forma for acquisitions. LVGO reflects FY19 revenue divided by average of FY19 and FY18 covered lives under diabetes management. ACCD reflects LTM revenue as of Q3 2020 divided by the average of Q3 2020 lives covered and lives covered in the S-1 as of December 2019. AMWL reflects FY20 revenue divided by current lives covered. Babylon reflects estimated revenue per life based on active Babylon VBC contracts.

2) Scalability defined as 2020A-2022E Revenue CAGR plus 2022E Gross margin. 2022E peer data sourced from Factset and CapIQ consensus estimates as of May 7, 2021, except LVGO FY20 and FY22 forecasts based on Factset consensus estimates as of August 4, 2020, one day prior to Teladoc acquisition announcement. TDOC FY20 Revenue proforma for acquisitions. Babylon financials based on management estimates.

# Babylon's Offering



We offer a broad spectrum of services



## Illustrative Market: California

### Lives Covered

52,000

### Overview

- **The complete solution:** through our Babylon VBC service we manage the totality of patients' healthcare, including taking full financial responsibility for all costs incurred in secondary and tertiary care setting

~2 million

- Through our clinical services and software licensing, we provide:
  - Babylon's full suite of **AI and monitoring products**
  - Care navigation and non-clinical **support by live chat, phone or video**
  - **Virtual consultations** with a clinical professional, for both urgent and chronic conditions

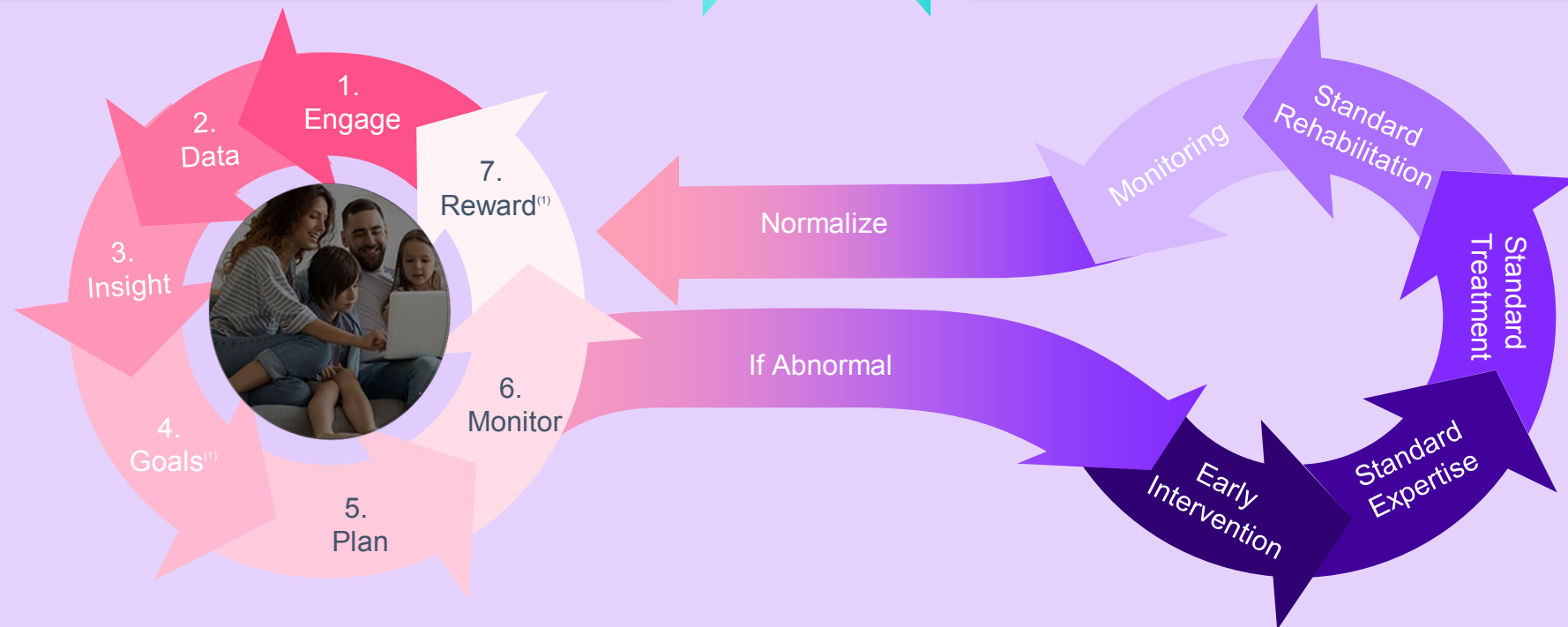
# Babylon is Providing Both Proactive Healthcare and Reactive Sickcare



Health Care
<ul style="list-style-type: none"><li>• Insights and information about wellbeing</li><li>• Health goals and actions helping achieve the goals</li><li>• Health monitoring</li><li>• Digital-first patient interactions keep the patient healthy</li></ul>



Sick Care
<ul style="list-style-type: none"><li>• Access to the clinician team</li><li>• Right care, medication, and treatment as soon as needed</li><li>• Clear clinical care plan for treatment and recovery</li><li>• Health monitoring</li></ul>

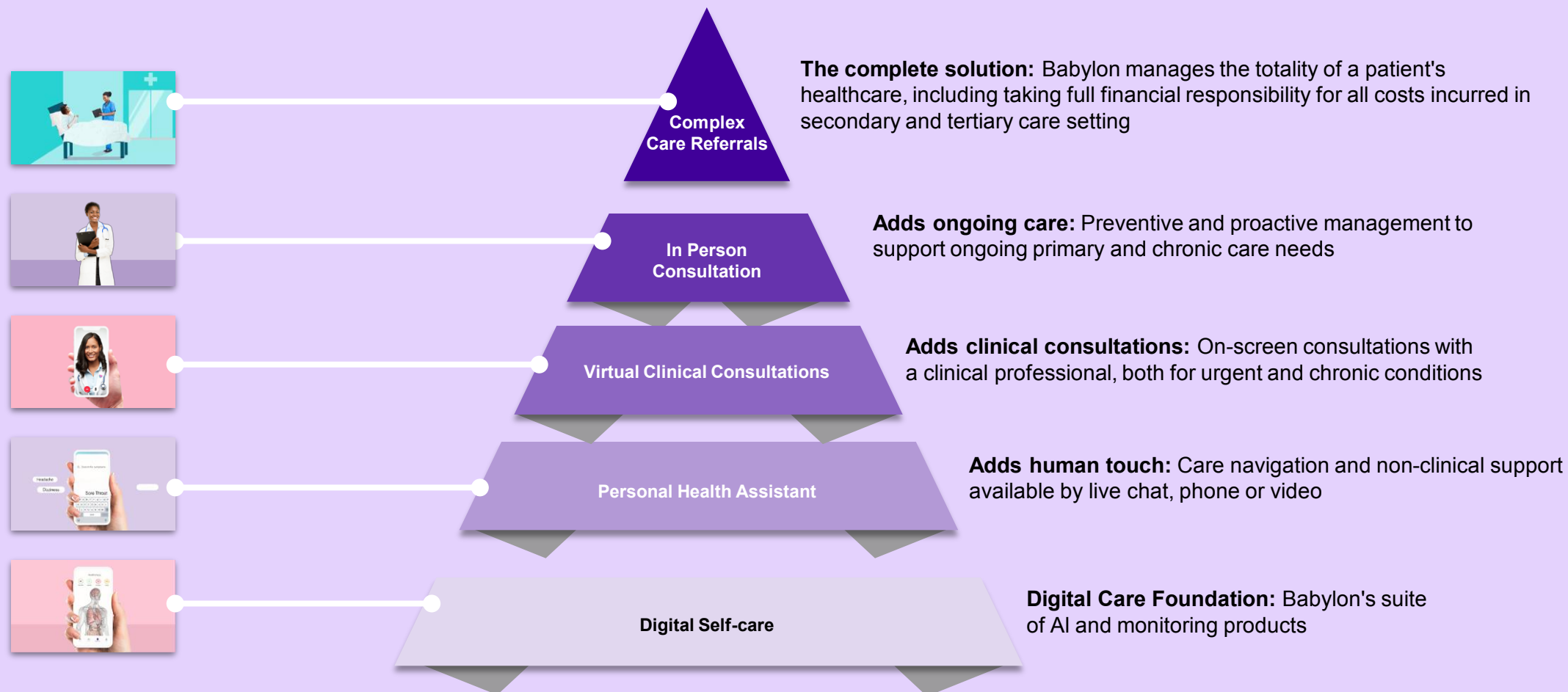


Note: These products are currently provided by Babylon unless specified otherwise.

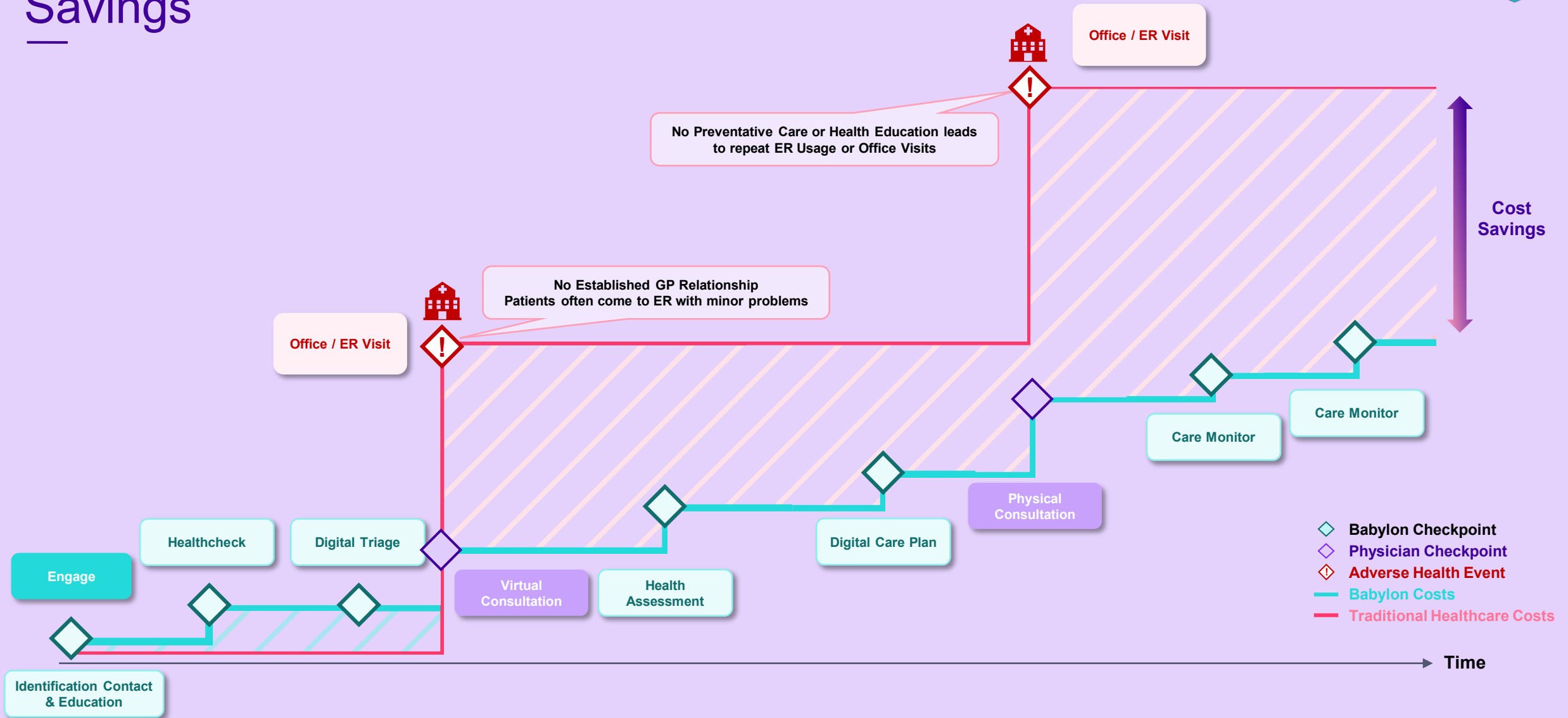
1) In late stage of development.



# Babylon's Solution Provides Every Member with a Well-Structured "Care Pyramid", Aligning Resources with Needs



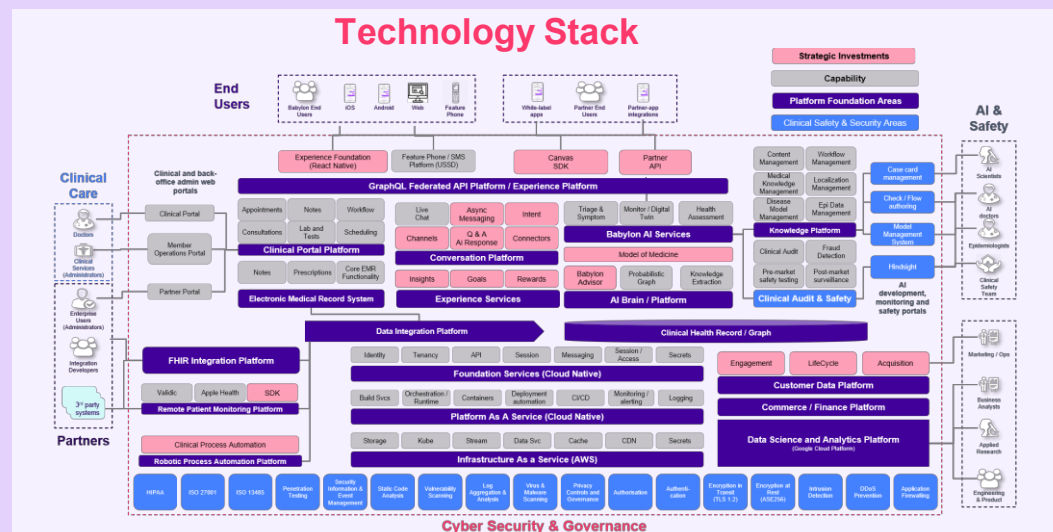
# Timely, Highly Accessible Primary Care Enables Significant Cost Savings



# Babylon Has a Unique and Scalable Technology Stack Recognized for Excellence



Innovative, Peer-Reviewed and Safeguarded by Suite of Patents



## Patents & Supportive Studies



- **Patents**
  - 10 US Patents
  - 43 US Patents Pending<sup>(1)</sup>
- 29 peer-reviewed papers published in leading journals
- Our peer-reviewed research demonstrated how **diagnostic algorithms can be significantly improved** through the application of counterfactual inference on causal models<sup>(2)</sup>

## Media coverage of Babylon's Peer-reviewed AI research

"I'm going to use it as a warning to machine-learning enthusiasts in the US — you're going to be made obsolete by companies in the UK"

Judea Pearl, Turing Award-winner and professor of computer science at UCLA

MIT  
Technology  
Review

nature  
communications

frontiers  
in Artificial Intelligence

NewScientist

NEURAL INFORMATION  
PROCESSING SYSTEMS

Association for the  
Advancement of Artificial Intelligence

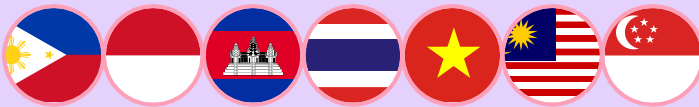
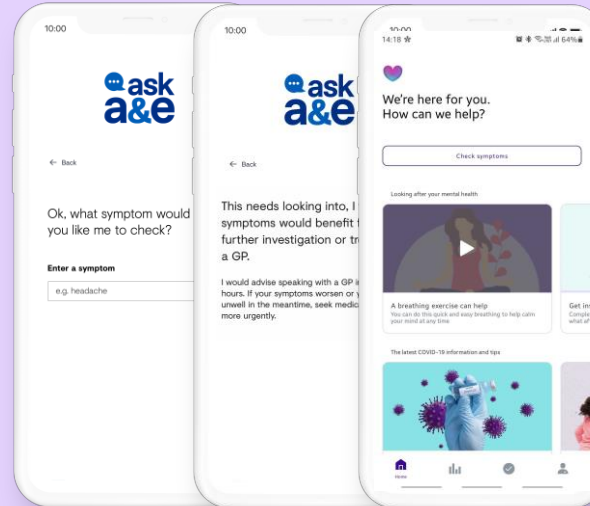
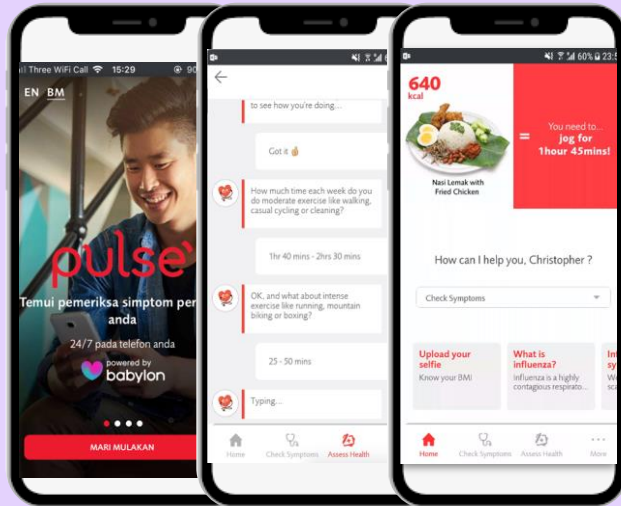
Advances in Approximate Bayesian Inference  
MultiVerse: Causal Reasoning using importance  
Sampling in Probabilistic Programming

Notes: Digital tools do not offer a diagnosis and references to diagnosis here are for research purposes only.

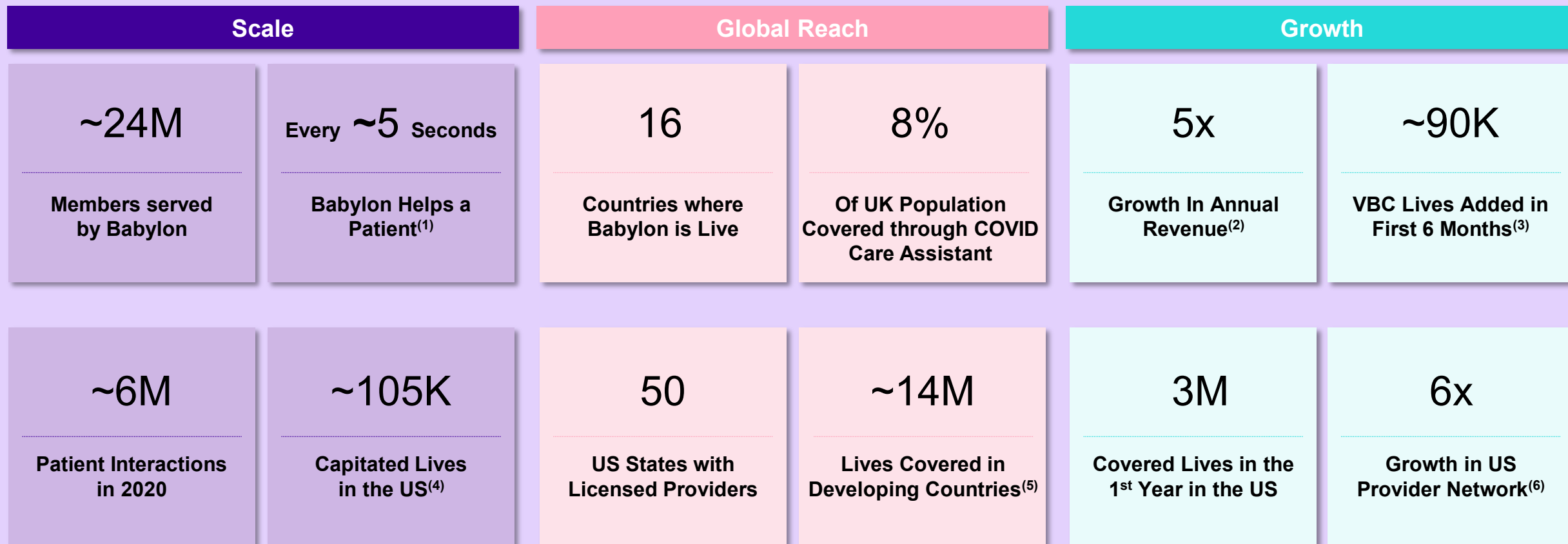
1) 3 of the 43 pending patents have been accepted by US Patent & Trademark Office but not formally issued.

2) Richens & Lee et al. "Improving the accuracy of medical diagnosis with causal machine learning".

# Our Technology is Licensed Across the Globe to ~15 Million People in Long Term Licensing Contracts



# Babylon in Numbers



Notes: 1) Based on ~2.0M clinical consultations (involving doctors, in virtual or physical setting) and ~3.9M AI interactions (app interactions, including digital triage, health assessment) performed in 2020. 2) 2019A-2020A revenue based on unaudited historical financials. 3) As of April 1, 2021. 4) Includes VBC contracts active as of July 1, 2021. 5) Rwanda and South-East Asia. 6) 6x growth in provider and care team headcount over the past year (from January 2020 to January 2021).

# We Have Demonstrated Exceptional Accessibility, Quality and Affordability Across All Markets We Entered



Accessibility	United States		United Kingdom		Romania	
	98%	4 and 5-Star Ratings <sup>(1)</sup>	95%	4 and 5-Star Ratings <sup>(3)</sup>	91%	4 and 5-Star Ratings <sup>(5)</sup>
	90%	Consultations Within 30 minutes <sup>(2)</sup>	95%	Retention <sup>(4)</sup>	20%	of Entire Population Registered <sup>(6)</sup>
Clinical Quality	United States		United Kingdom		Romania	
	80%	Completion Rate of In-app Health Assessment <sup>(7)</sup>	“Outstanding” CQC Awarded Ranking in Leadership		91%	Clinical Audit Score <sup>(9)</sup>
	102	Data Points Risk Assessment	97%	NHS Quality Framework Pts in Clinical Domain Rate <sup>(8)</sup>	98%	of Calls Answered Within 30 Seconds <sup>(10)</sup>
Affordability	United States		United Kingdom		Romania	
	\$430	Annual ER Cost Savings Per Member w/Digital Consults <sup>(11)</sup>	Up to 35%	Acute Care Savings <sup>(12)(13)</sup>	55%	Reduction in Unit Cost of Consultation <sup>(14)</sup>
	34%	Avoidance of ER/Urgent Care Visits w/Digital Consults <sup>(11)</sup>	25%	Fewer A&E Visits <sup>(12)</sup>	30%+	Savings on Clinical Consults <sup>(15)</sup>

Notes: 1) For 2020-2021YTD. Includes ratings from our virtual care and Babylon VBC services. 2) For 2020 General Medical consultations. 3) 2019 to date for the UK business. 4) Babylon NHS data: In the first 3 months of membership, for patients who access a consultation, across 2020. 5) 2019-2020 data. 6) Based on 2.43M users registered as of February 2021. 7) ~80% of 242 users who started the main health assessment flow went on to complete the main health assessment flow. Based on Home State Health Babylon VBC data for the period of October 1, 2020 – April 1, 2021. 8) NHS Digital: Quality Outcomes Framework (QOF) 2019/20. 9) Average across all 1,567 clinical audits in 2020. 10) Call center reports for January-February 2021 data. 11) Average saving resulting from a member having a digital consultation, given 34% of members surveyed say they would otherwise have visited ER or Urgent Care. Cost saving calculated under the assumption that the survey is accurate (assumes 80% adherence, i.e. 80% of the users who respond 'if I hadn't had access to Babylon's digital consultations offering then I would have gone to the ER' do not go to the ER following the consultation). Based on Babylon consultations data from all US Centene plans that have Alternative Health Choice (AHC) surveys as part of their consultation booking flow. The time period under consideration is January 2020 - February 2021. 12) Based on UK data, specifically for our UK GP at Hand (NHS) service. 13) 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. 14) From 2018 to 2020. 15) For Senior Nurse / GP consultations. In 2020, 32% of triage nurse calls were treated at the triage stage; 68% proceeded to Senior Nurse / GP consultations.



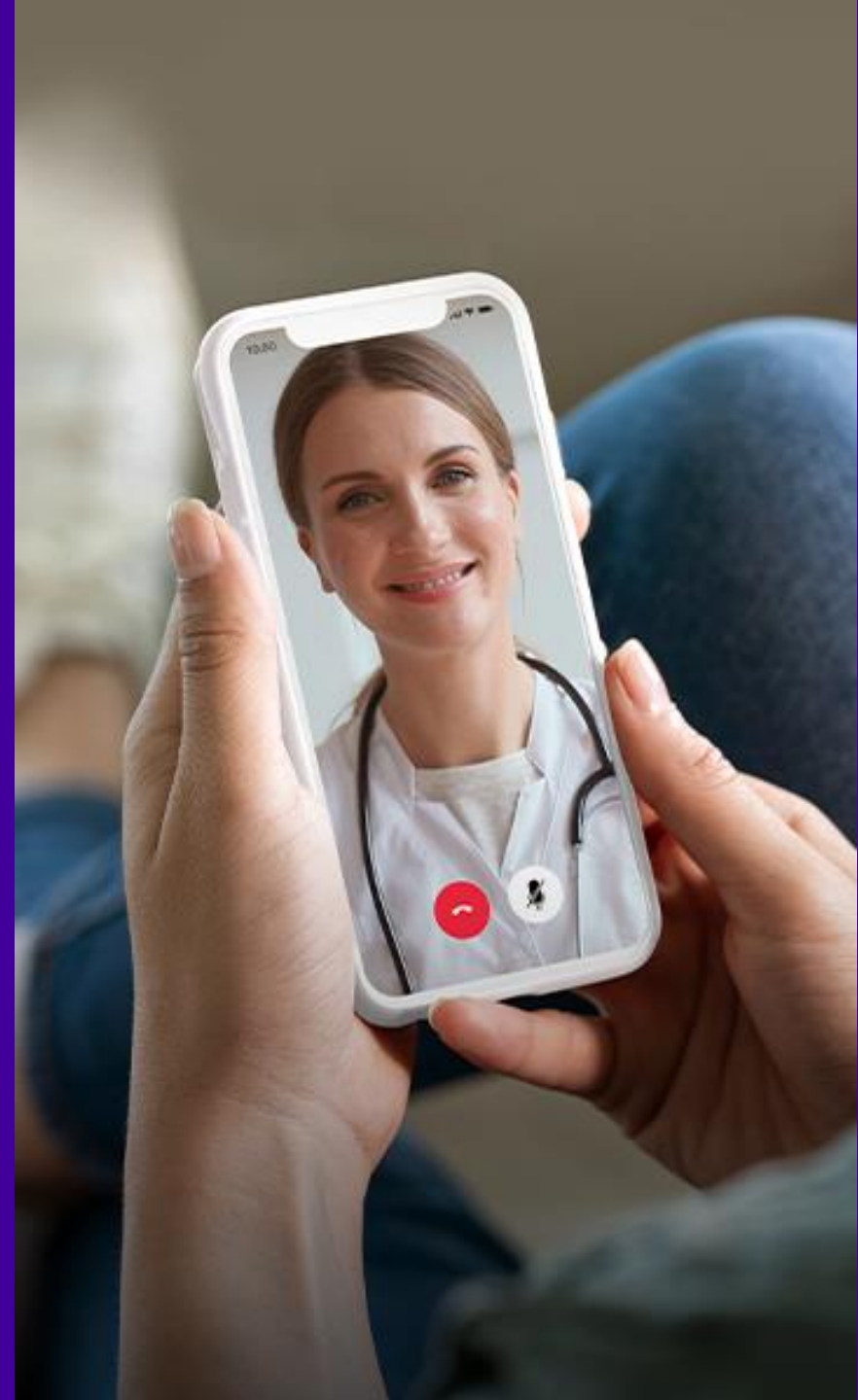


# Stakeholder Video

# Babylon's Clinical Advantage



**Darshak Sanghavi, MD**  
*Chief Medical Officer*



# Babylon is Positioned to Unify and Empower the Two Critical Trends in Healthcare



## Value Based Care

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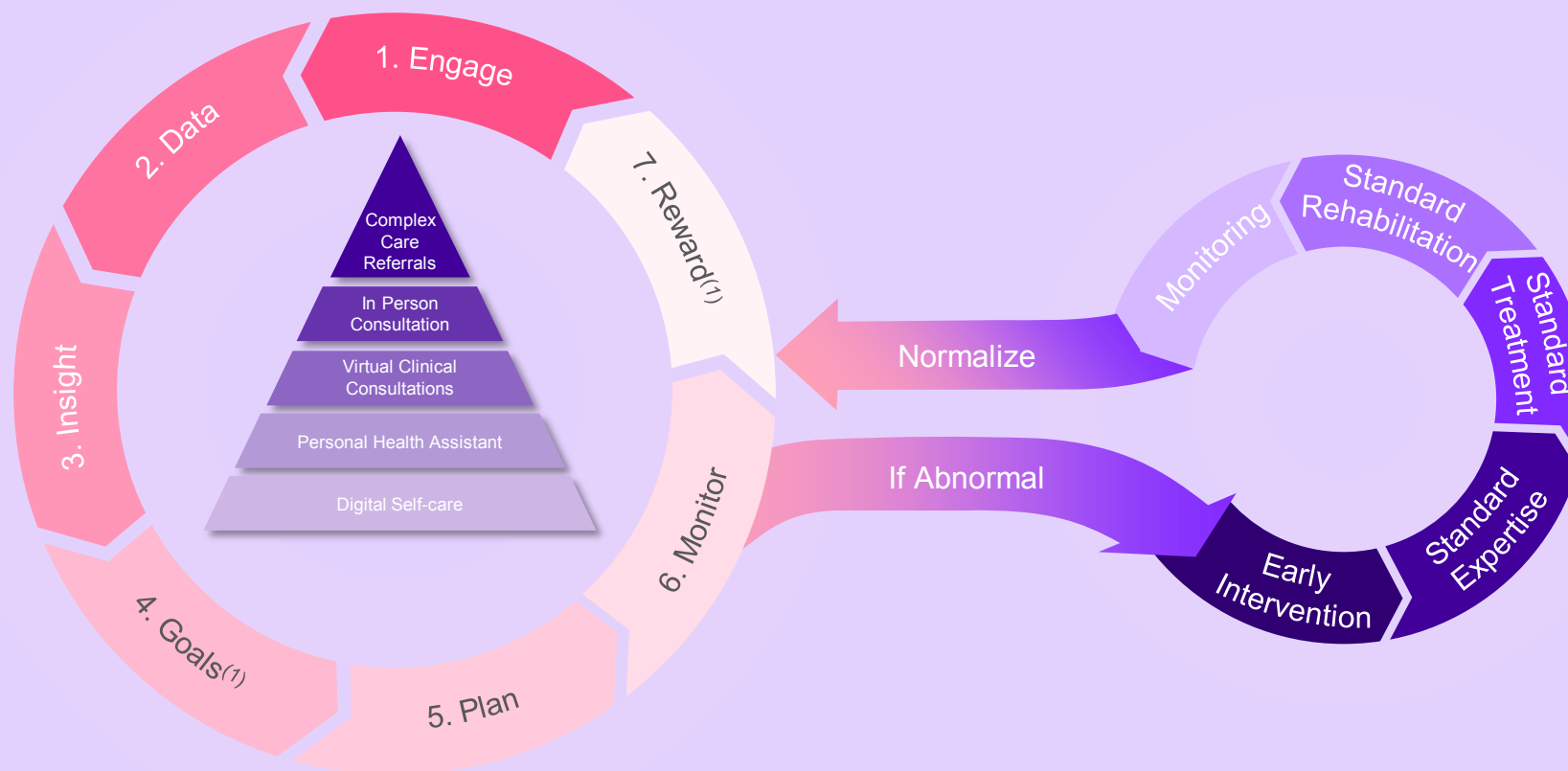
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Digital-First,  
Value Based Care**

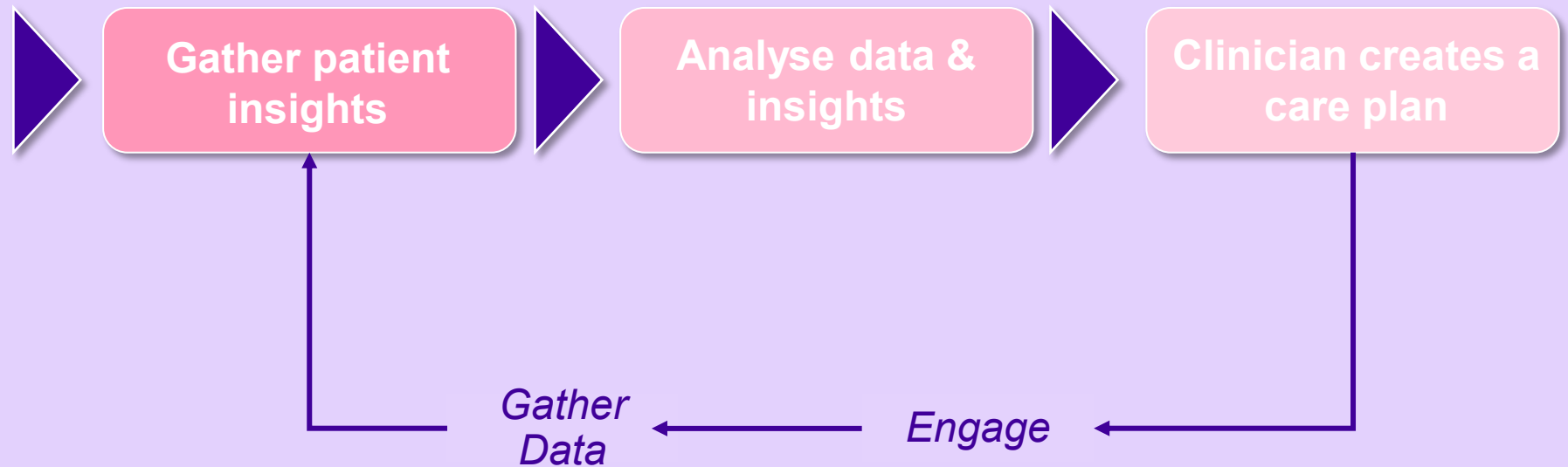
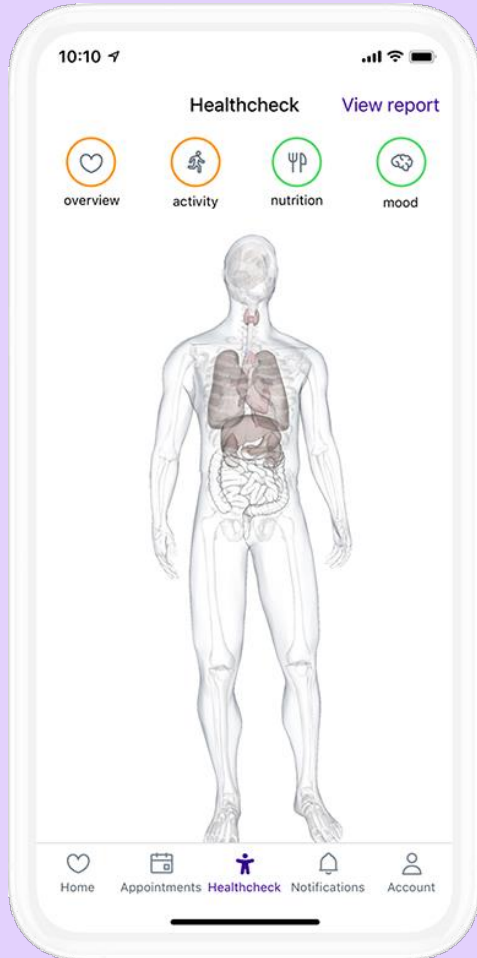
# Babylon's Solution Provides Every Member with a Well-Structured “Care Pyramid”, Aligning Resources with Needs



Note: These products are currently provided by Babylon unless specified otherwise.

1) In late stage of development.

# Using Patient Data and Insights to Create Personalized Care Plans



# Global Operations



**Stacy Saal**  
*Chief Operating Officer*



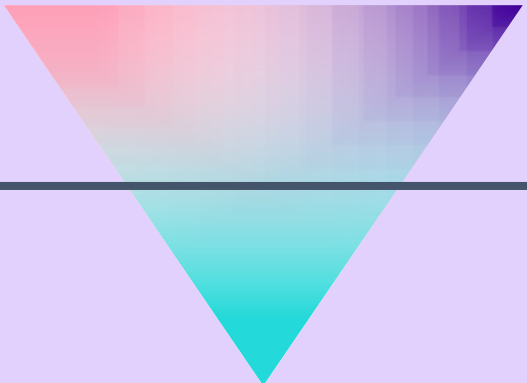
**Erin Lee**  
*VP of Global Operations*





# Using Our Operating Levers to Balance the Provision of Accessible, Affordable and Quality Healthcare

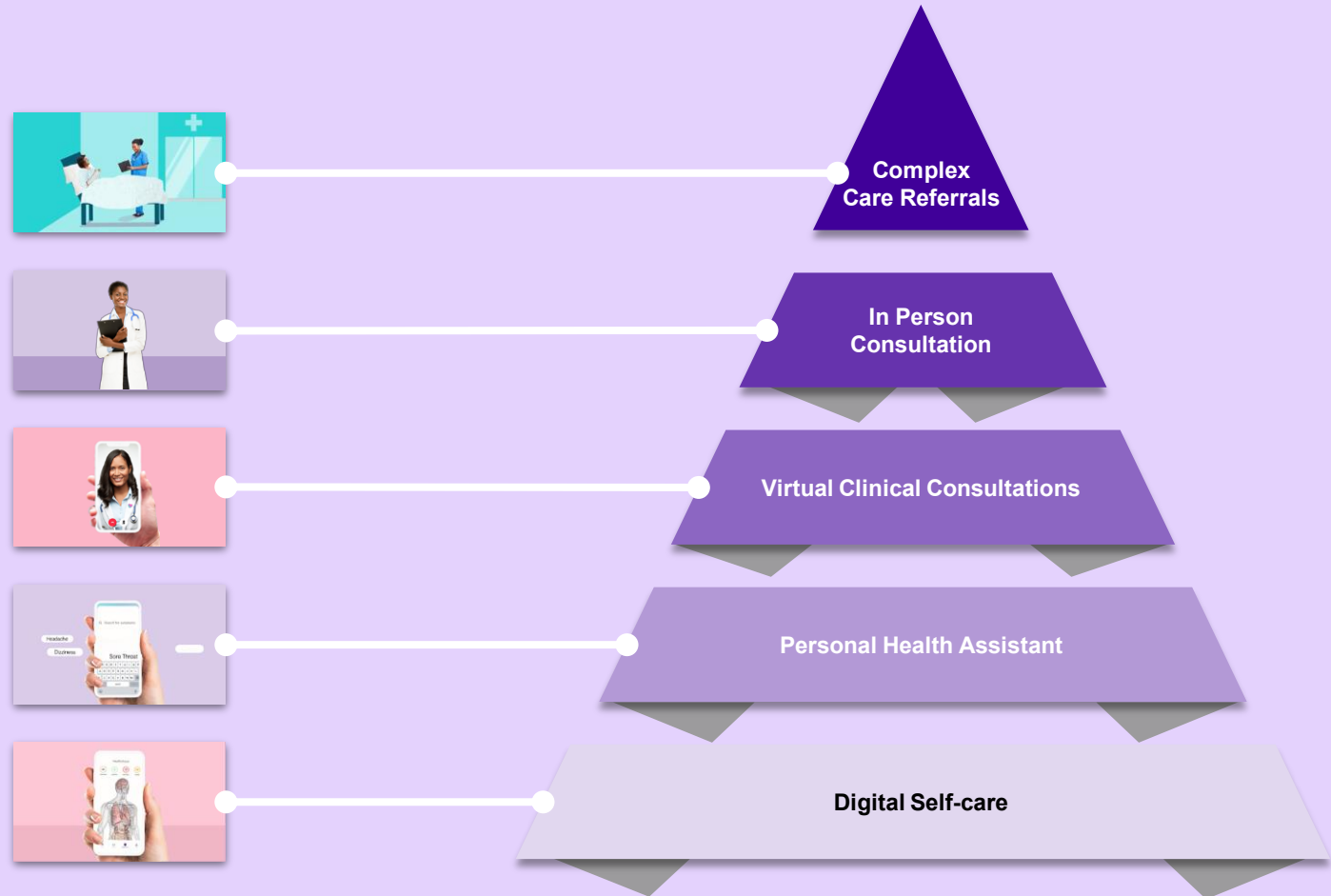


$$\text{Value} = \frac{\text{Quality}}{\text{Cost}} = \frac{\text{Accessibility} + \text{Clinical Quality}}{\text{Affordability}}$$


# What is Digital-First and Why is it Important?



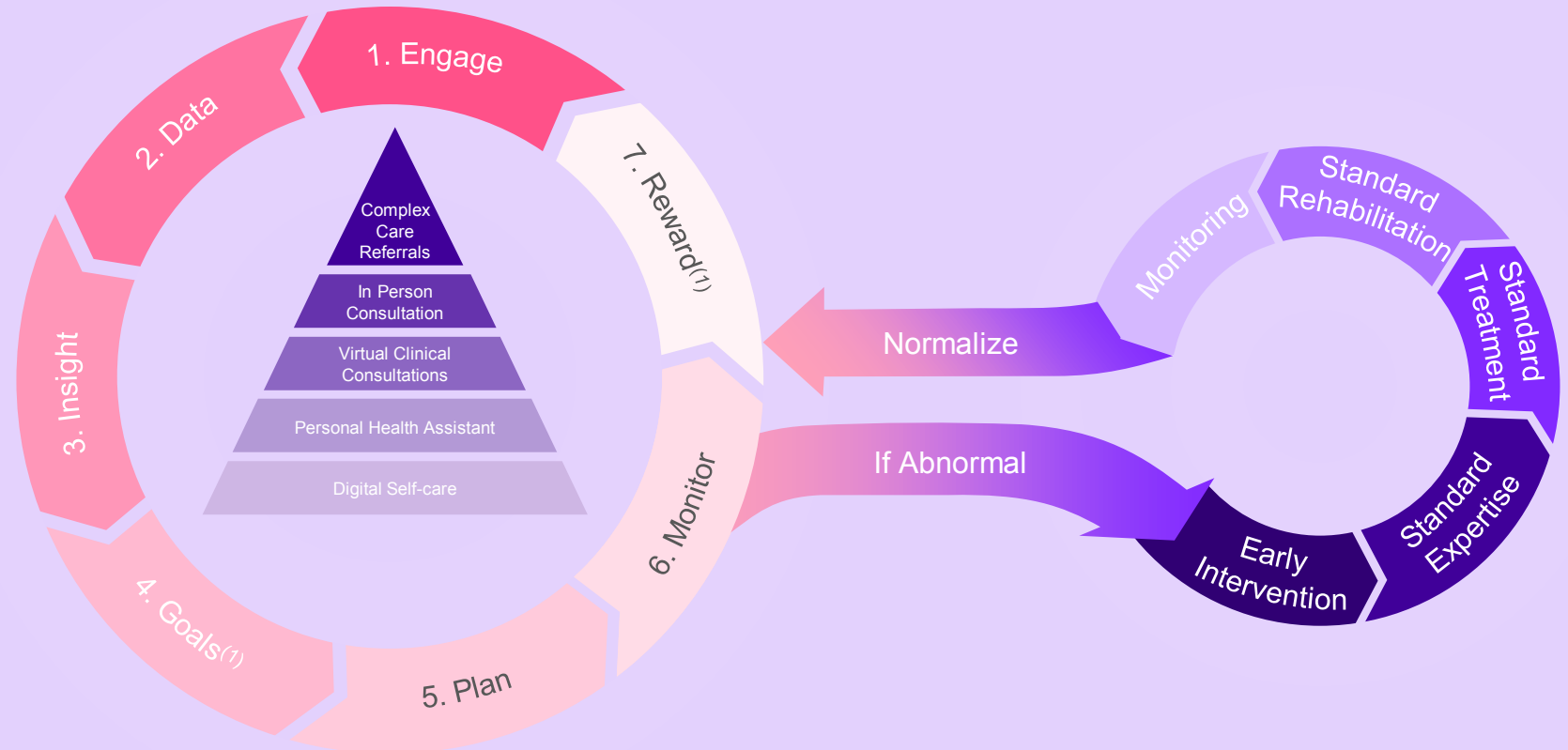
- **Digital First** is critical to **accessibility**
- Meeting our members where they are and being **easily accessible** at the first sign of a concern is critical in **early detection** and building **high engagement**



# Using Proven, Established Playbooks, Workflows and Automation to Support Our Members and Operators



- **Operationalize** the care pyramid end-to-end
- **Scale** to meet our tremendous growth prospects
- **Improve Margins** while maintaining quality of care



# Driving More Segmented & Targeted Outreach to Engage Members



Engage

Data

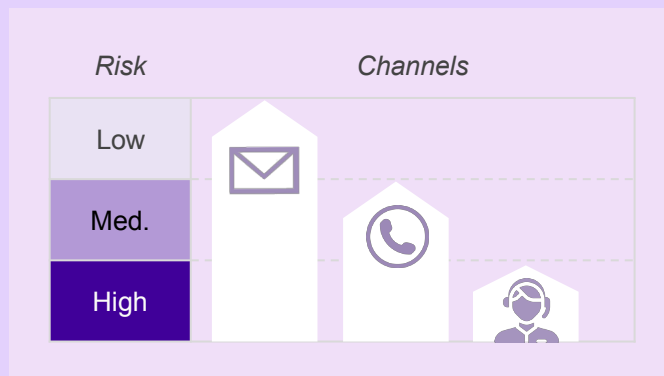
Insights

Goals

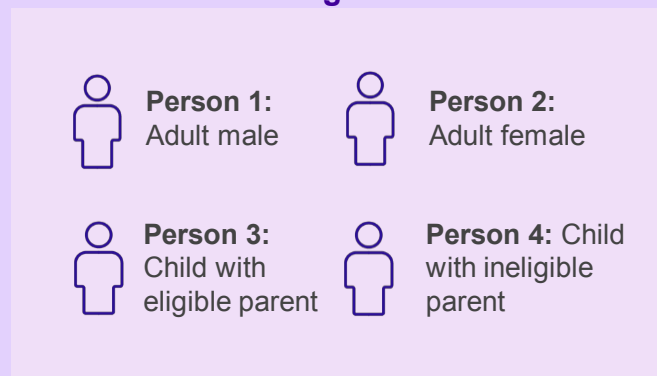
Plan

Monitor

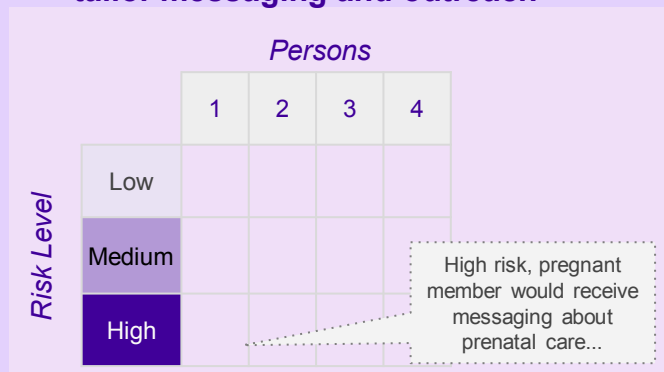
## 1 Risk stratify to inform outreach channels



## 2 Determine persons of members as we learn more through initial outreach



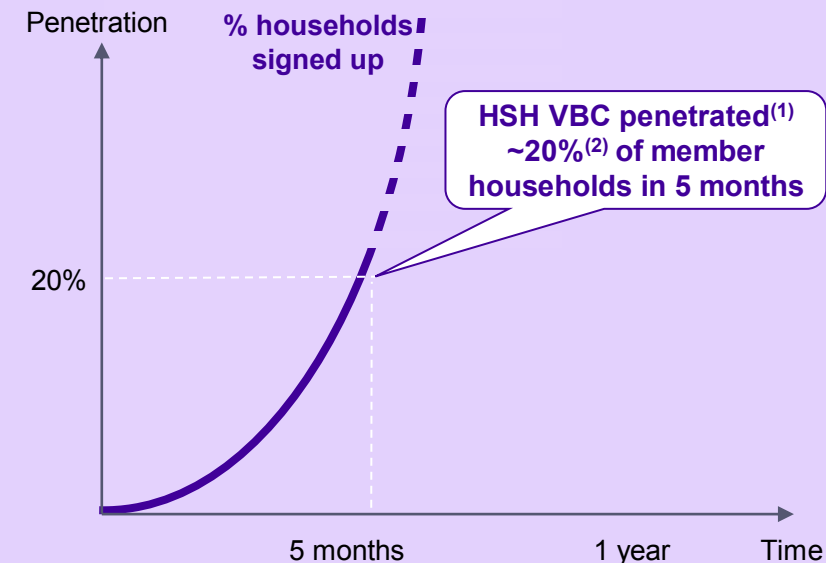
## 3 Further segment risk categories to tailor messaging and outreach



## 4 Test & iterate approach



## Home State Health – Illustrative Penetration Over Time



As of Q2 2020, Oak Street Health indicated less than 5% penetration<sup>(1)</sup> of total patients in its existing markets

Source: Management reporting, Oak Street Health corporate presentation (October 2020). Notes:

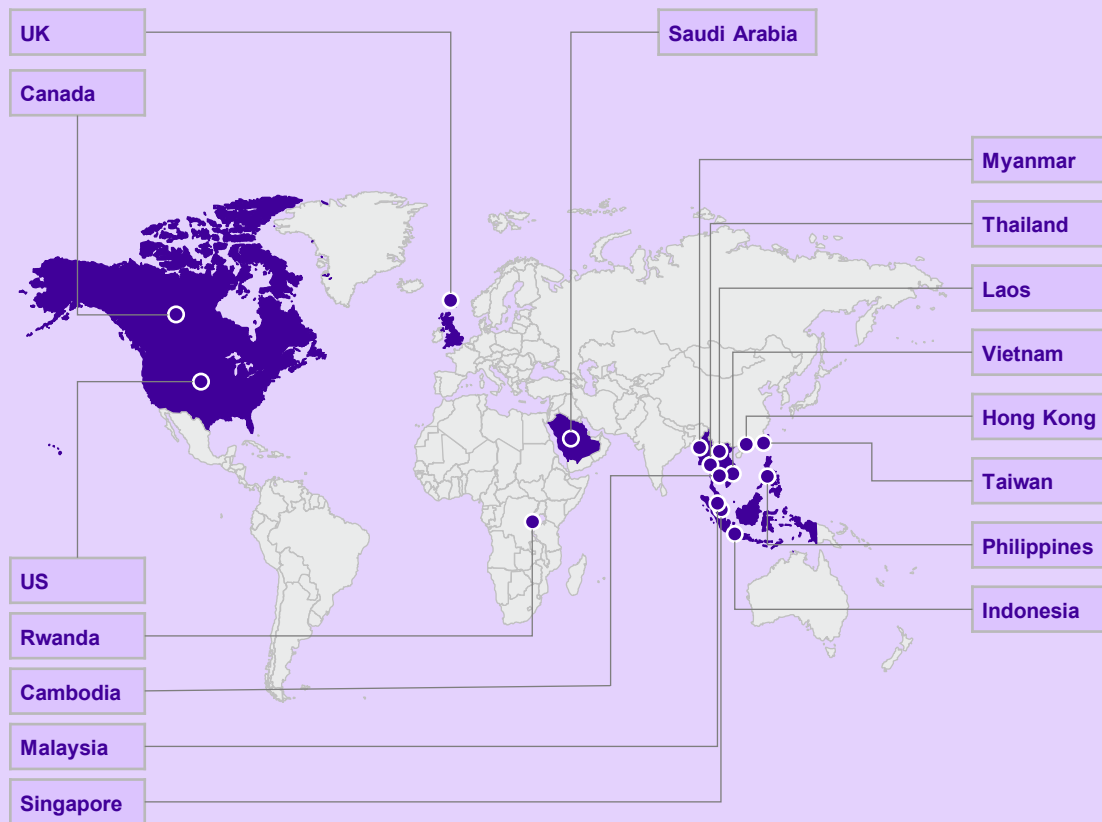
1) Babylon defines penetration as the receipt of registration from a household in its covered population. Oak Street Health and other companies in our industry may calculate penetration and similarly titled measures differently, which could reduce the usefulness of penetration as a tool for comparison.

2) Within 5 months Babylon obtained at least 1 registration from 584 of 3,169 households in its assigned population.

# A Snapshot of Babylon's Global Operations



We have built a global footprint in 16 countries...



**2M appointments** since launch in Rwanda 99% of those surveyed would use the service again



**Licensing deals in 12 countries**

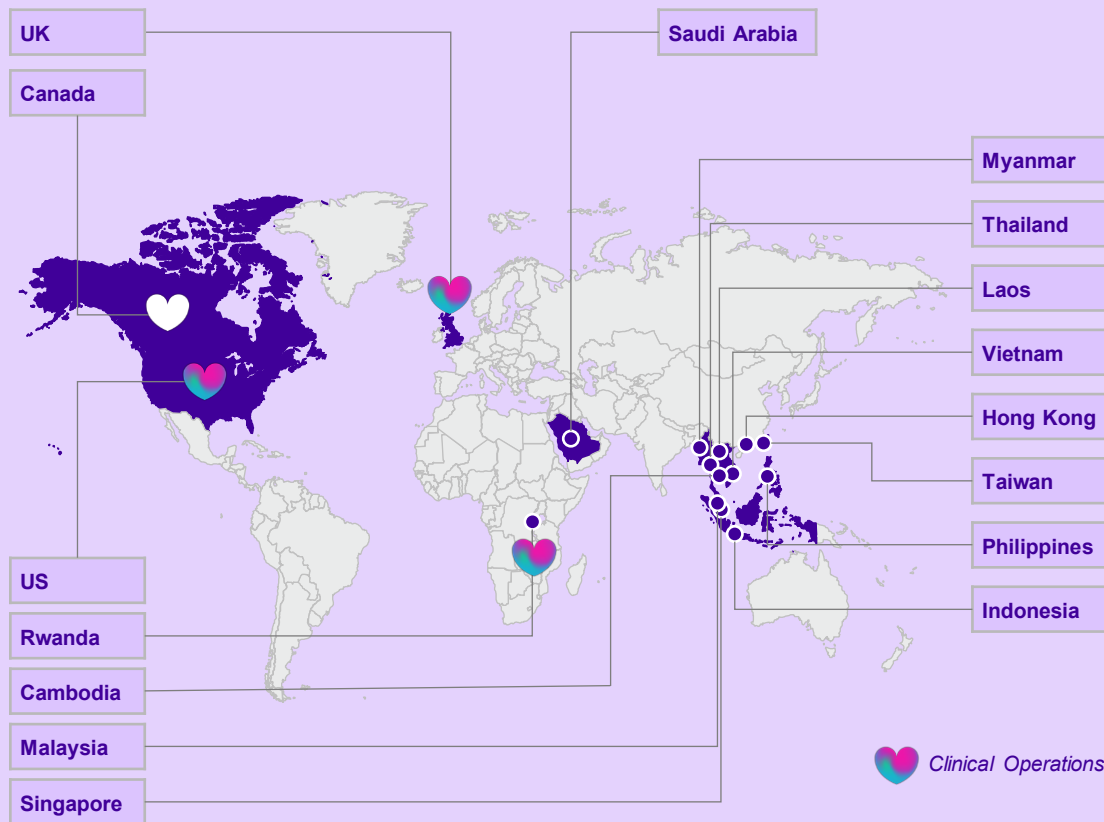


**~24M users** have access to digital self-service tools

# A Snapshot of Babylon's Global Operations (Cont'd)



...and clinical operations across 3 continents



**8M+ registrations globally** and **6.5M+ covered lives** in the US and UK



**~105,000 US Babylon VBC lives** in the US  
**~100,000 Babylon GP at Hand** members



**~2M clinical consultations** in 2020

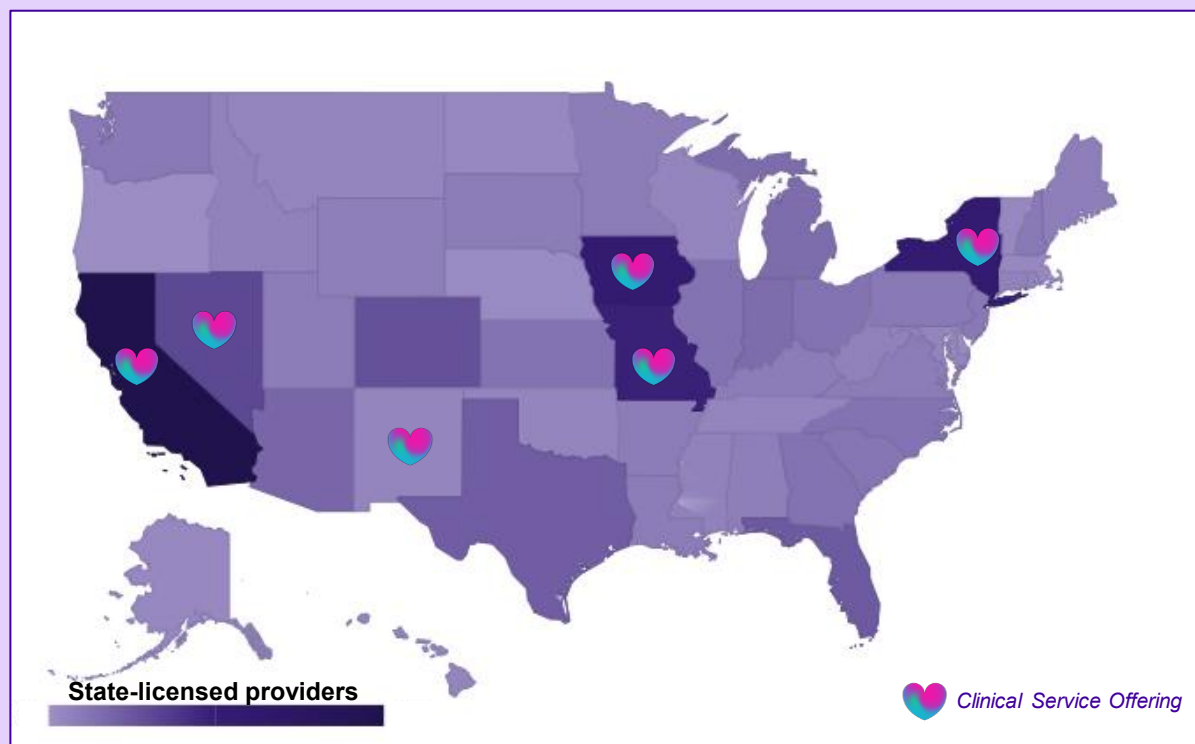


Supported by **1,300 clinicians**  
and **280 clinical admin staff**

# Babylon has Built a 50-state Virtual Provider Network in the US



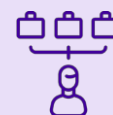
Babylon's ~200 providers and ~700 licenses<sup>(1)(2)</sup> in the US can support our 3M member population two times over



**Reduced recruitment** to first consult time from **2 months → 2 weeks**



**6x growth** in US provider and care team **headcount** over the past year<sup>(3)</sup>



**3-4 licences<sup>(1)</sup> per provider** enables more **efficient network coverage**



**Highly selective recruitment process** and **selection criteria** for clinician roles

## Notes:

1) Average licenses per clinician = 3.6.

2) Clinicians are defined as 'in-network' once they've passed Babylon's credentialing process. Babylon currently has 180+ clinicians who are active / live on the platform, the rest are currently going through onboarding or are inactive.

3) January 1, 2020 to January 1, 2021

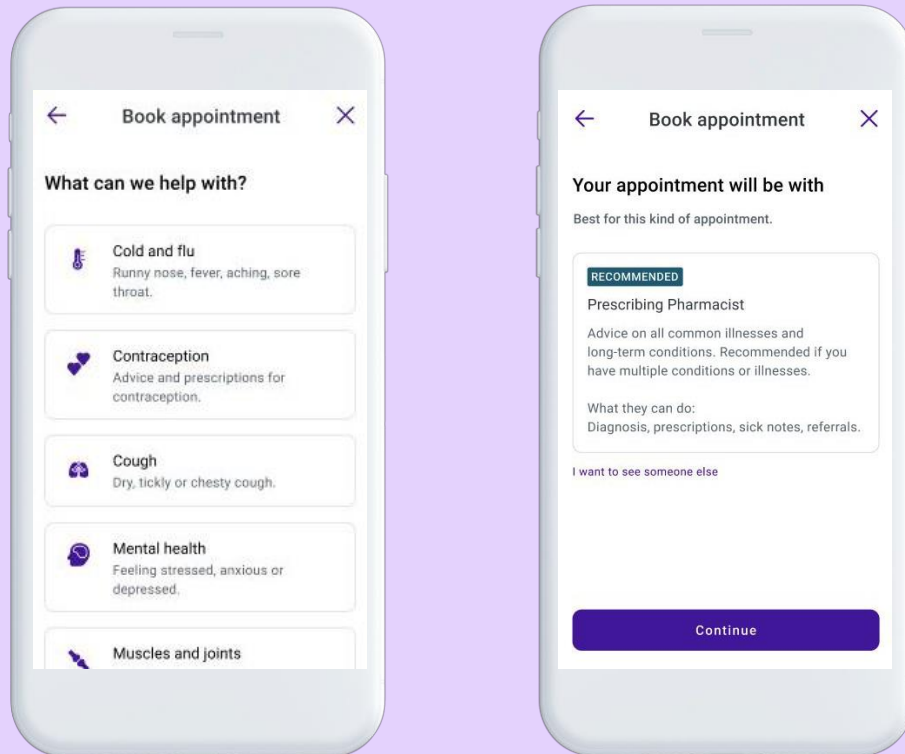


# Utilization Management: Ensuring Patients Receive the Care they Need from the Appropriate Clinician Mix

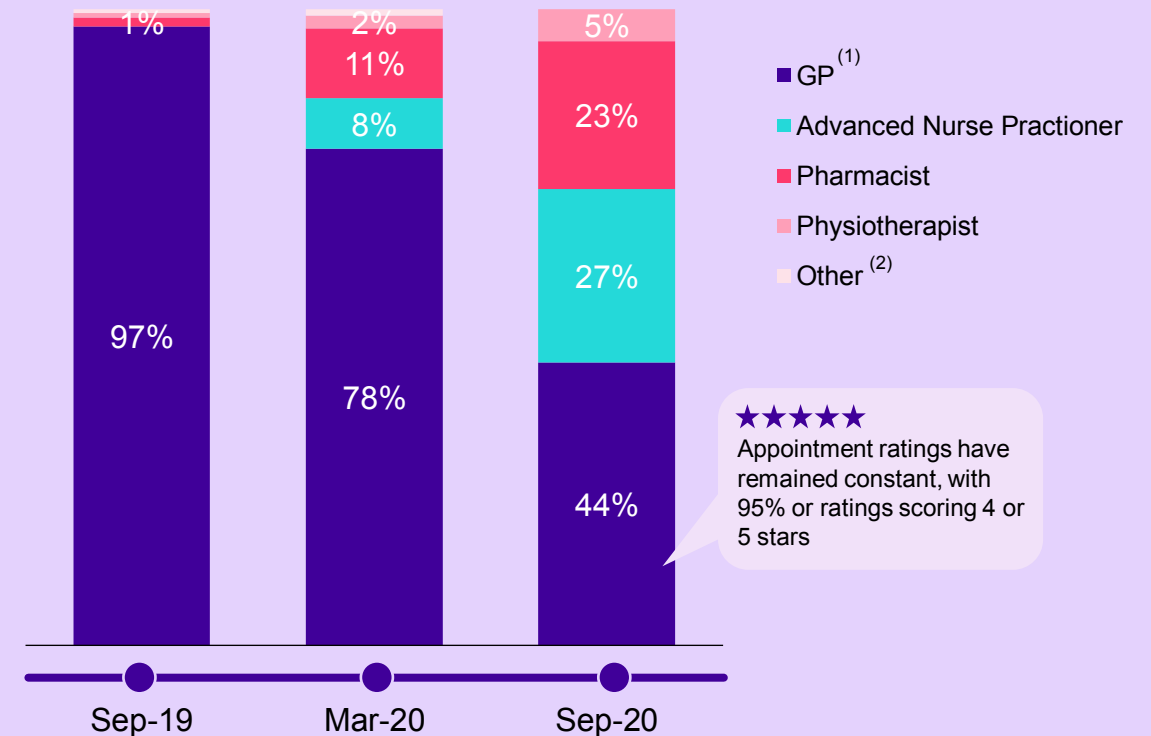


Members choose a symptom which is mapped to a clinician type, enabling faster access to the most appropriate clinician for their issue...

...making a reality of multidisciplinary care



Percentage of Digital Appointments by Clinician Type, %



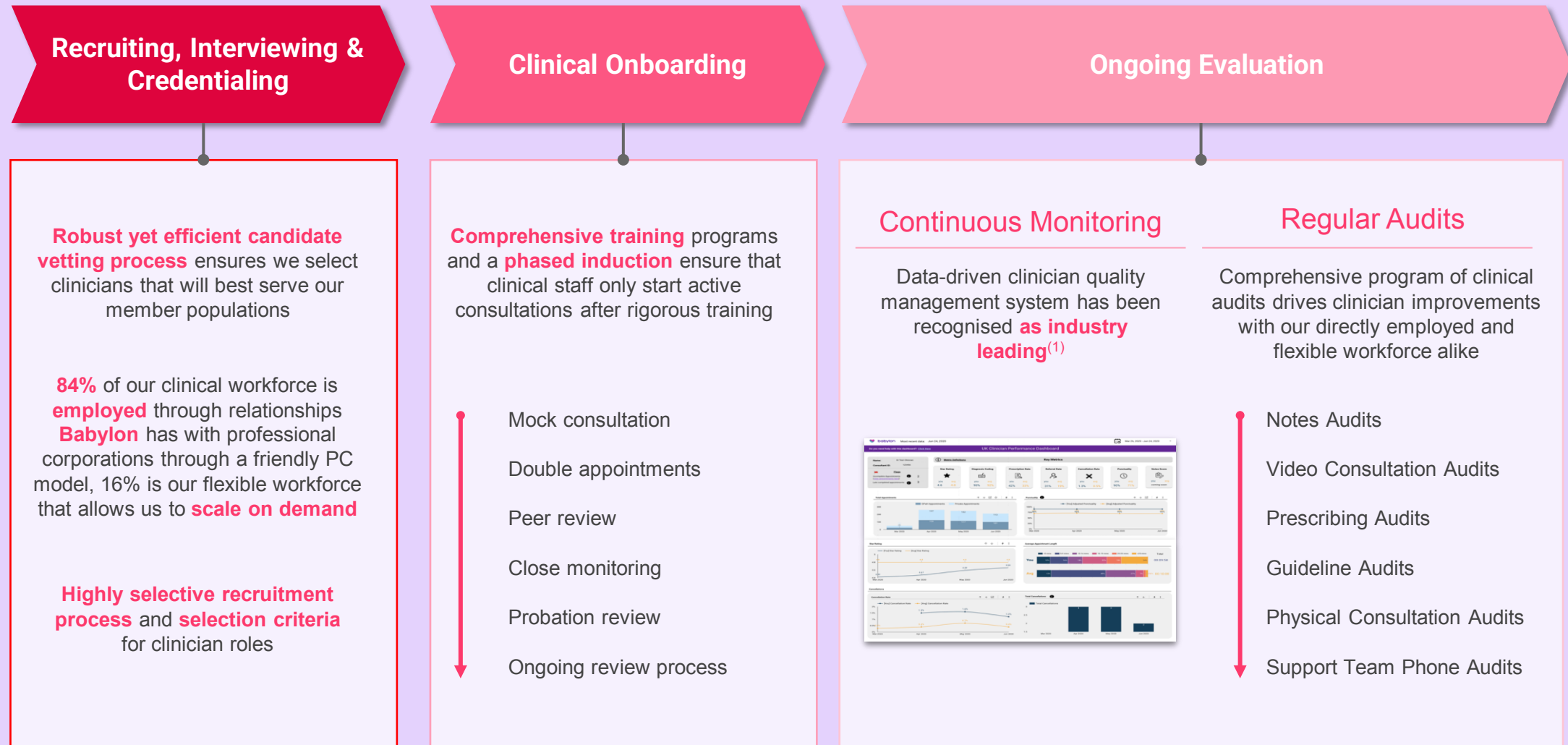
Sources: Babylon GPaH data.

Notes:

1) GP includes Dermatology GP.

2) Other includes care coordinators, nurses, senior nurses, diabetic nurse specialists and travel health nurses.

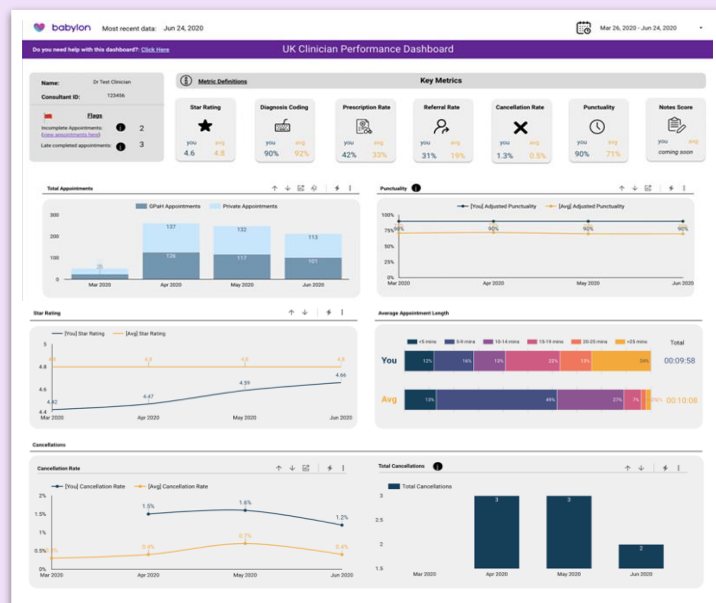
# Streamlined Onboarding Funnel to Deliver High Quality Clinicians



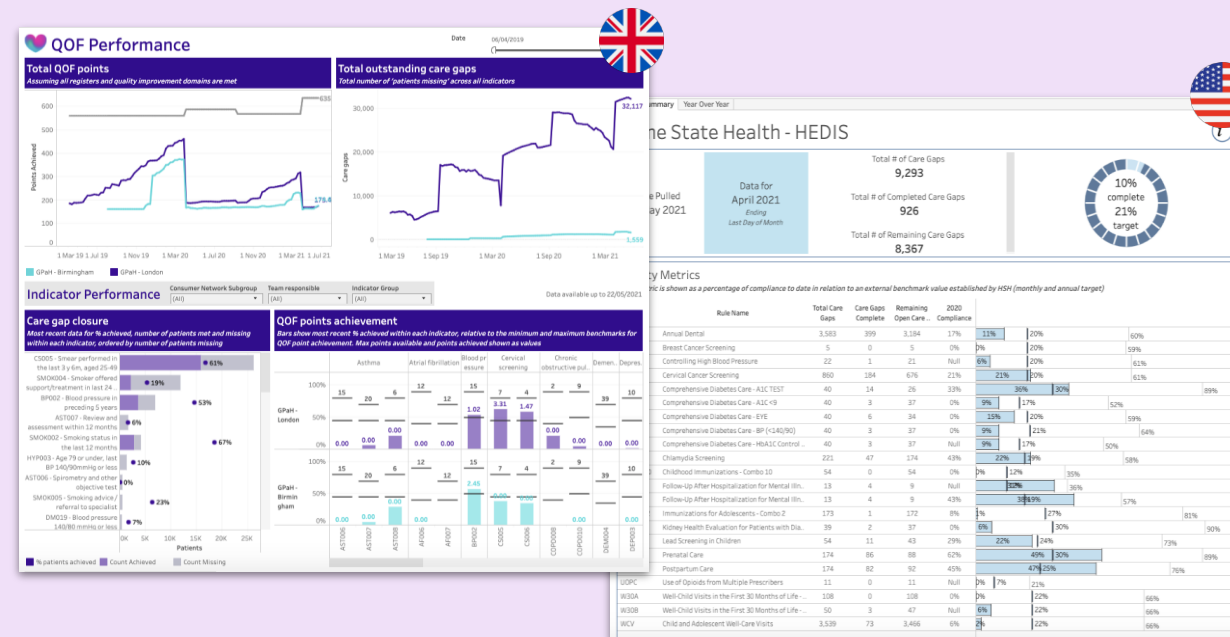
# Our Clinicians are Provided with Advanced, Quality Tools



## Our Industry-Recognized<sup>(1)</sup> Clinician Quality Dashboard...



## Our Suite of Performance Dashboards Allows us to Track Care Gap Closure Real Time

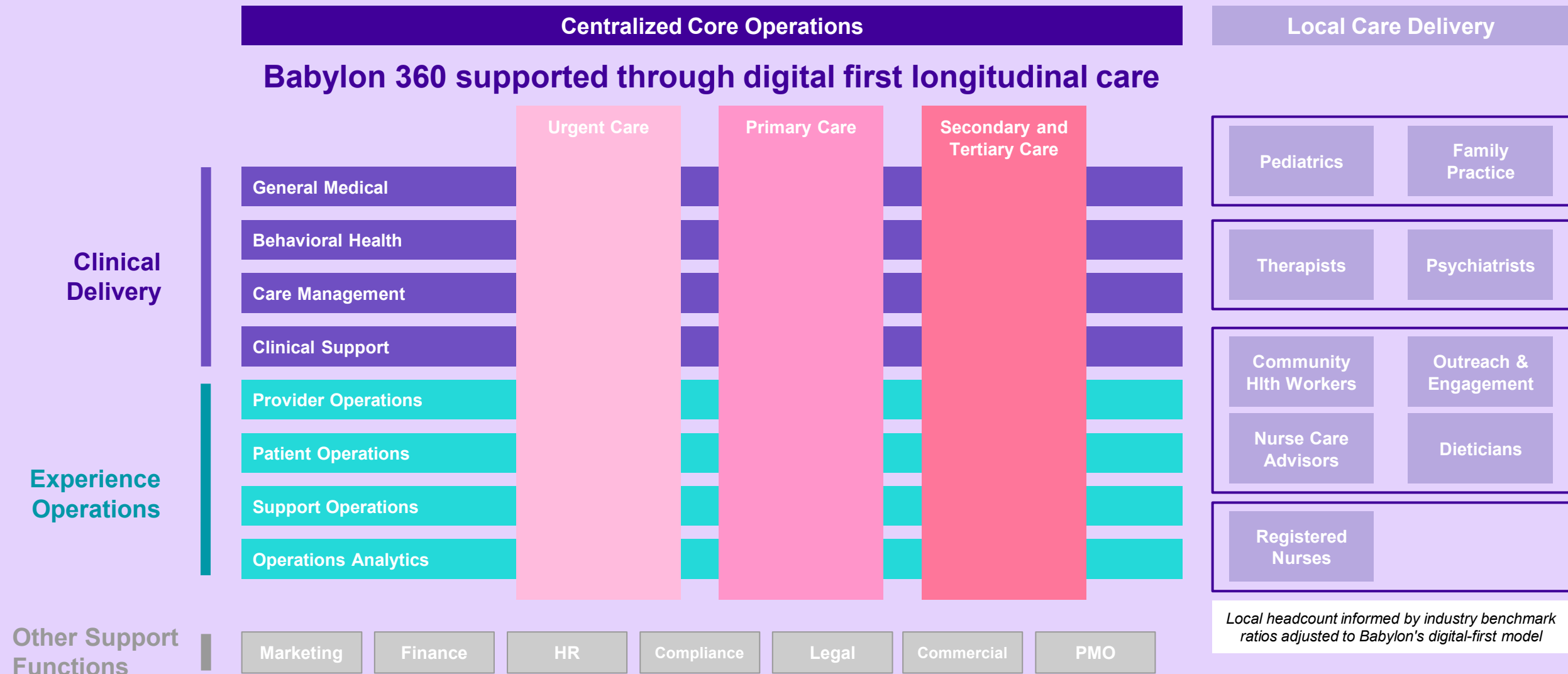


...allows clinicians to review their performance on demand, **empowering them to understand and improve the quality of care** and eliminating the need for clinical support teams to compile manual performance reports

Care gap closure is **monitored in an automated dashboard**. Progress on these externally validated indicators is **tracked and compared** to NCQC quality compass thresholds in the US and NHS national thresholds in the UK.

Patient-level care gap **data is embedded into outreach and engagement tools** to prioritise patients most in need of care.

# Centralized Core Operations Supports Localized Babylon 360 Care Delivery Teams and Enables Rapid Deployment in New Markets



# Improving Affordability Without Compromising Quality Care



## 1 Quality Health Outcomes



**Reduce avoidable secondary care visits** (ER and inpatient days)



**High-quality primary care and increased engagement** results in improved management of chronic conditions and reduce risk of exacerbations (referrals, ER and inpatient days)



**Quality Management:** Systemic management of quality measures (e.g. HEDIS/STAR)

## 2 Revenue Cycle and Network Management



**Risk Adjustment:** Accurately coding members on annual basis and resetting coded baseline



**Quality Bonus:** Payments for achieving and maintaining best-in-class clinical quality e.g. annual wellness visits



**Network Management:** Developing an appropriate partner and referral network; steerage to preferred appropriate sites of care and high-performing providers

## 3 Operational Cost Reduction



Investing in **automation** of back-office activities and **designing an outcomes-based platform** that is built for scale

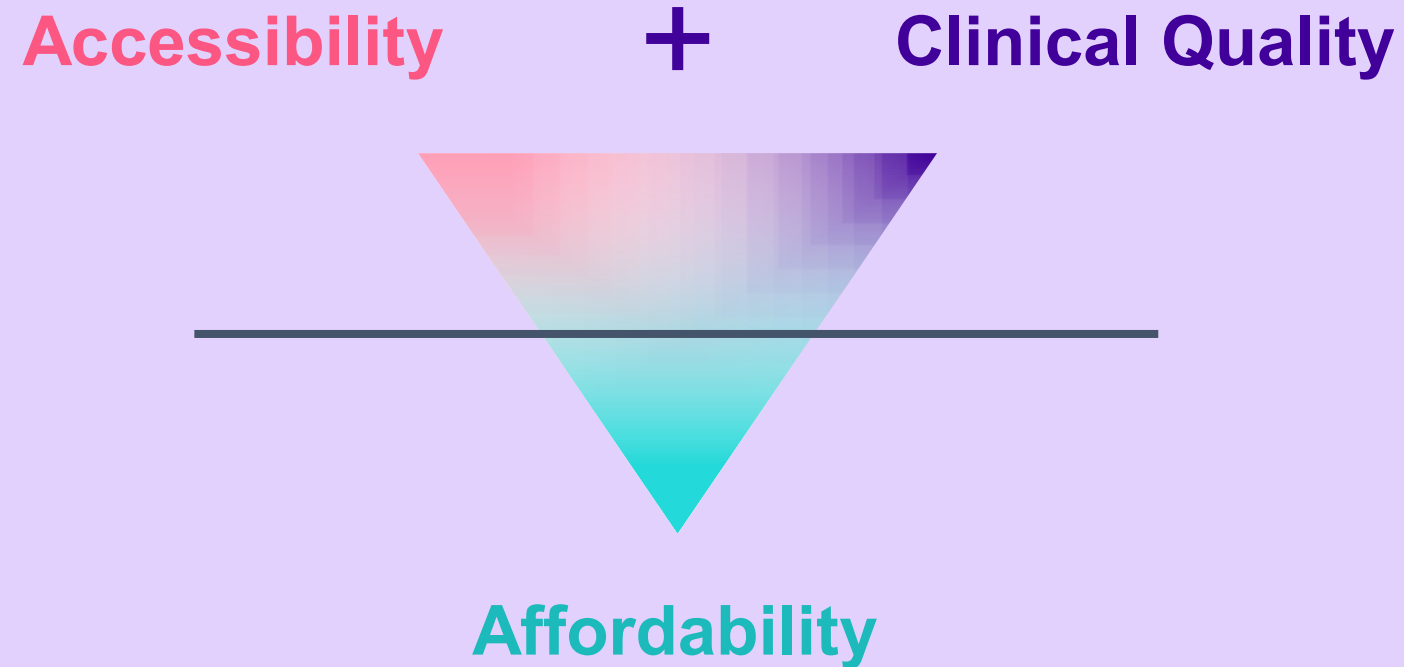


Achieve truly **multidisciplinary primary care**



Leverage **cutting-edge forecasting techniques** and **cross-state licensing technology** to optimise the number of patients that each clinician can serve

# Babylon is Balancing Accessible, Affordable and Quality Healthcare





# Q&A

## *Global Operations*

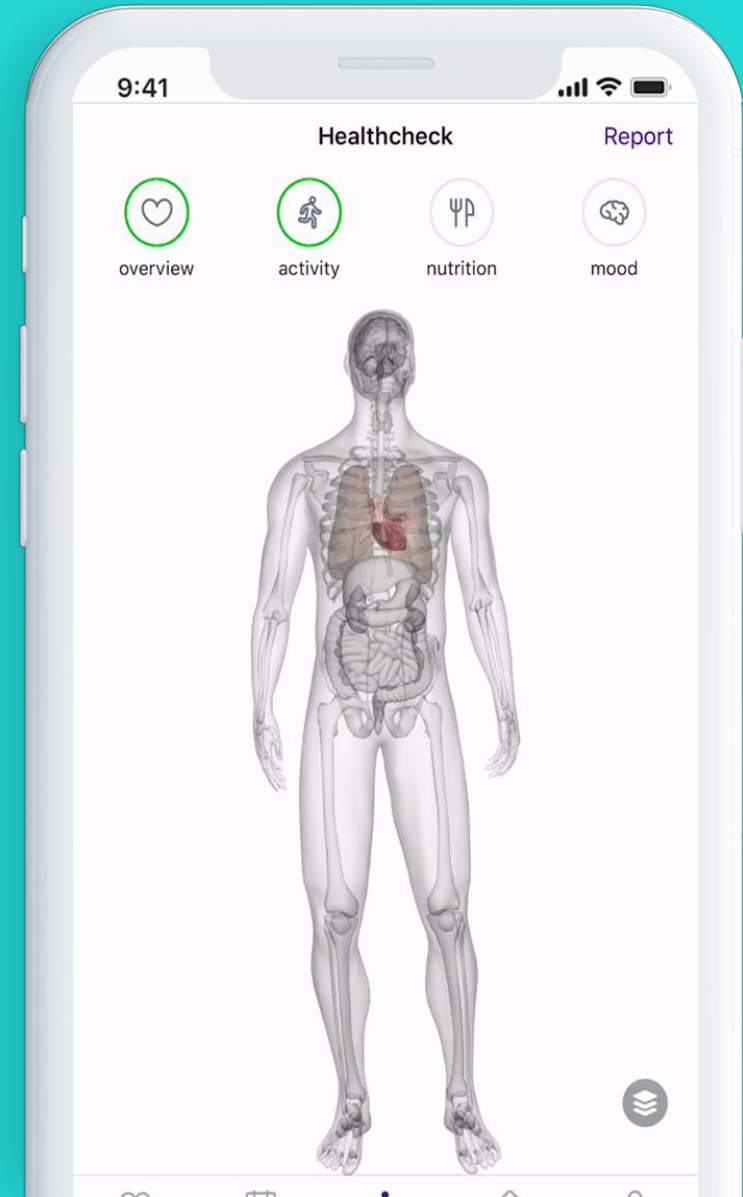
Followed by 10 Minute Break



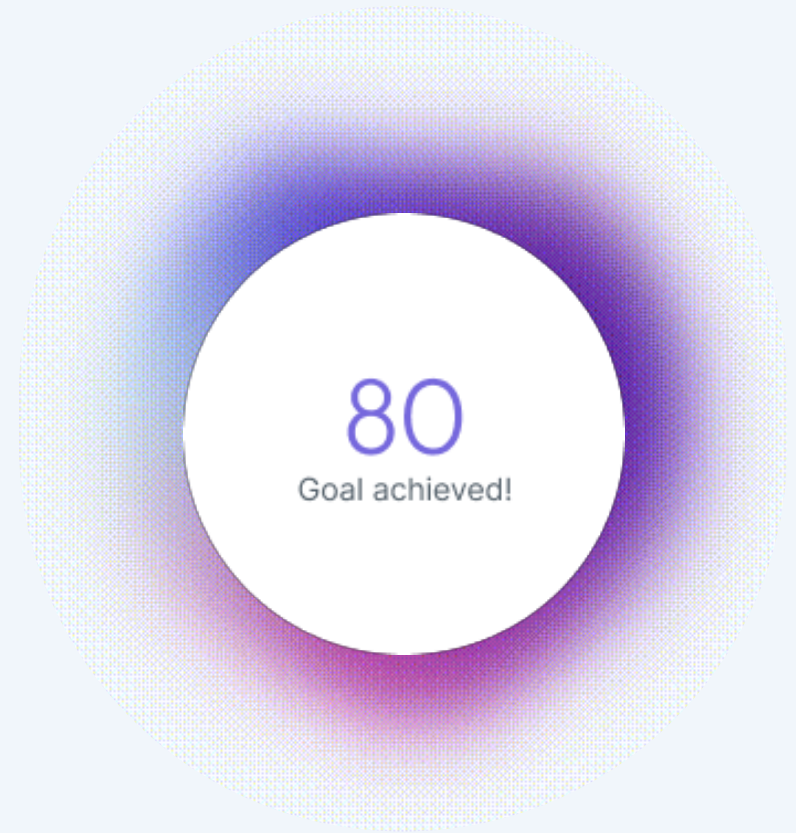
# Product Suite



**Yon Nuta**  
*Chief Product Officer*



We are building  
Healthcare **you**  
**want to use.**



# What Our Members Get – Current Product Roadmap<sup>(1)</sup>



**Specific** insights about their current and future health



Truly **tailored** health goals and actions



Proactive **coaching**, accessed on the platforms they already use



The **right care** at the **right time** – 24/7 – with follow-up, referrals, and pre- and post-hospital care when they need it



**Engage frequently**, and be rewarded for doing so

# Babylon's Comprehensive AI Platform and Virtual Services Span the Entire Health Journey of our Members



Software Licensing

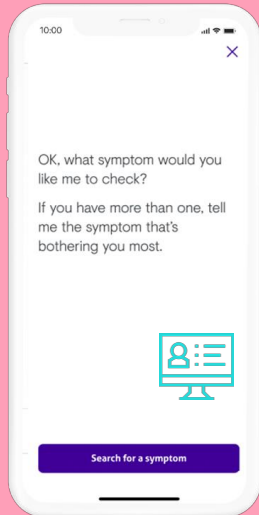


Clinical Services



Post Care

Data



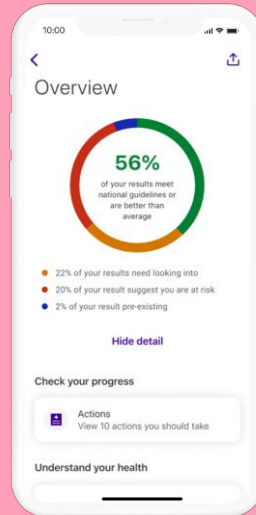
Digital Triage

Insight



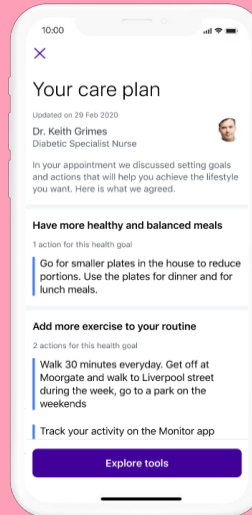
Healthcheck

Goals



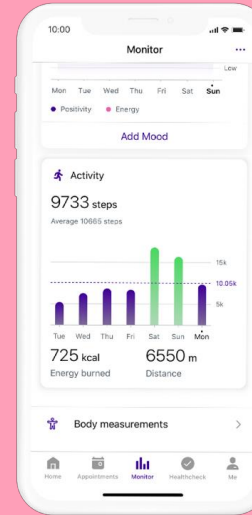
Health Assessment

Plans



Digital Care Plan

Monitor



Care Monitor

Consult

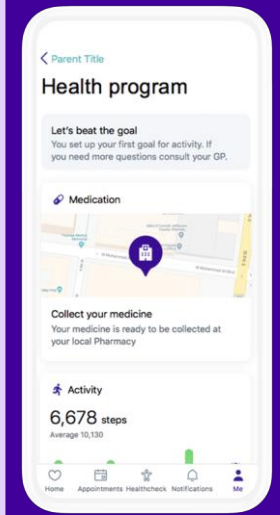


Hospital / Clinic



Not Managed  
by Babylon

Rehabilitation



Self Care used by Over 40% of our Members<sup>(1)</sup>

Healthcare Management

Sick Care Management

Notes: 1) For members in the US who signed up between May 15, 2021 and June 11, 2021.



# Symptom Checker



Our symptom checker provides an easy way to understand what are the likely conditions causing someone’s symptoms, and more importantly, what are the **potential next actions** to be taken at that time.

Our symptom checker is certified as a **Class I medical device** under European Commission Directive 93/42/EEC (MDD) and is compliant with 12 different standards as part of the certification.

Hi, I ask questions about your symptoms to help you find the right care, so you can feel better faster.

Who needs my help?

Me

Someone else



← Your results

This is for information purposes only and does not replace medical diagnosis or advice.

Some of the symptoms you have checked out in the last 24 hours.

Based on the information you have provided, the most likely matching condition is:

If symptoms persist, please seek a healthcare provider.

**Inflammation of the throat**  
An inflammation of the throat caused by irritation.

**Viral tonsillitis**  
An infection of the throat, caused by a virus.

**Viral upper respiratory tract infection**  
A common viral infection of the nose and throat. Please note coronavirus (COVID-19) could have similar symptoms to this disease.

**Glandular fever**  
A viral infection causing a fever, sore throat, and fatigue, often called "mono".

Please note this is not an exhaustive list, so you may have a condition not listed here. If you are at all concerned or have questions about your health, please seek medical advice.

Book an appointment

← Viral upper respiratory tract infection

This usually requires seeing a family healthcare provider within 1-3 days.

A common viral infection of the nose and throat. Please note coronavirus (COVID-19) could have similar symptoms to this disease.

**Why this could be a potential cause**  
Some of your answers indicate that this condition could be the cause.

**Risks**

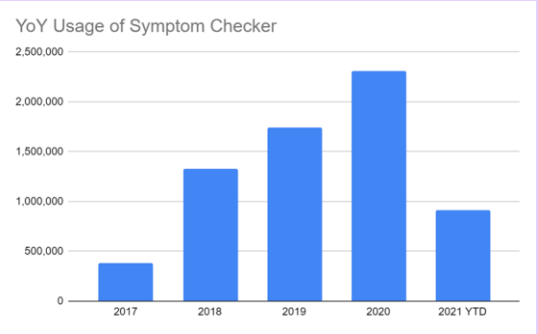
**Typical symptoms**

**Common treatment**

**Warning signs**

**Prevention**

Book an appointment



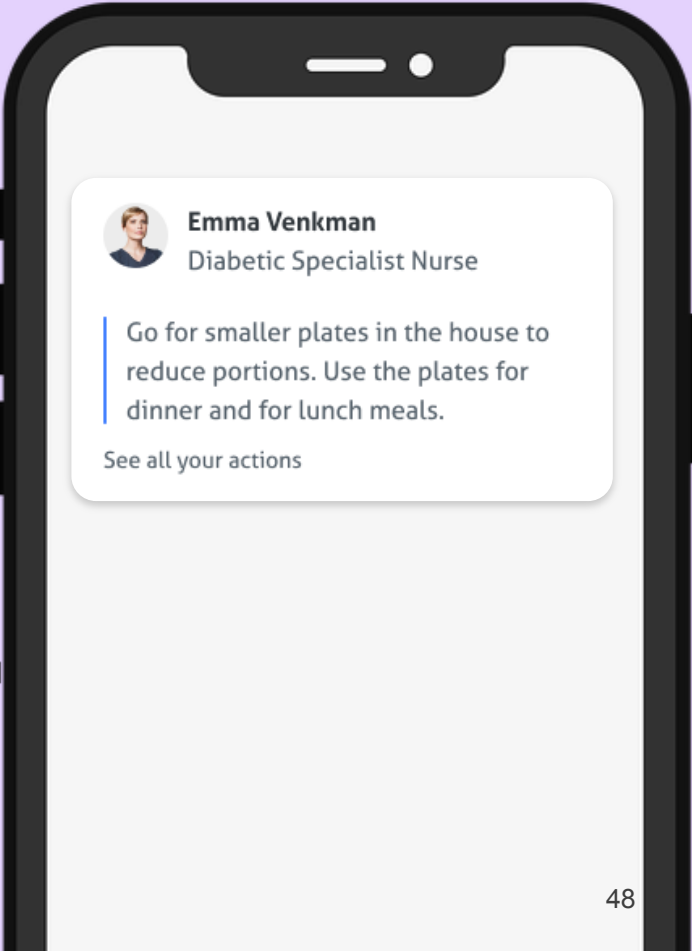
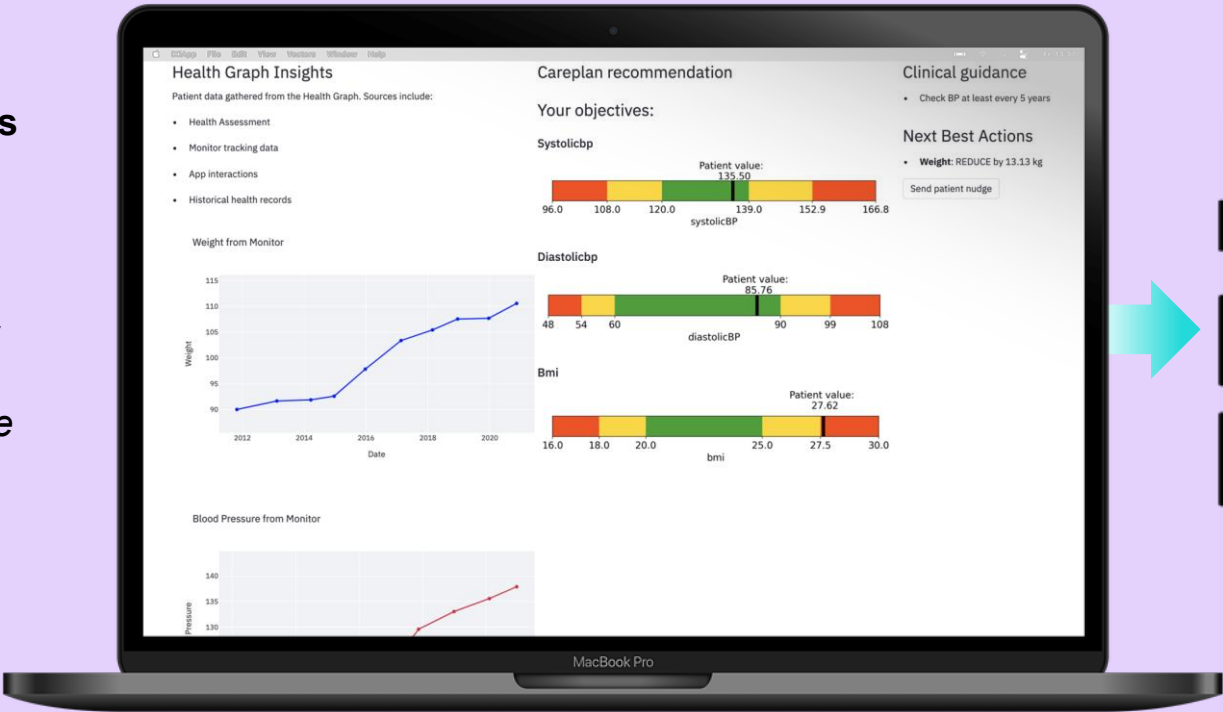


# AI Advisor Suggested Plans & Action



**Proprietary AI<sup>(1)</sup>** will be able to **monitor member data** and automatically **suggest to clinicians and members relevant and meaningful goals and actions**, while keeping the clinician in the loop to lead to better health outcomes.

*Note: This example shows how we strive for meaningful suggestions that lead to positive outcomes. Research shows smaller plates tends to lead to reduced consumption which leads to weight loss.*



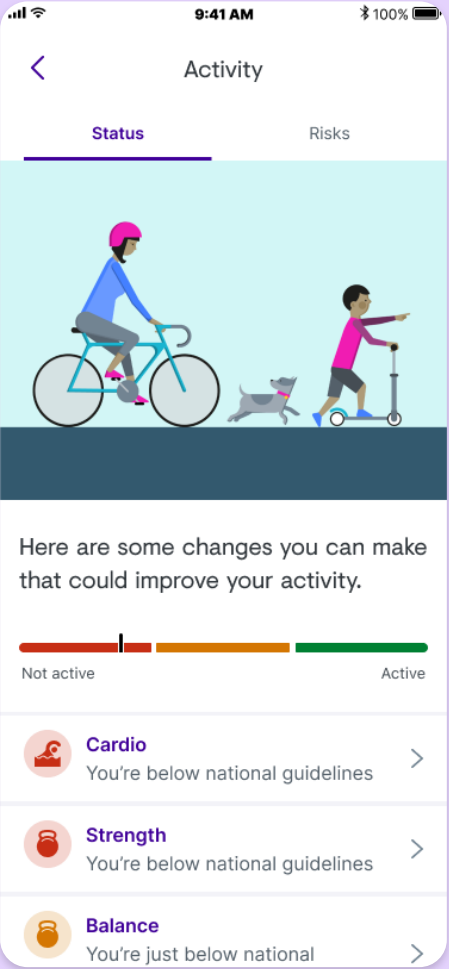
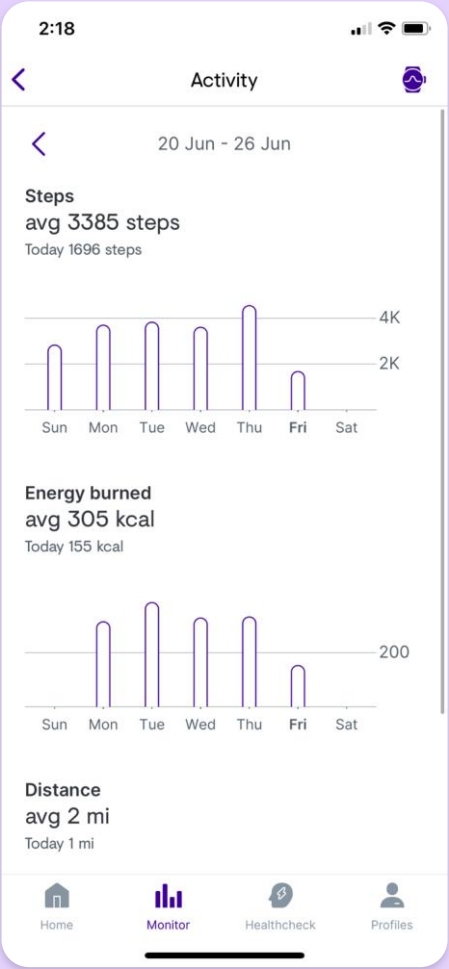
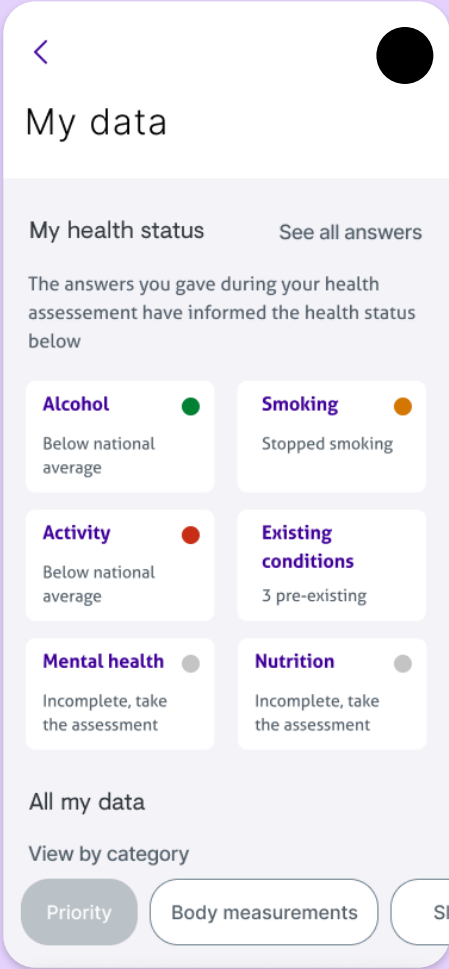
Note: 1) The Babylon Advisor product is under active development, has not been commercialized and we cannot guarantee if/when the product will be delivered to members.

# Monitoring: Delivering a 360 View of Your Health in One Place



Babylon can connect with many third party wearables to monitor and provide a holistic view of our members’ health.

When we notice any **abnormalities** our team can be proactively alerted and intervene to understand the root cause and assessment via **email, phone, or notifications**.







# Easily Book Live Appointments When Necessary...



Book appointments up to 24/7/365.

For Primary Care, Behavioral Health, or specialists' synchronous appointments via Video or Audio.

In the most convenient way possible:  
**87% of appointments happen within 30 minutes** of booking. A further 5% happens in the next 48 hours or as requested by the member.



### Babylon's Virtual Services



#### Behavioral health care

Therapy and psychiatry services



#### Primary care

Ongoing management of primary care needs

### Outside of Babylon's Virtual Services (managed / overseen by Babylon Care Team)



#### Prescriptions, labs, imaging, immunizations

Any prescriptions / testing / immunizations that are ordered by a Babylon virtual provider



#### In-person primary and specialty care

Referral to identified network of providers / clinics for in-person care when needed



#### Urgent / emergency care

Referral to in-person care when there is an urgent need / emergency

#### Babylon Care Management Team:

Care Advisor, Community Health Worker, Engagement Coordinator, Social Worker, Registered Nurse, Dietitian, Behavioral Health Counselor, Quality and Performance Manager, Administrative Support



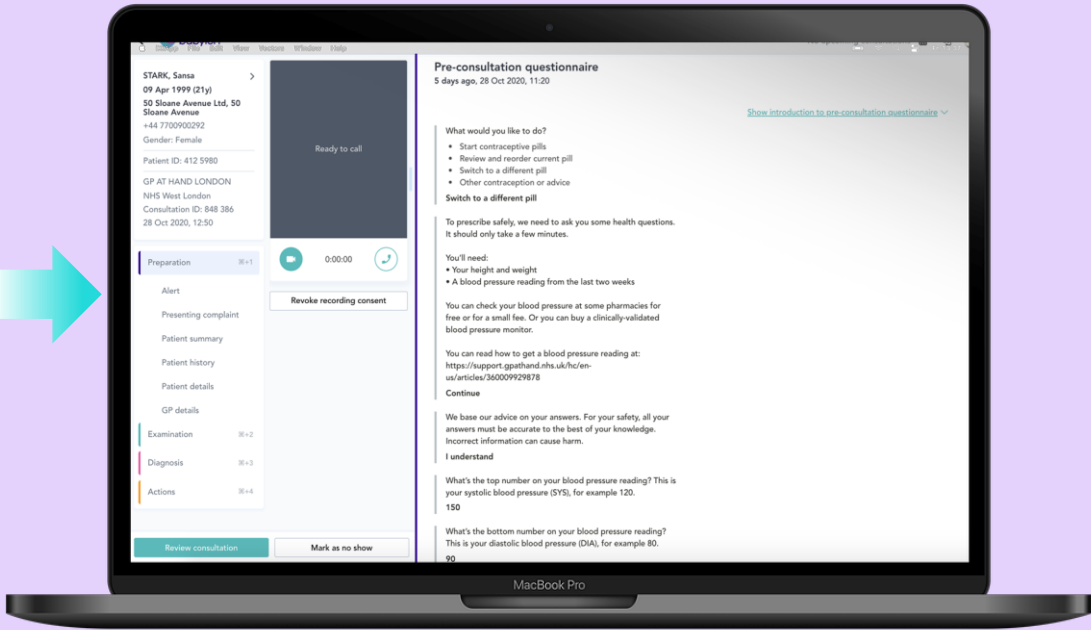
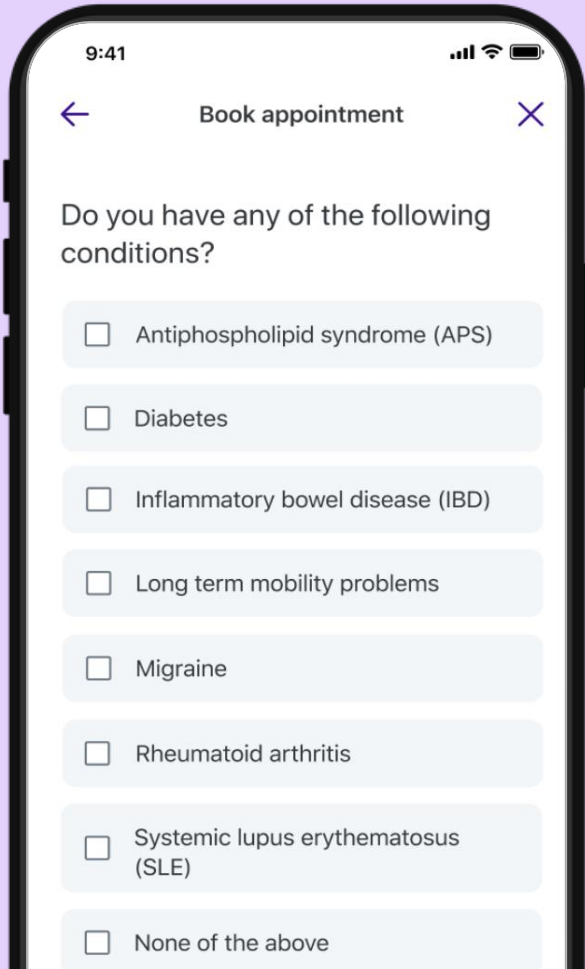
# Or Handle Common Medical Issues Conveniently...



Many clinical needs don't require an appointment.

Simple tasks like dealing with a UTI or Prescription Renewals can happen **asynchronously** using our **proprietary** scalable platform.

Currently we have asynchronous flows for contraception medications, urinary tract infections (UTI) and repeat prescriptions.



Clinicians can review and sign off the results asynchronously



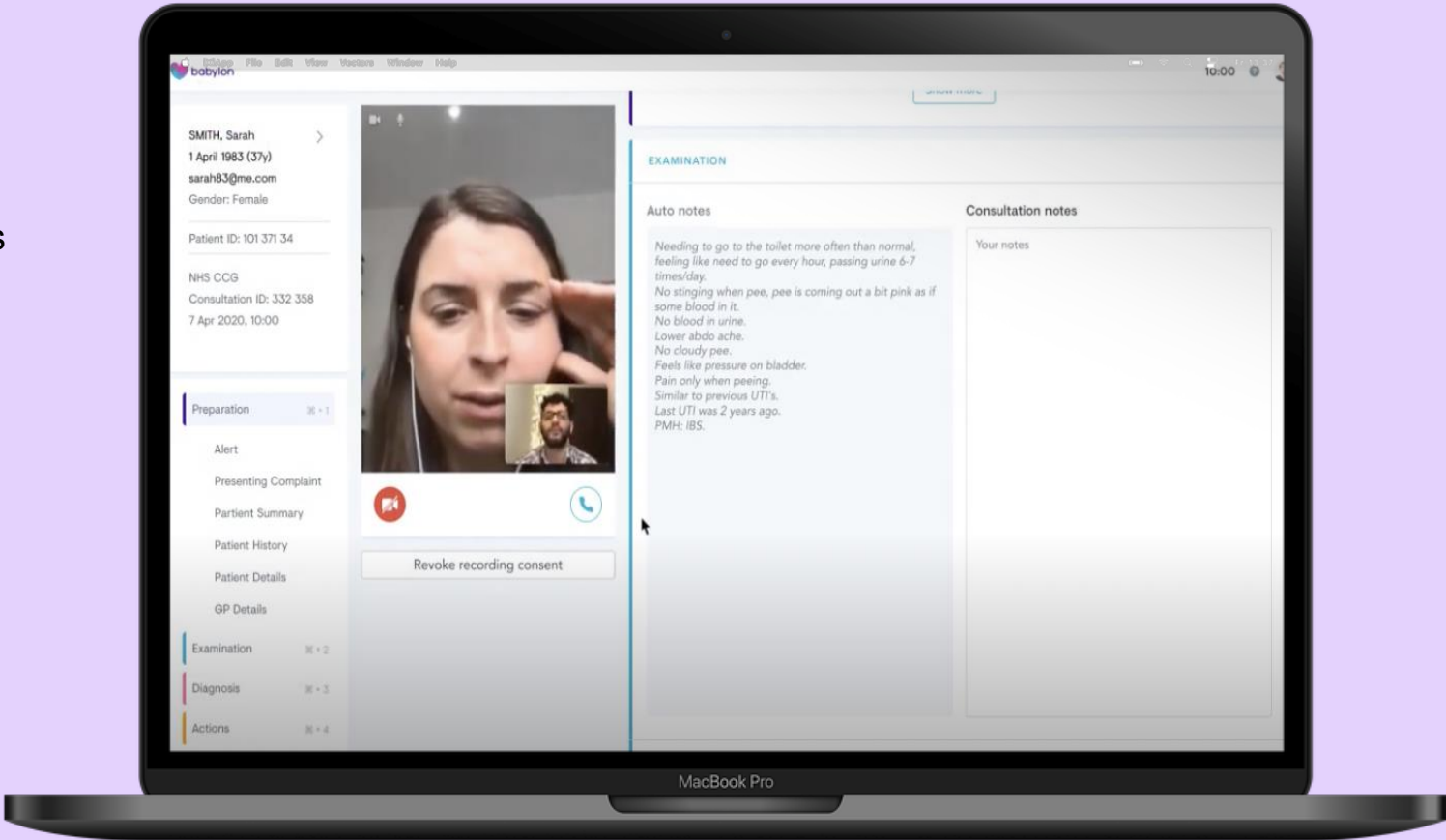
# Allowing Clinicians to Spend More Time with their Patients



A leading NLP engine will auto-transcribe clinician interactions in real time and generate meaningful notes and summaries about interactions<sup>(1)</sup>

This matters because:

- Reduce administrative burden for clinicians
- Creates more accountability and transparency reducing costly errors
- Build structured data set that enables future AI solutions



Note: 1) The feature is under active development, has not been commercialized and we cannot guarantee if/when the product will be delivered to members.

# Technology

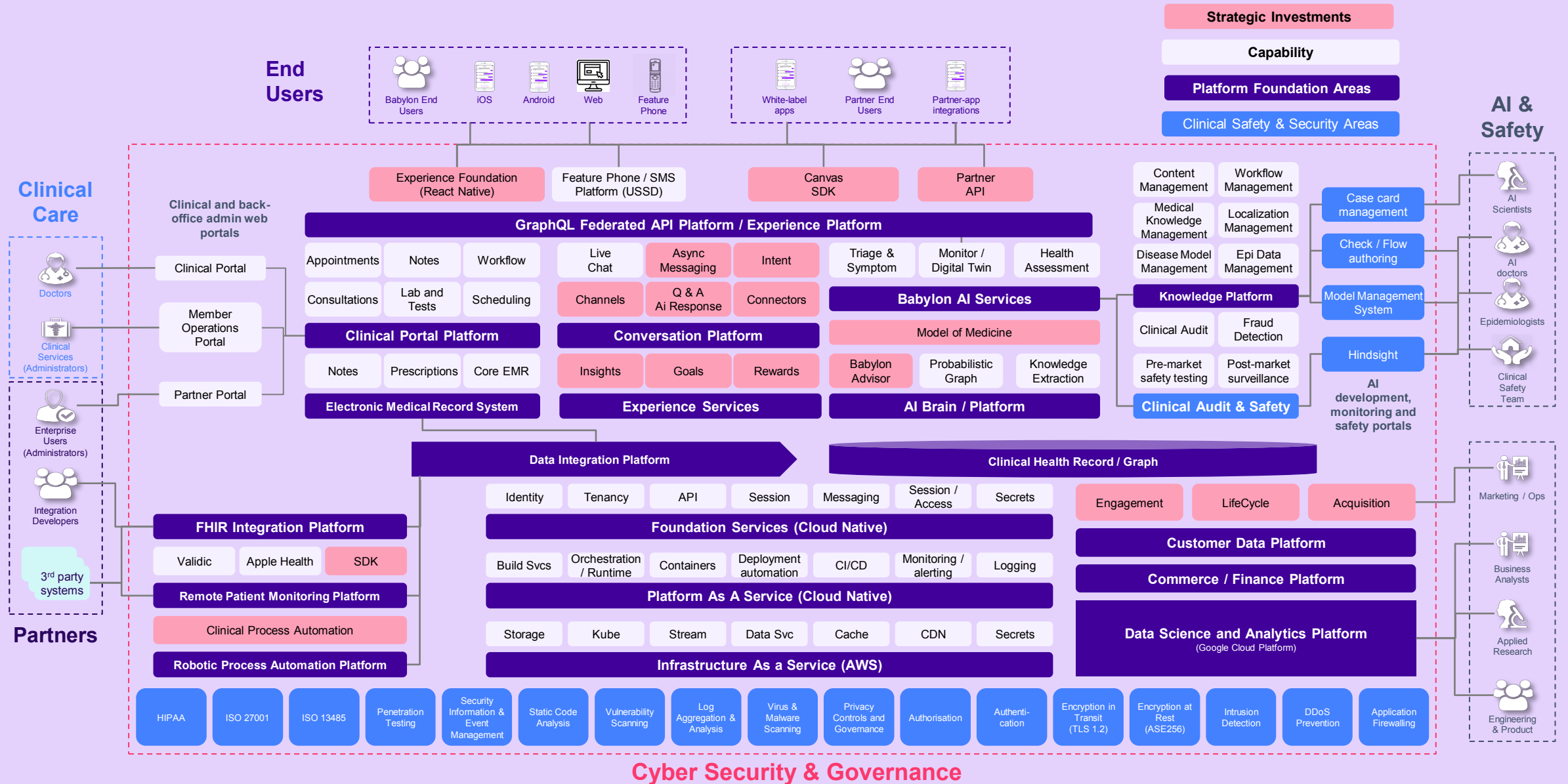
## *Technology Platform*



**Steve Davis**  
*Chief Technology Officer*



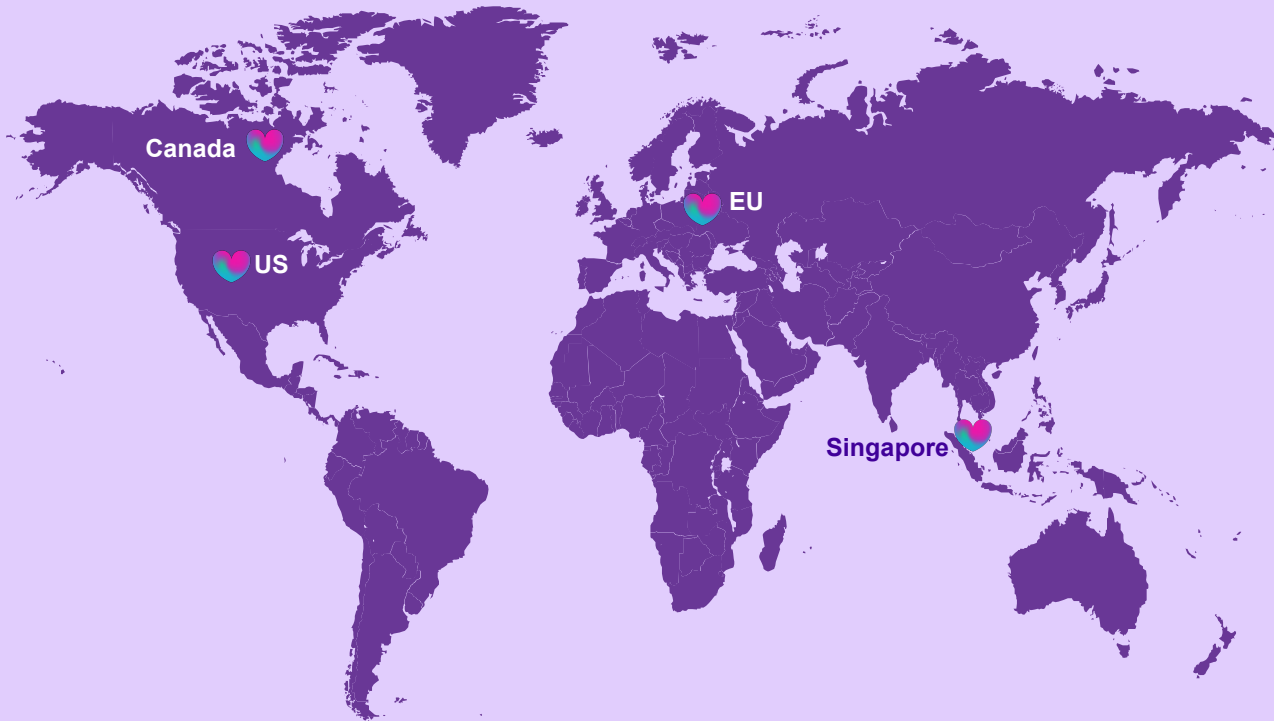
# Babylon's Unique Platform Centric Approach Enables a Highly Scalable Solution Enabling Analog To Digital Care Delivery Acceleration



# Global Scale Operating in *16 Countries* and *11 Languages* Covering Millions of Lives



## Babylon's Cloud Regions



## Why Does This Matter?

- **Global scale** can be challenging – we have found a solution for this
- Our goal is to **deploy rapidly** into any region in five days or less
- **Data Sovereignty** is a requirement by many countries which we are delivering on



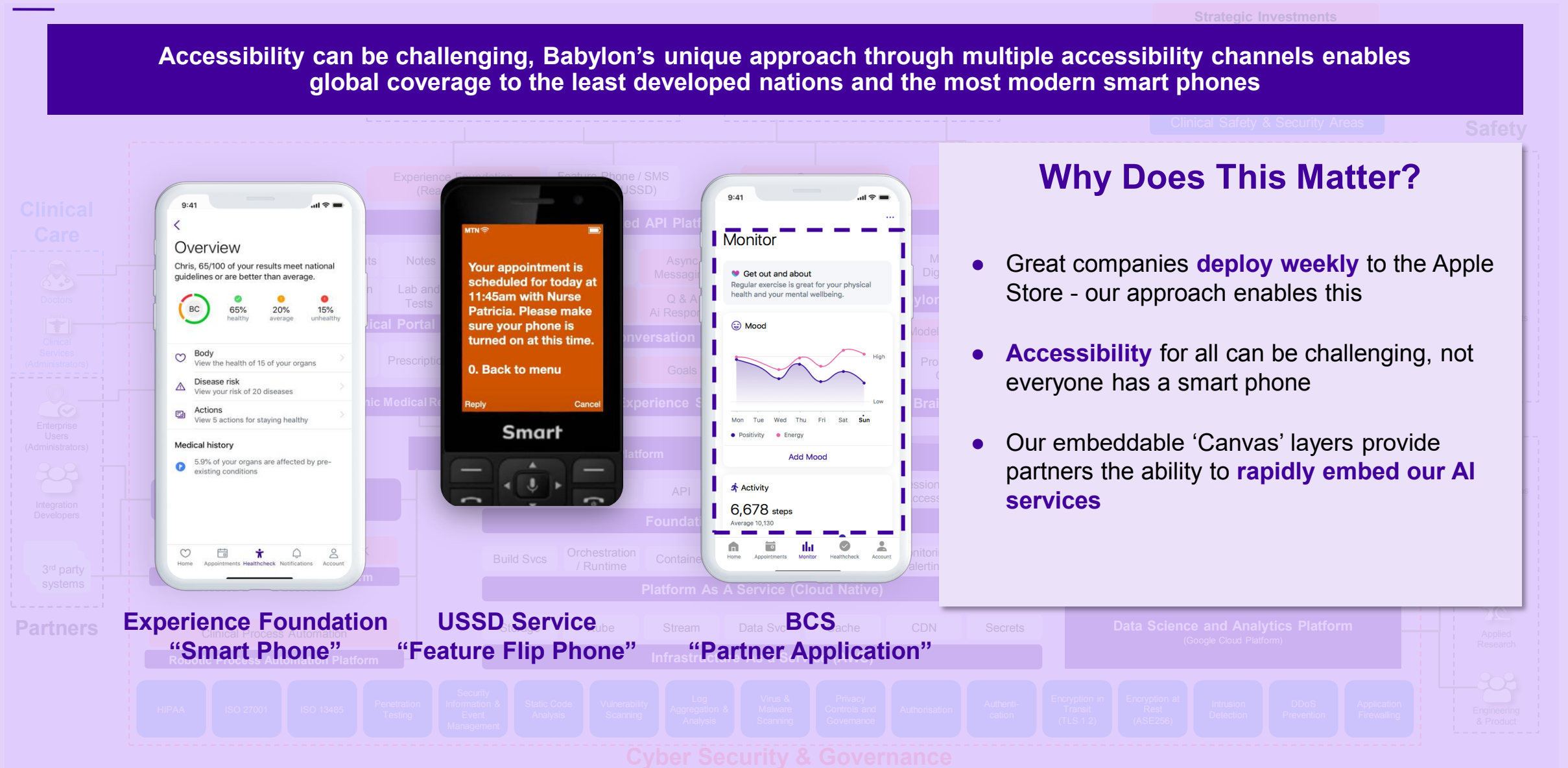
# Accessible and Affordable can be Challenging – Our Unique Approach Through Multiple Channels Enables Global Coverage at Scale



Accessibility can be challenging, Babylon's unique approach through multiple accessibility channels enables global coverage to the least developed nations and the most modern smart phones

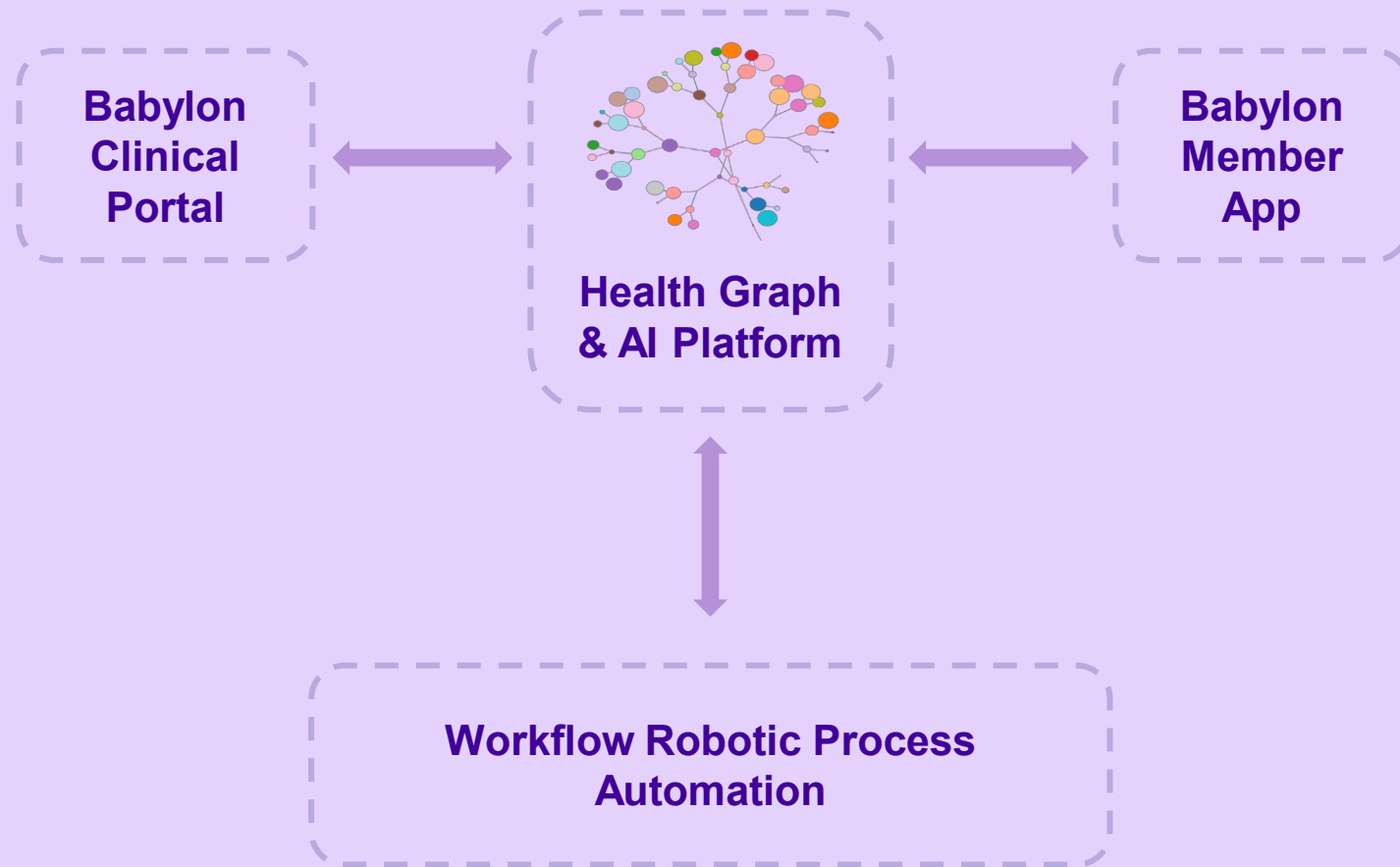
## Why Does This Matter?

- Great companies **deploy weekly** to the Apple Store - our approach enables this
- Accessibility** for all can be challenging, not everyone has a smart phone
- Our embeddable 'Canvas' layers provide partners the ability to **rapidly embed our AI services**





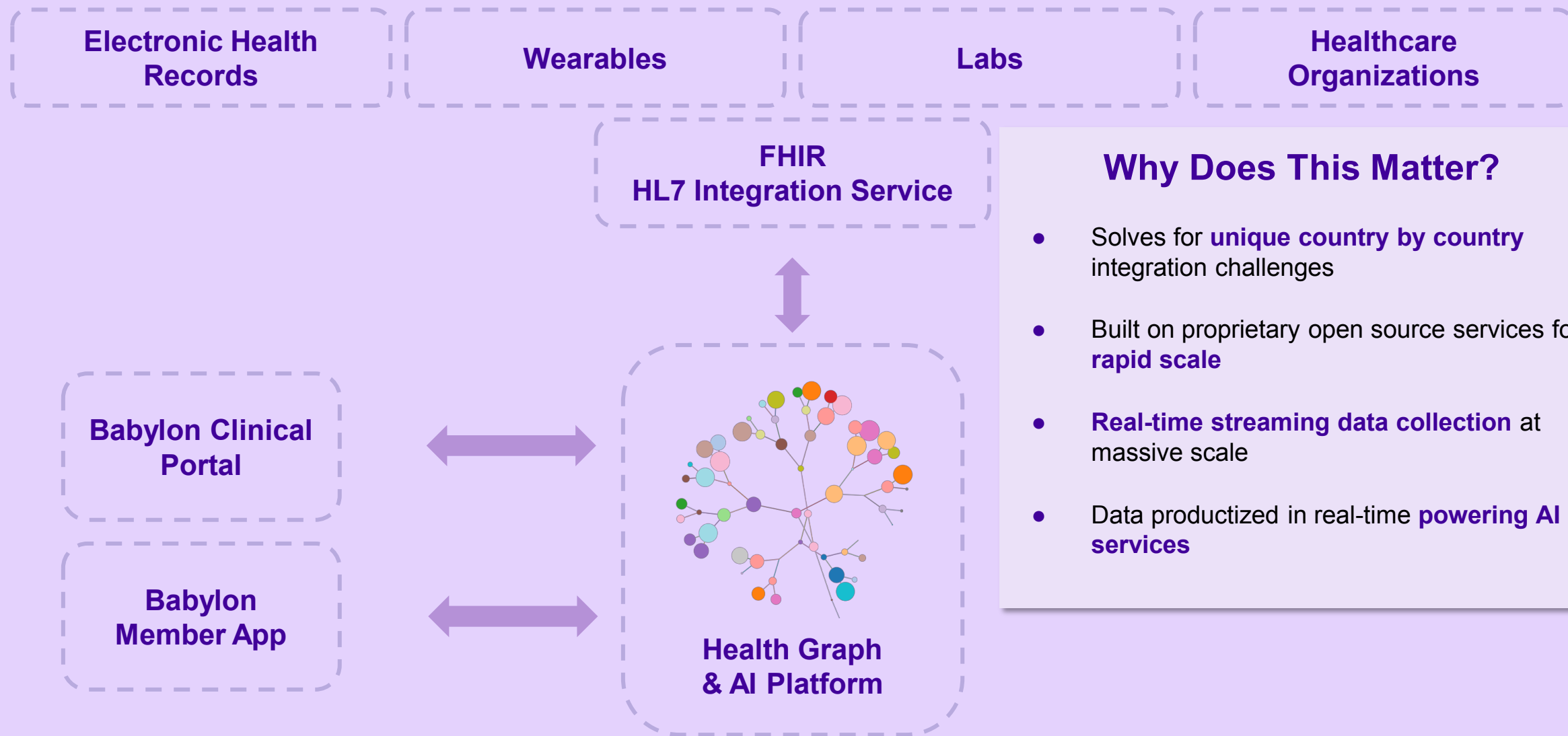
# Deeply Coupled Process Automation Solving for Driving Efficiency in Our Care Pyramid Delivery



## Why Does This Matter?

- Optimization in the reduction of manual tasks **eliminates friction for our members**
- **Advanced automation** drives efficiency and scale globally to **free up time for our clinicians**
- **Accelerators allow for rapid deployment** into new countries, markets and partners

# Standards-based Integration Platform Enabling Massive Data Collection Fuelling Our AI Platform / Services Strategy



# Technology

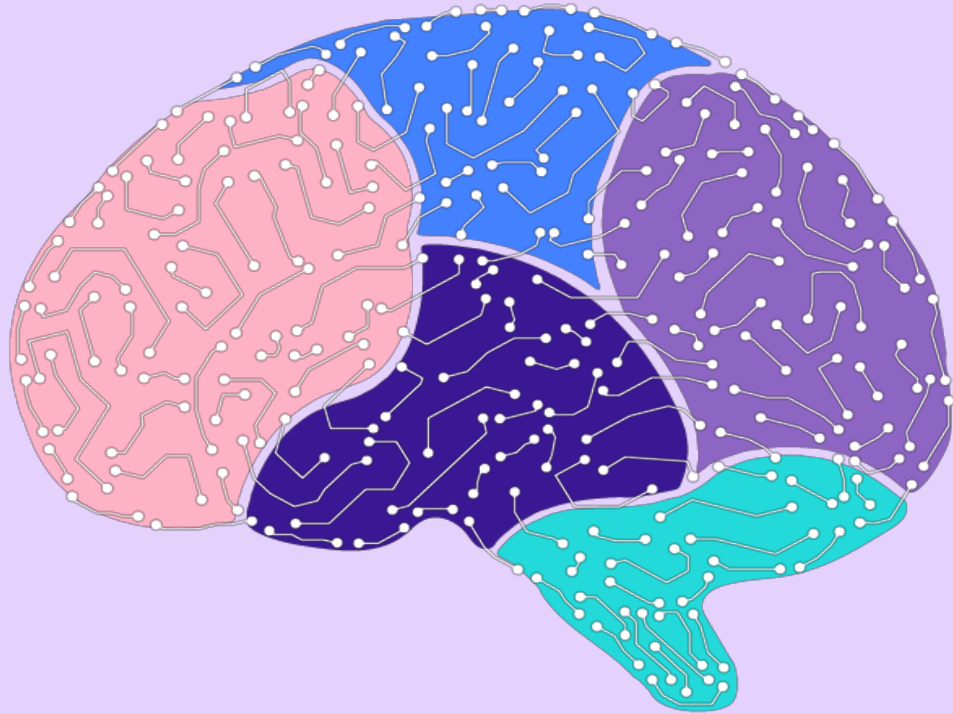
## *AI Platform & Services*



**Saurabh Johri, PhD**  
*Chief Science Officer*



# The Babylon Brain: AI Technology for Healthcare



## Clinical Knowledge

Digital Encyclopaedia of medicine encoded SNOMED, ICD-N via **FHIR**

## Perception

NLP to **process, structure & extract** member information from EHR & Claims, and to **automate** clinical tasks

## Deep Learning

Delivering **deep, data-driven insights** from the Babylon's **proprietary health graph**

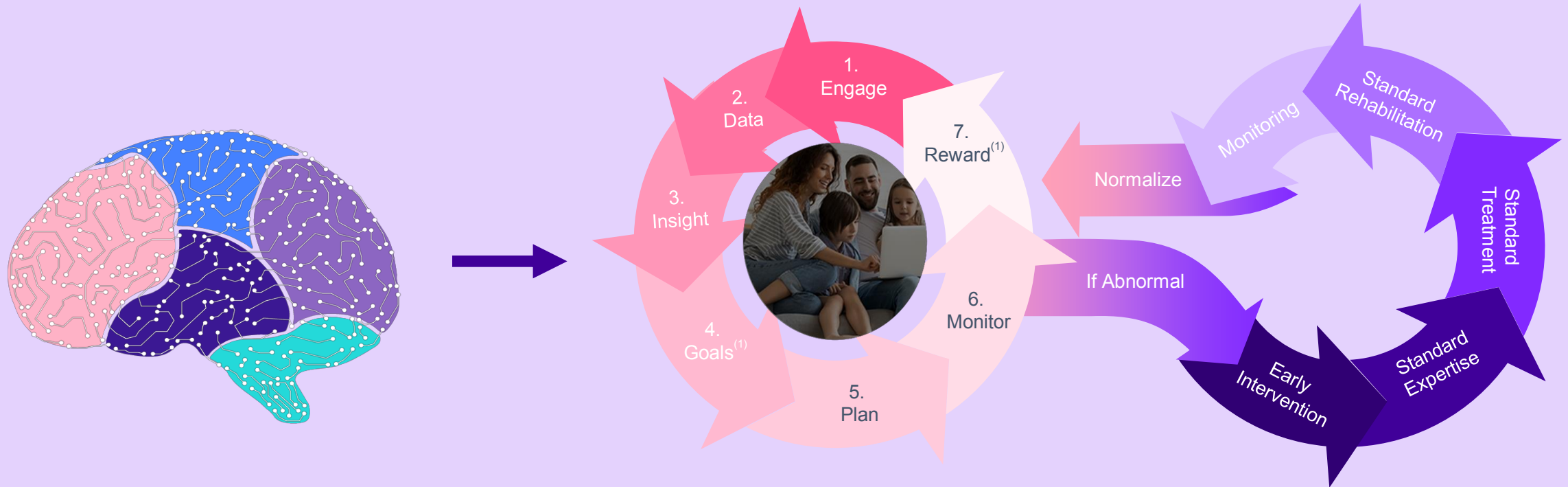
## Causal AI

**Proprietary, next-generation AI**, delivering **interpretable & explainable AI**

## Center of AI & Scientific Excellence

- Bench of 35 deep **experts in AI & Population Health** applying thought leadership to solve real-world problems
  - AI research Scientists, Population Health Research Scientists, Population Health Data Scientists
  - **Over 50% with PhD**

# The Babylon Brain: AI Technology for Healthcare (Cont'd)

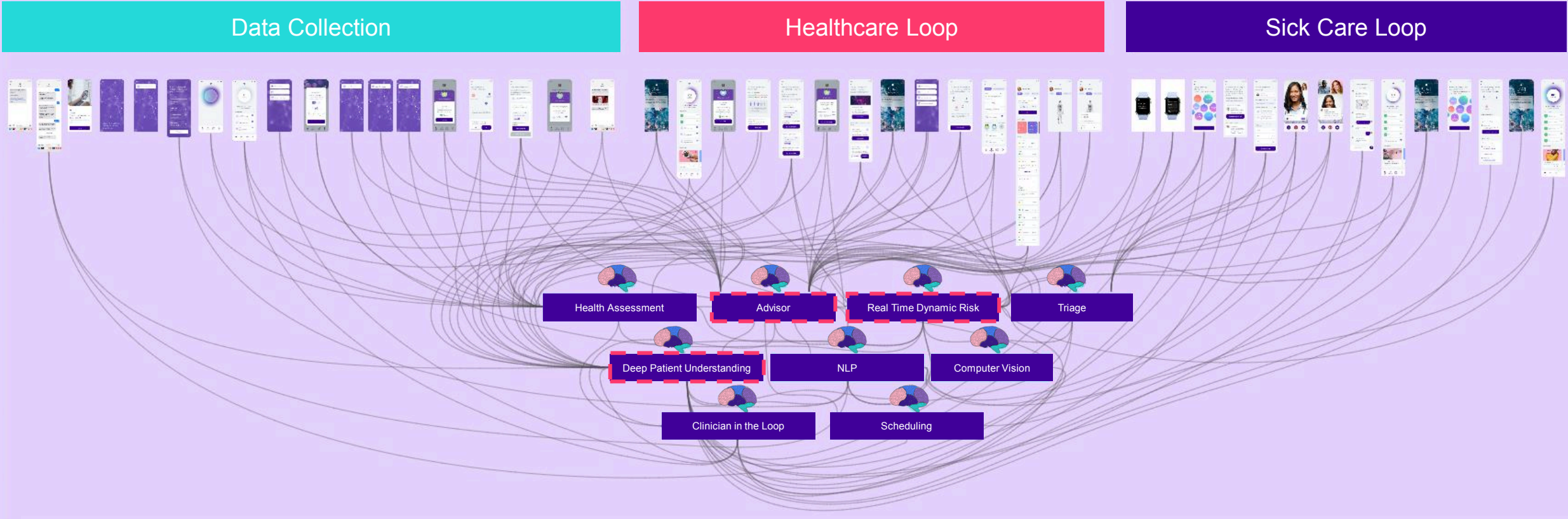


Note: These products are currently provided by Babylon unless specified otherwise.

1) In late stage of development.



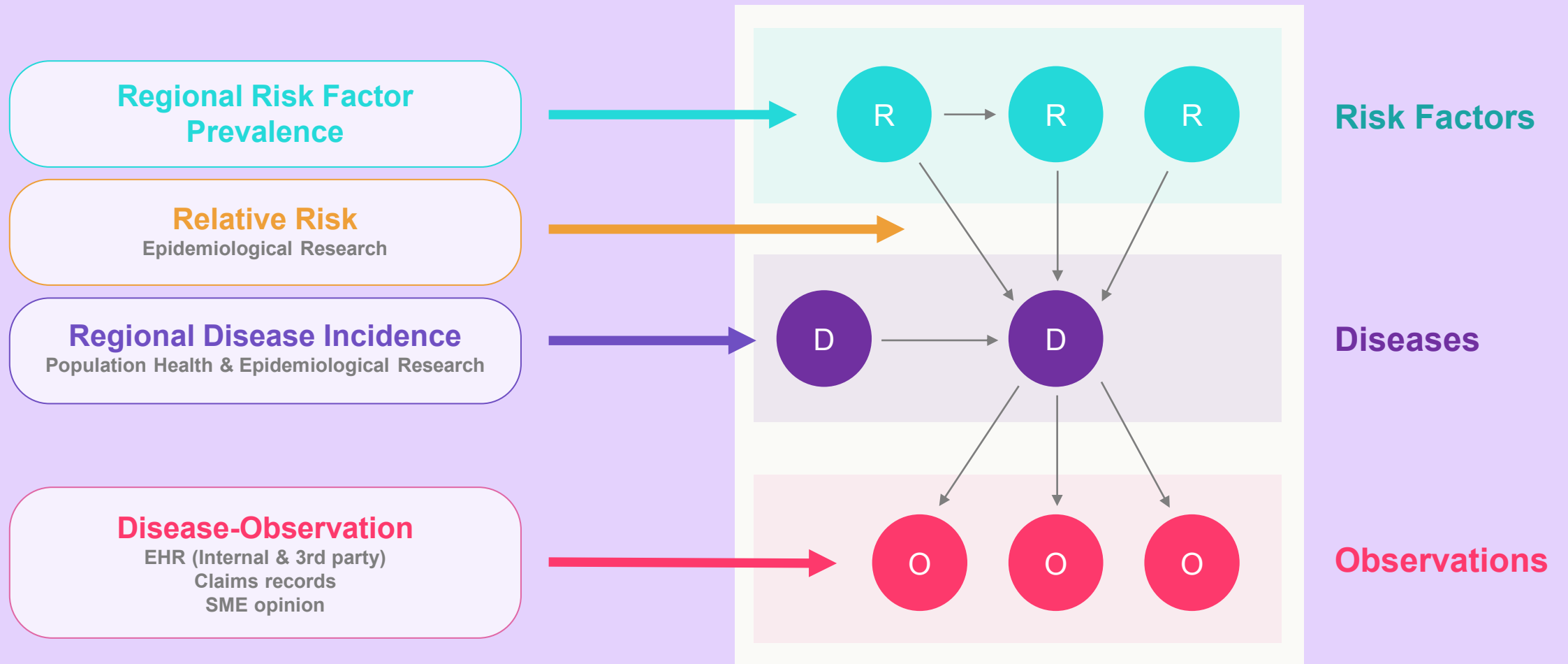
# AI: Enhancing Every Step of Our Members' Care



--- Under Active Development<sup>(1)</sup>

Note: 1) The Babylon Advisor, Real Time Dynamic Risk and Deep Patient Understanding features are under active development, have not been commercialized and we cannot guarantee if/when the product will be delivered to members.

# Causal AI for Transparent Decision Making



# Causal AI for Transparent Decision Making (Cont'd)

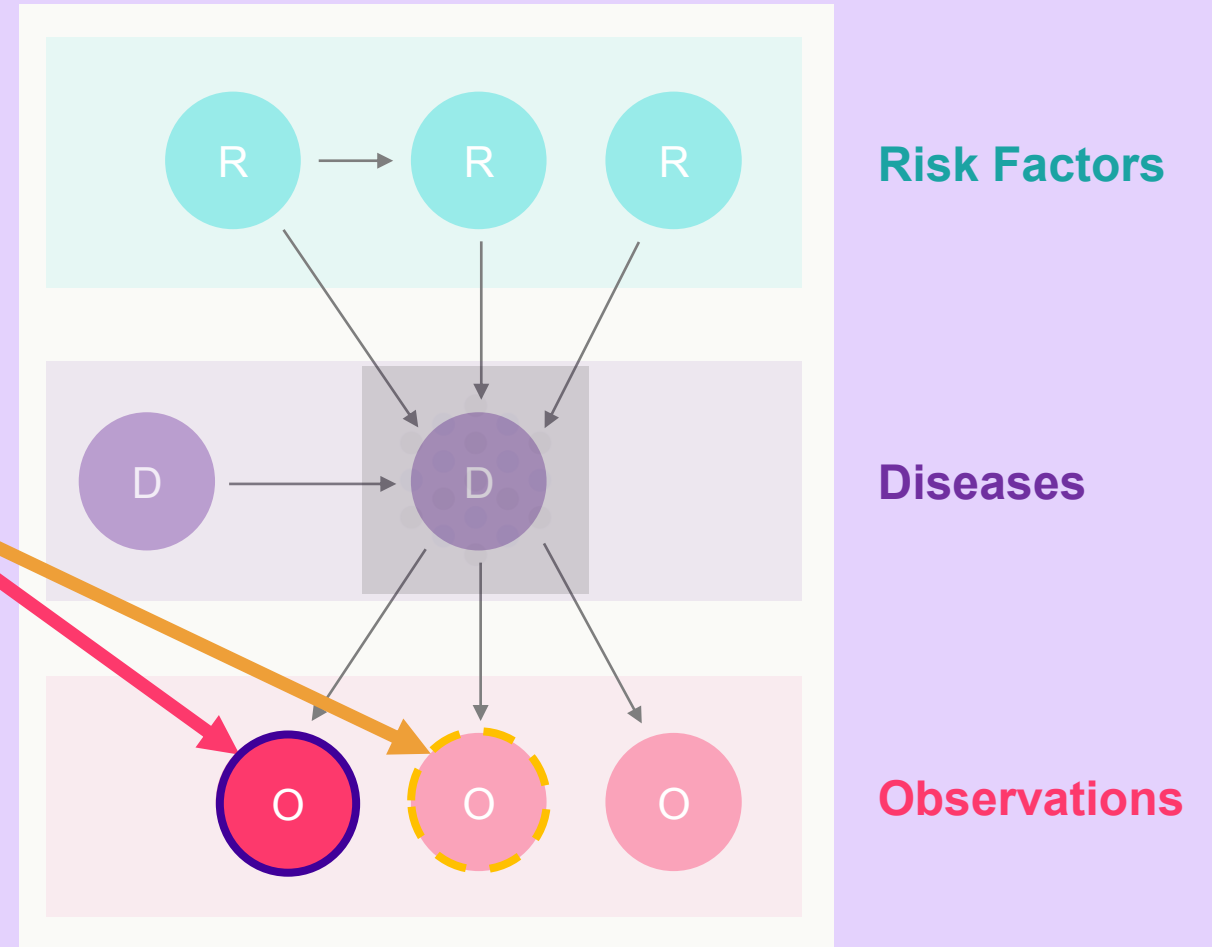


←

Do you also have a fever?

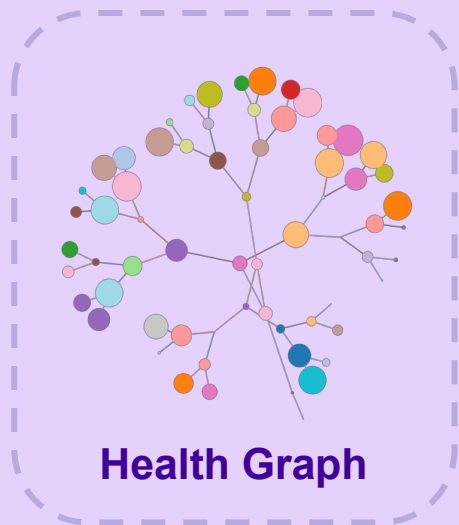
Yes

No

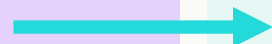




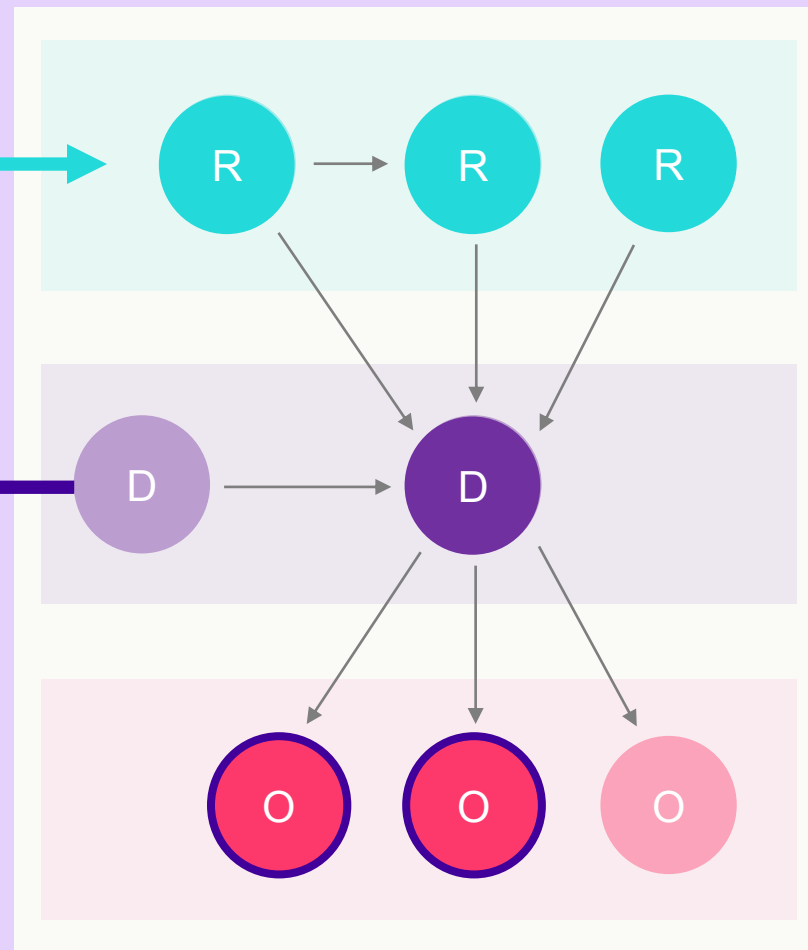
# Causal AI for Transparent Decision Making (Cont'd)



Immunosuppressed



Gastroenteritis

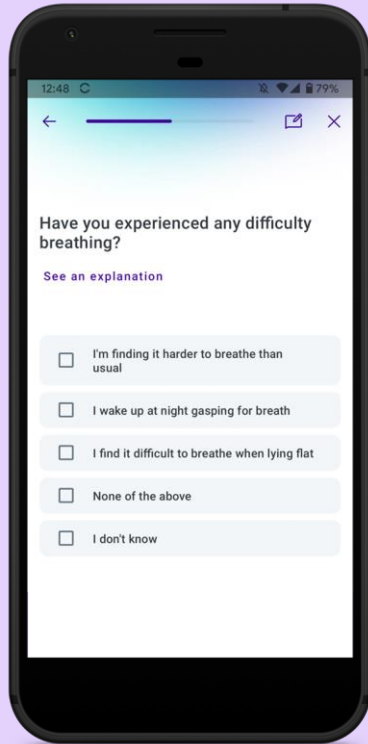


Risk Factors

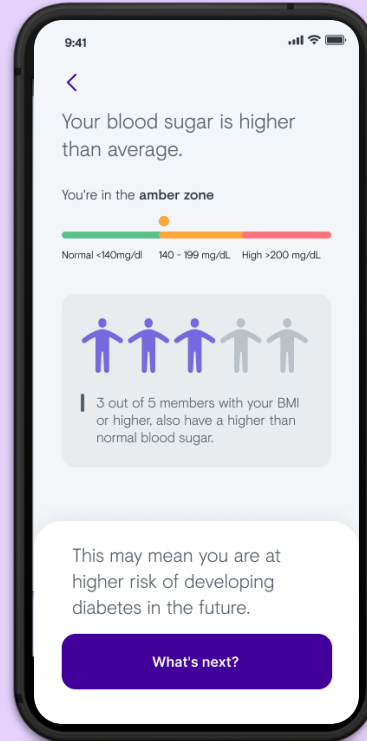
Diseases

Observations

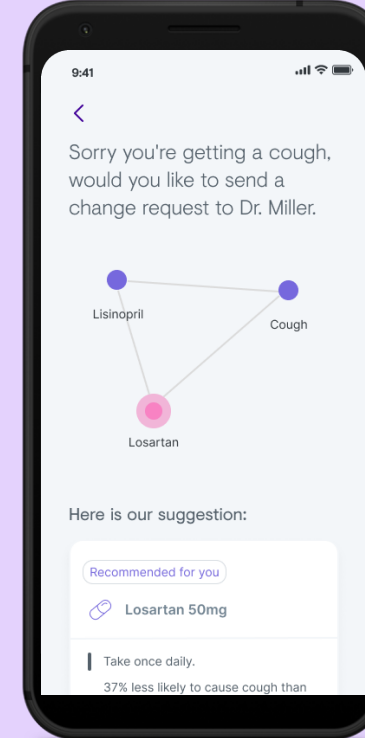
# AI: Connecting Every Step of the Member Journey



Symptom Checker



Health Assessment



Babylon Advisor<sup>(1)</sup>



Proactive Recommendations<sup>(1)</sup>

# Our Technology is Well Protected & Recognized for Excellence



## Innovative, Peer-Reviewed and Safeguarded by Suite of Patents

### Patents & Supportive Studies

- **Patents**
  - **10 Granted** (all in US)
  - **43 Pending** applications<sup>(1)</sup>
- **29 peer-reviewed papers** published in leading journals
- Our peer-reviewed research demonstrated how **diagnostic algorithms can be significantly improved** through the application of counterfactual inference on causal models<sup>(2)</sup>

### Media coverage of Babylon's Peer-reviewed AI research

#### MIT Technology Review

An algorithm that can spot cause and effect could supercharge medical AI

#### nature communications

Improving the accuracy of medical diagnosis with causal machine learning

"I'm going to use it as a warning to machine-learning enthusiasts in the US — you're going to be made obsolete by companies in the UK"

**Judea Pearl, Turing Award-winner and professor of computer science at UCLA**

#### NewScientist

AI mimics the way doctors think to make better medical diagnoses

#### frontiers in Artificial Intelligence

A Comparison of Artificial Intelligence and Human Doctors for the Purpose of Triage and Diagnosis

#### Advances in Approximate Bayesian Inference

MultiVerse: Causal Reasoning using importance Sampling in Probabilistic Programming



Integrating overlapping datasets using bivariate causal discovery



Neural Temporal Point Processes for Modelling Electronic Health Records

Notes: Digital tools do not offer a diagnosis and references to diagnosis here are for research purposes only.

1) 3 of the 43 pending patents have been accepted by US Patent & Trademark Office but not formally issued.

2) Richens & Lee et al. "Improving the accuracy of medical diagnosis with causal machine learning".



# Q&A

*Product & Technology*

# Commercial



**Marcus Zachary, MD**  
*Head of Value Based Care*



# We Have a Strong Pipeline of New Contracts Worldwide



	Upselling Existing Clients	New Clients	Total Pipeline
Projected ARR <sup>(1)</sup>	<b>~\$1.2BN</b> ~98% VBC	<b>~\$2.4BN</b> ~99% VBC	<b>~\$3.6BN</b> ~99% VBC
Pipeline Coverage <sup>(2)</sup>	<b>2.5x</b>	<b>5.1x</b>	<b>7.6x</b>
Deal Count	<b>~15</b> ~55% VBC	<b>~35</b> ~55% VBC	<b>~50</b> ~55% VBC

Source: Based on management estimates and a pipeline of contracts under discussion as of March 15, 2021. Notes:

1) ARR (Annual Run-Rate Revenue) at the end of a given month is calculated at a point in time by multiplying that month's expected revenue by 12.

2) Multiple of estimated December 2021 Annual Run-Rate Revenue of ~\$475M.

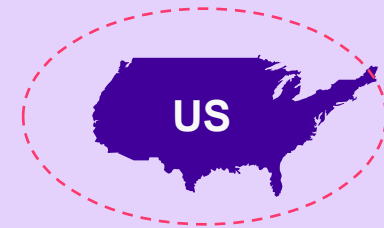
# Our Current Commercial Strategy



**Where** are we selling?

**What** are we selling?

**Who** are we selling to?



## Babylon Cloud Services

Digital Self-care

## Babylon 360

Complex Care Referrals

Primary & Chronic Care Management

Clinical Consultations

Personal Health Assistant

Digital Self-care

1 Providers

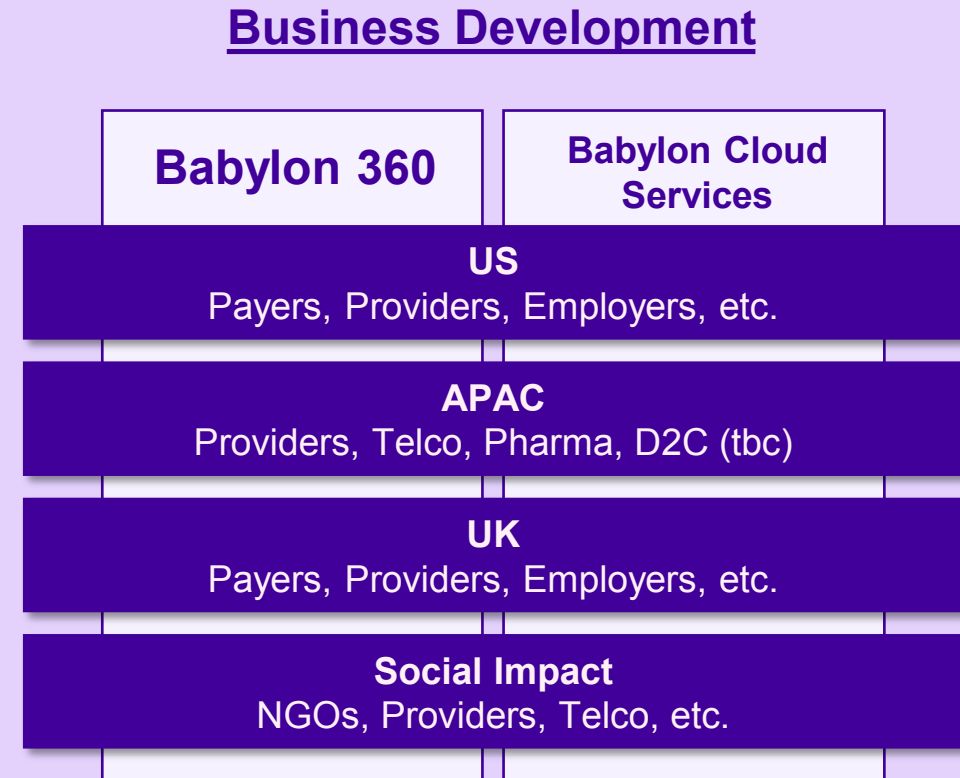
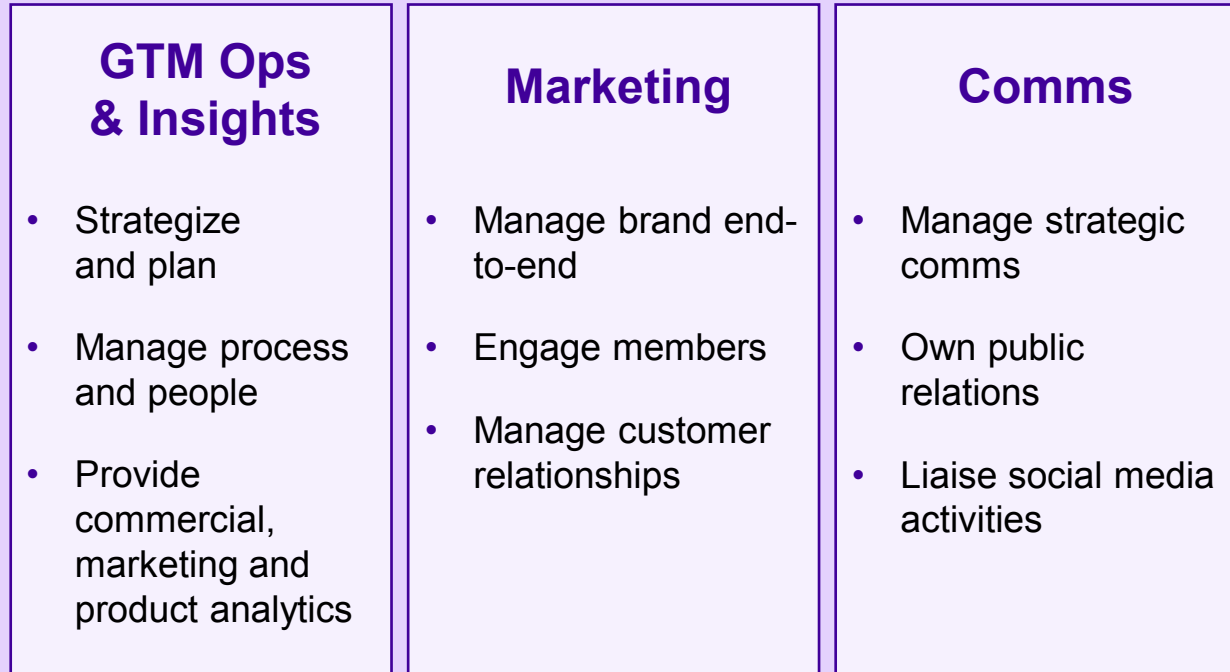
2 Payers

1 Health Plans  
(Medicaid, Medicare, Commercial, Self-Insured)

2 Integrated Health Delivery Systems

3 Employers (self-funded)

# We Have a Multidisciplinary Team to Deliver Our Strategy



**Revenue Centres**

- Shape our growth strategy
- Build and grow revenue streams
- Maintain strong client relationships



# How We Establish New VBC Contracts



## Identify Opportunity

### Client Need:

- Understand problem that client is trying to solve
- Identify best suitable population and get insights into condition modifiability

### Fit with Babylon 360:

- Confirm how Babylon 360 can solve the problem

## Assess Risk

### Statistical Data and Assessment:

- Receive historic claims, medical and population data from client
- Aggregate and analyze data to understand current cost base, population conditions, etc.
- Model impact of Babylon's services on potential population

## Establish Economics

### Economics:

- Assess and agree on economics that work for both parties

### Recourse:

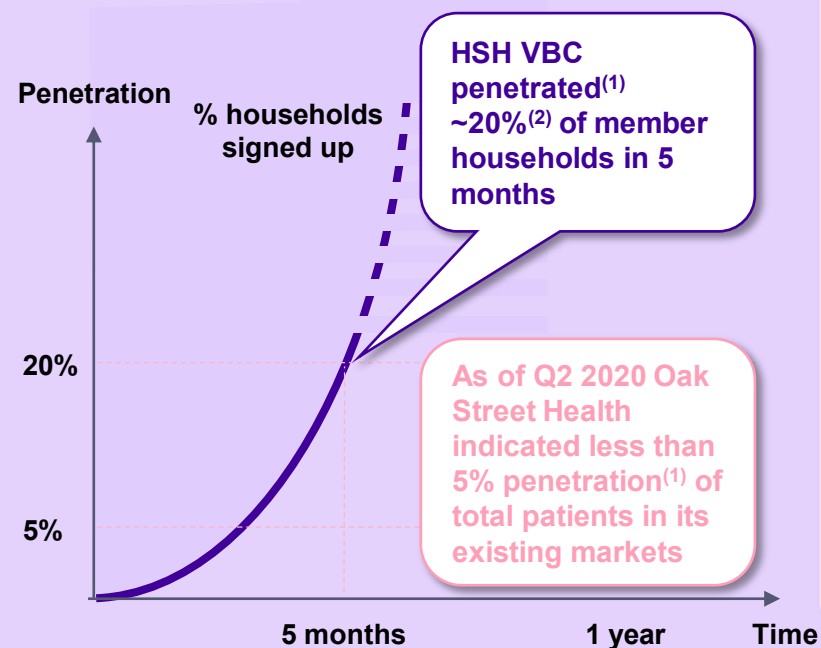
- Reinsurance to limit downside risk

# Case Study: Rapidly Scaled and Reduced High Cost Care Utilization by Centene HSH Members



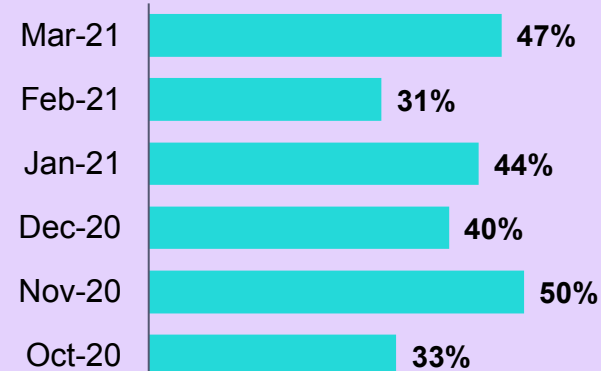
## Babylon has Achieved Rapid Engagement with the Home State Health (HSH) Member Population...

### Home State Health – Illustrative Penetration Over Time



## ...and Early Evidence Suggests Babylon's Value Based Care Reduces Unplanned ER Visits...

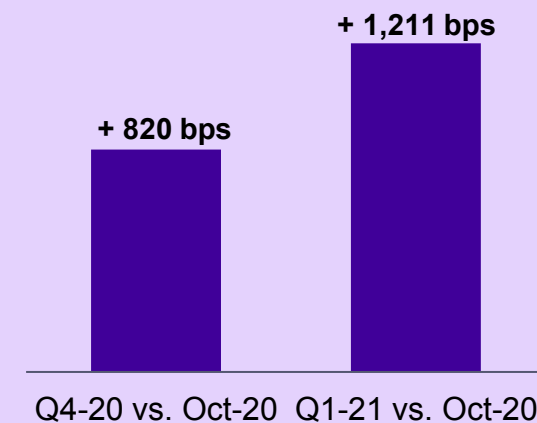
### Home State Health – ER Visit Reduction



Patients that booked digital consults said they would have used ER or Urgent Care<sup>(3)</sup> if Babylon's services had not been available

## ...Thus, Enabling Cost Savings and Driving the Profitability Increase

### Babylon VBC<sup>(4)</sup> – Gross Margin Improvement



Source: Management reporting, Oak Street Health corporate presentation (October 2020).

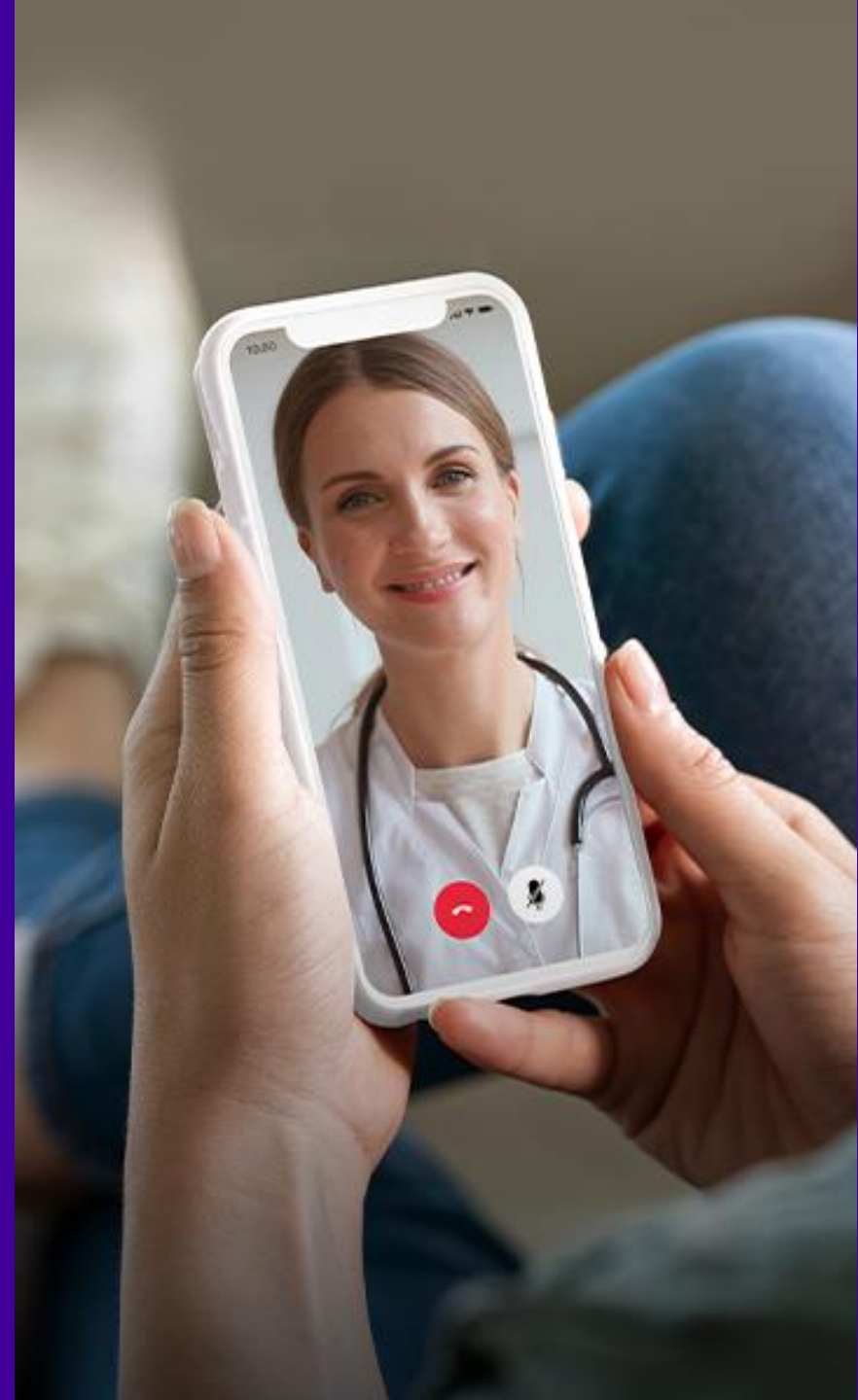
Notes:

- 1) Babylon defines penetration as the receipt of registration from a household in its covered population. Oak Street Health and other companies in our industry may calculate penetration and similarly titled measures differently, which could reduce the usefulness of penetration as a tool for comparison.
- 2) Within 5 months Babylon obtained at least 1 registration from 584 of 3,169 households in its assigned population.
- 3) Based on responses in the Alternative Health Choices survey (as part of consultation booking flow).
- 4) Includes all VBC contracts in the US (i.e. Fresno, Home State Health).

# Financials



**Charlie Steel**  
*Chief Financial Officer*



# Attractive Illustrative Economics of Babylon's Modular & Bundled Product Offerings

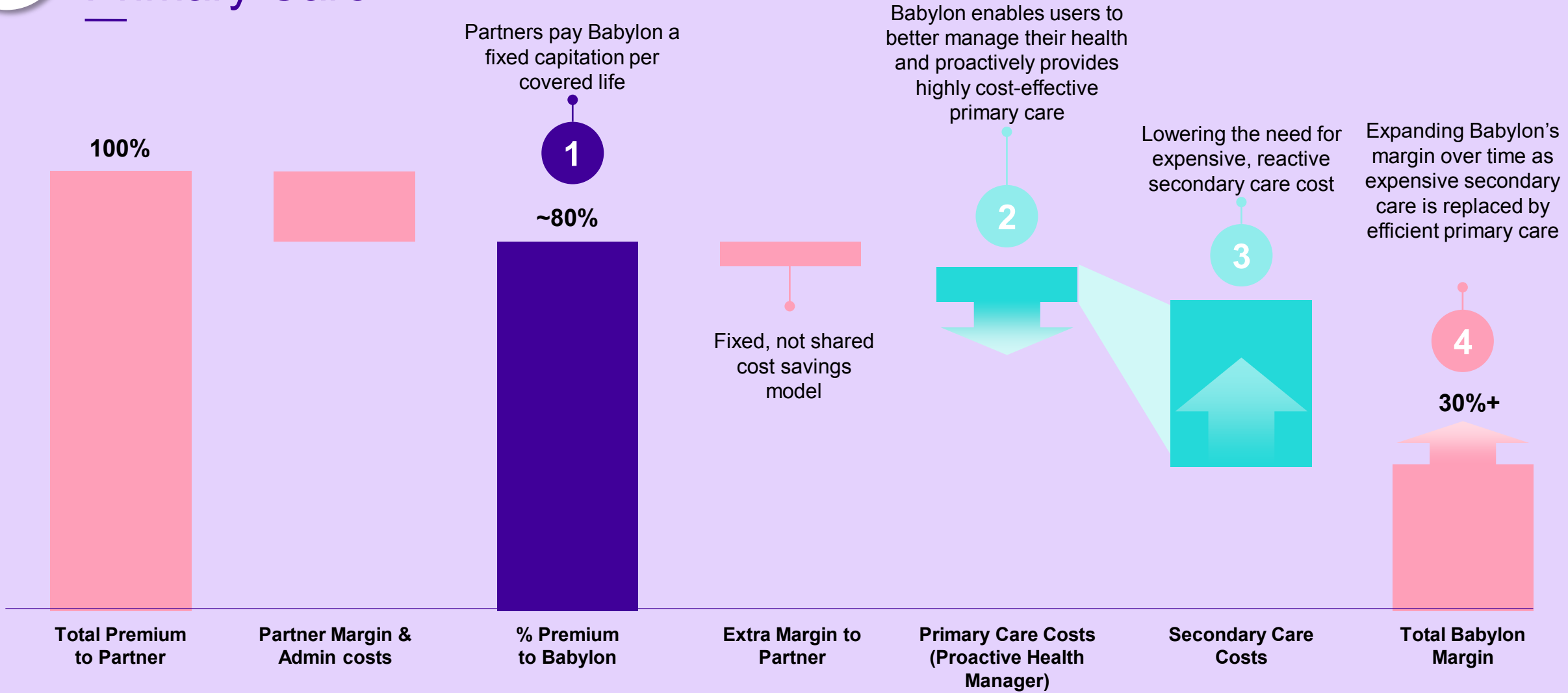


	Description	Revenue Model	Illustrative Revenue per Life Covered <sup>(1)(2)</sup>	Illustrative Gross Margin by Cohort <sup>(2)</sup>						
<div><div>Babylon VBC</div><div></div></div>	<ul style="list-style-type: none"><li>Combines Babylon's digital health suite and virtual care platform to manage the totality of a patient's healthcare</li><li>Takes full financial responsibility for all costs incurred in both primary, secondary and tertiary care settings, with stop loss protection</li><li>Payment on a fixed and recurring capitation basis per covered life with ability to capture any cost savings</li></ul>	PMPY Capitated model	Thousands of Dollars	<p>Projection Based on Management Estimates<sup>(3)</sup></p> <table><thead><tr><th>Year</th><th>Gross Margin</th></tr></thead><tbody><tr><td>Y0</td><td>~5%</td></tr><tr><td>Y3</td><td>30%+</td></tr></tbody></table>	Year	Gross Margin	Y0	~5%	Y3	30%+
Year	Gross Margin									
Y0	~5%									
Y3	30%+									
<div><div>Clinical Services</div><div></div></div>	<ul style="list-style-type: none"><li>On-screen consultations with a clinical professional</li><li>Preventable and proactive care management</li></ul>	PMPM Fee-for-service	Tens of Dollars  <u>Illustrative Example:</u> Cents PMPY + Tens of Dollars Fee-For-Service	<p>Case Study: Select UK Contracts</p> <table><thead><tr><th>Year</th><th>Gross Margin</th></tr></thead><tbody><tr><td>Y1</td><td>17%<sup>(4)</sup></td></tr><tr><td>Y3</td><td>25%<sup>(5)</sup></td></tr></tbody></table>	Year	Gross Margin	Y1	17% <sup>(4)</sup>	Y3	25% <sup>(5)</sup>
Year	Gross Margin									
Y1	17% <sup>(4)</sup>									
Y3	25% <sup>(5)</sup>									
<div><div>Software Licensing</div><div></div></div>	<ul style="list-style-type: none"><li>Digital suite of AI and monitoring products</li><li>Care navigation and non-clinical support available by live chat</li></ul>	Annual licensing fees	Dollars	<p>Case Study: Select Software Contract<sup>(6)</sup></p> <table><thead><tr><th>Year</th><th>Gross Margin</th></tr></thead><tbody><tr><td>Y0</td><td>~55%</td></tr><tr><td>Y1</td><td>90%+</td></tr></tbody></table>	Year	Gross Margin	Y0	~55%	Y1	90%+
Year	Gross Margin									
Y0	~55%									
Y1	90%+									

Notes: 1) Management estimates based on active contracts. 2) Indicative proportions shown, as details are partner-specific. Gross profit reflects Revenue less Cost of Care Delivery. 3) Based on analysis vs VBC competitors with a brick & mortar model who lack front-end digital services and back-end digital automation services. 4) Gross Y1 (June 19 – June 20) Margin from select UK contract. 5) Average of select B2B contracts' Gross Margin over FY20. 6) Gross Margin as shown includes some technology costs that are classified as operating expenses in the company's financial projections.



# Babylon VBC Captures Cost Savings Through Proactive Primary Care

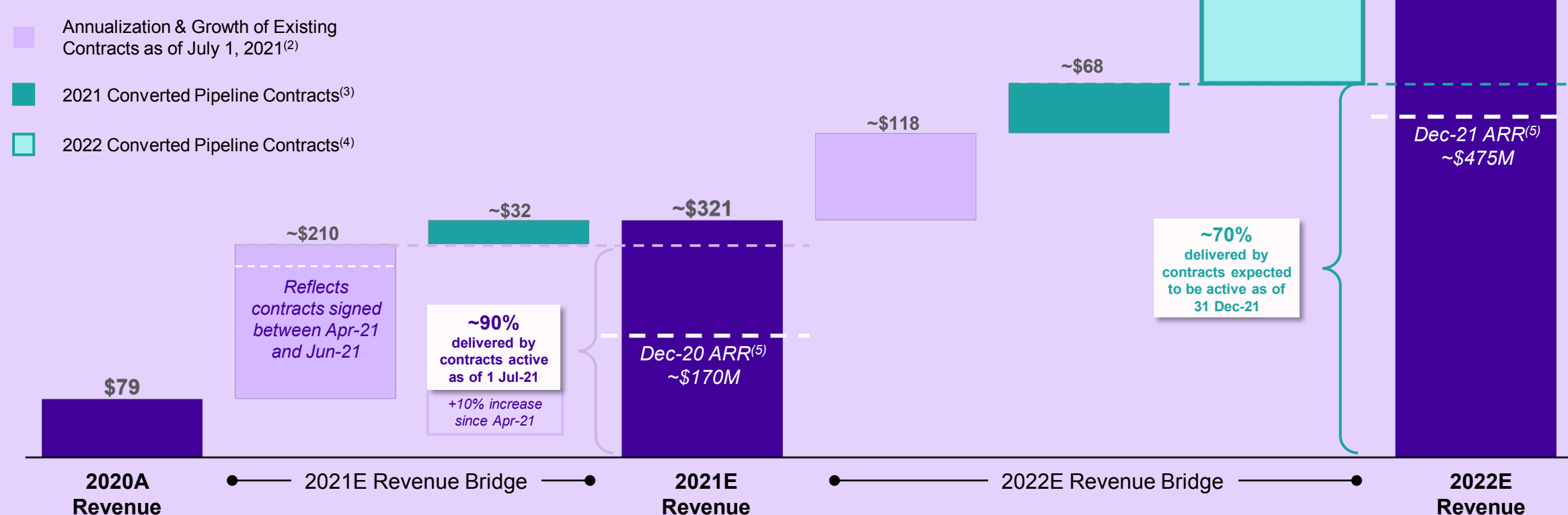


Source: Management estimates.  
Note: Indicative proportions shown, as details are partner-specific.

# Path to 2021E and 2022E Projected Revenue Based on Achievable and Visible Contract Pipeline of ~\$3.6BN<sup>(1)</sup> with Upside Potential



## Projected Revenue (\$M)



Source: Management estimates. Management reporting. Notes:

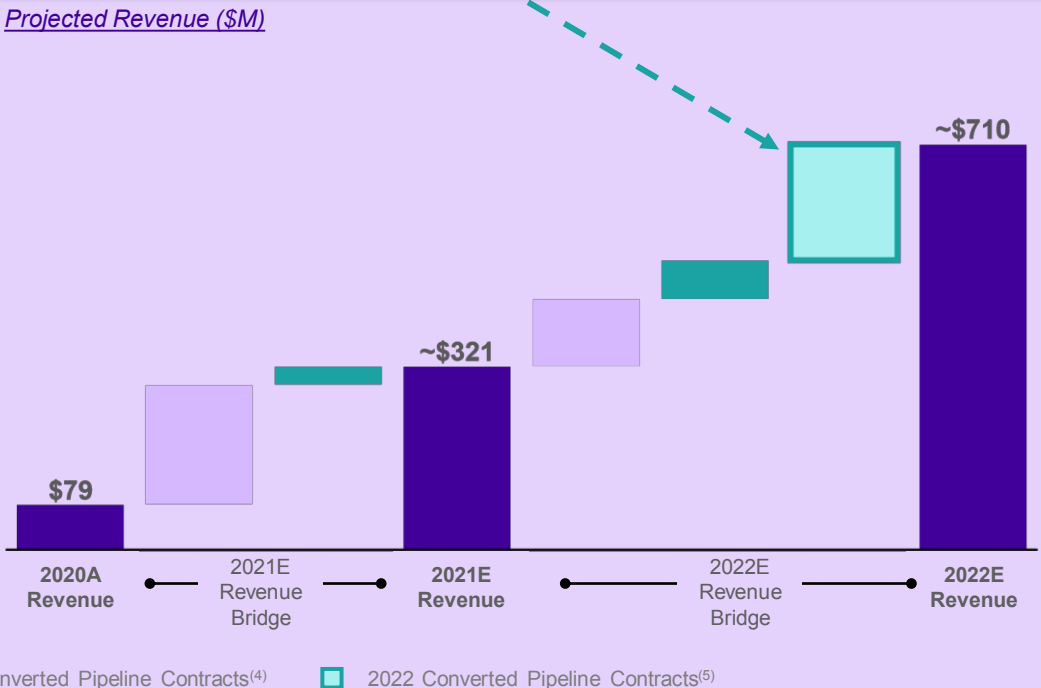
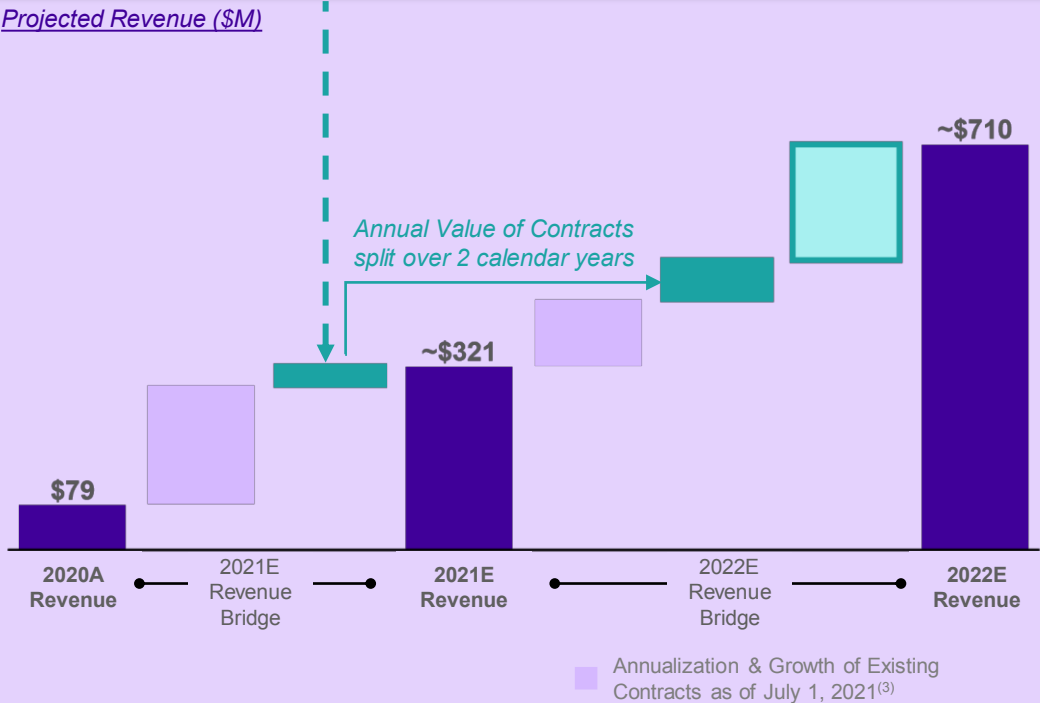
- 1) Based on management estimates and a pipeline of contracts under discussion as of March 15, 2021.
- 2) Reflects i) annualization and growth in existing contracts as of December 31, 2020 and ii) revenue from contracts active between December 31, 2020 and July 1, 2021.
- 3) Reflects revenue impact of new business from converted pipeline contracts in 2021. Cohorts based on an illustrative set of contracts signed at varying points in time in 2021 with impact of annualization recognized in 2022.
- 4) Reflects revenue impact of new business from converted pipeline contracts in 2022. Cohorts based on an illustrative set of contracts signed at varying points in time in 2022.
- 5) Relevant December ARR (Annual Run-Rate Revenue) is calculated at a point in time by multiplying December revenue by 12.

# Understanding Babylon's Pipeline



Need to sign ~1 VBC contract in 2021  
to achieve 2021E Revenue<sup>(1)</sup>

Need to sign ~3 VBC contracts in 2022  
to achieve 2022E Revenue<sup>(2)</sup>



Total Pipeline

\$3.6BN ARR<sup>(6)</sup>

~50 Contracts

~\$130M Avg. ARR of VBC Contracts<sup>(6)</sup>

Source: Management estimates and a pipeline of contracts under discussion as of March 15, 2021. Management reporting. Notes:

1) Assumes i) contracts begin recognizing revenue in Q4 2021, and ii) deliver ARR of ~\$130M based on the average VBC contract in the pipeline.

2) Assumes i) contracts begin recognizing revenue in Q2 2022, and ii) deliver ARR of ~\$130M based on the average VBC contract in the pipeline.

3) Reflects i) annualization and growth in existing contracts as of December 31, 2020 and ii) revenue from contracts active between December 31, 2020 and July 1, 2021.

4) Reflects revenue impact of new business from converted pipeline contracts in 2021. Cohorts based on an illustrative set of contracts signed at varying points in time in 2021 with impact of annualization recognized in 2022.

5) Reflects revenue impact of new business from converted pipeline contracts in 2022. Cohorts based on an illustrative set of contracts signed at varying points in time in 2022.

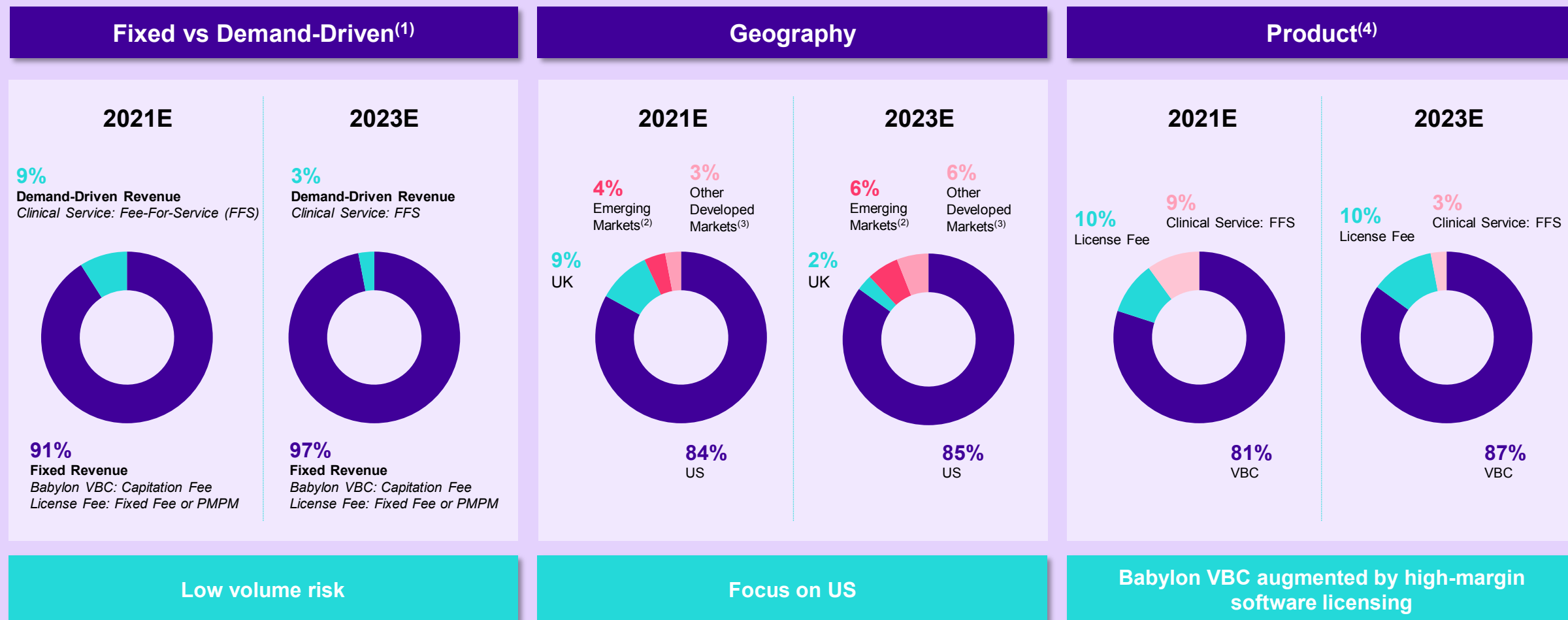
6) ARR (Annual Run-Rate Revenue) at the end of a given month is calculated at a point in time by multiplying that month's expected revenue by 12.



# Highly Recurring and Diversified Projected Revenue in 2021E Through 2023E



## Revenue breakdown



Source: Management estimates. Notes:

1) Demand-driven revenue reflects revenue from Virtual Care contracts. Fixed revenue reflects revenue from Babylon VBC and Software contracts.

2) Includes SE ASIA, China, LATAM, Rwanda, Middle East, Africa and India.

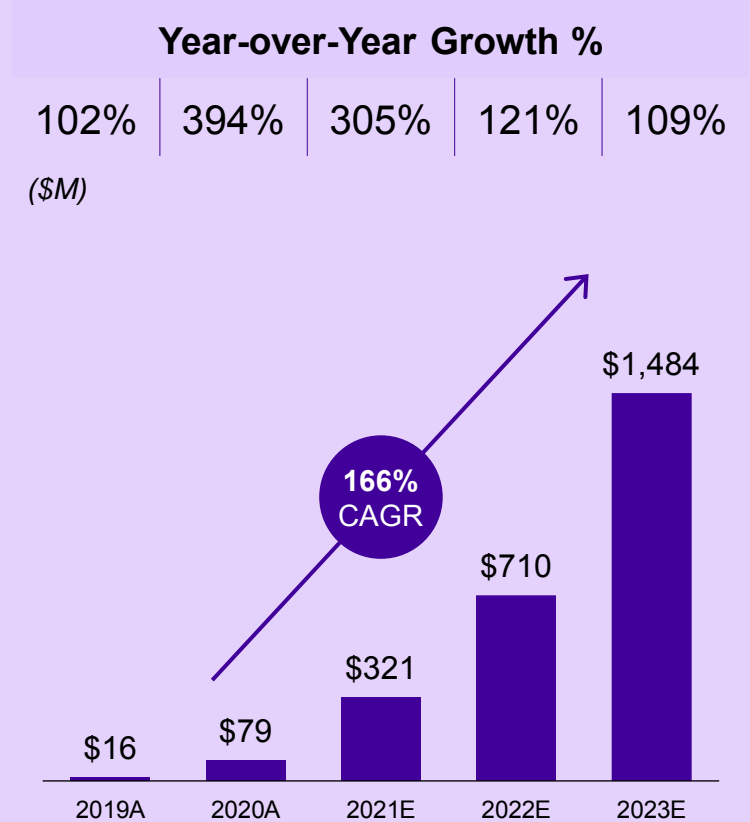
3) Includes Canada and Other Developed Markets (including Australia, New Zealand, Japan, and Continental Europe).

4) Reflects the revenue breakdown by revenue stream, some contracts may combine multiple revenue streams e.g. Clinical Service contracts can include two revenue streams: FFS and a Licensing Fee.

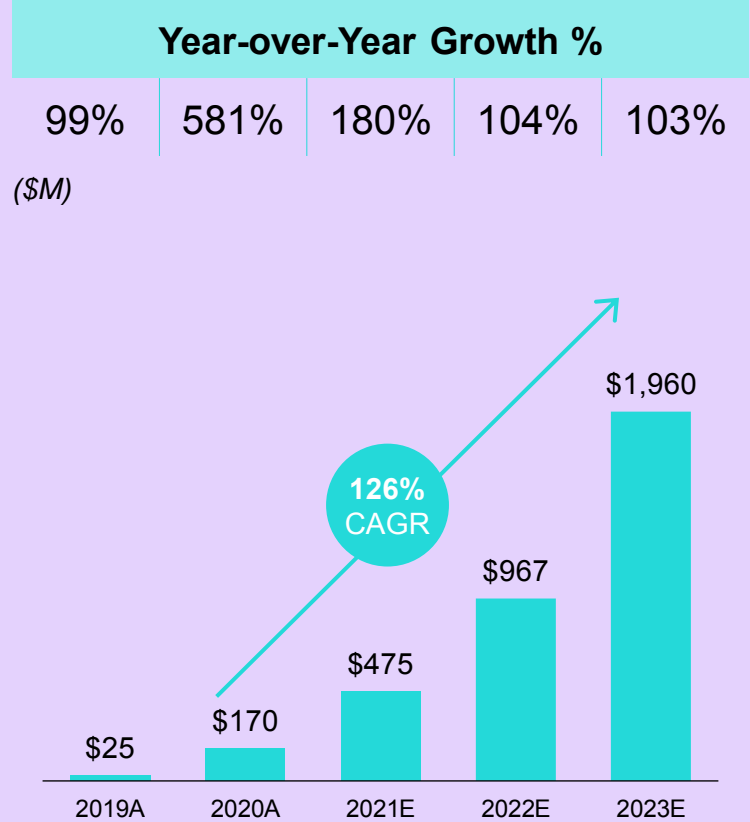
# Revenue Growth Coupled with Gross Margin Expansion



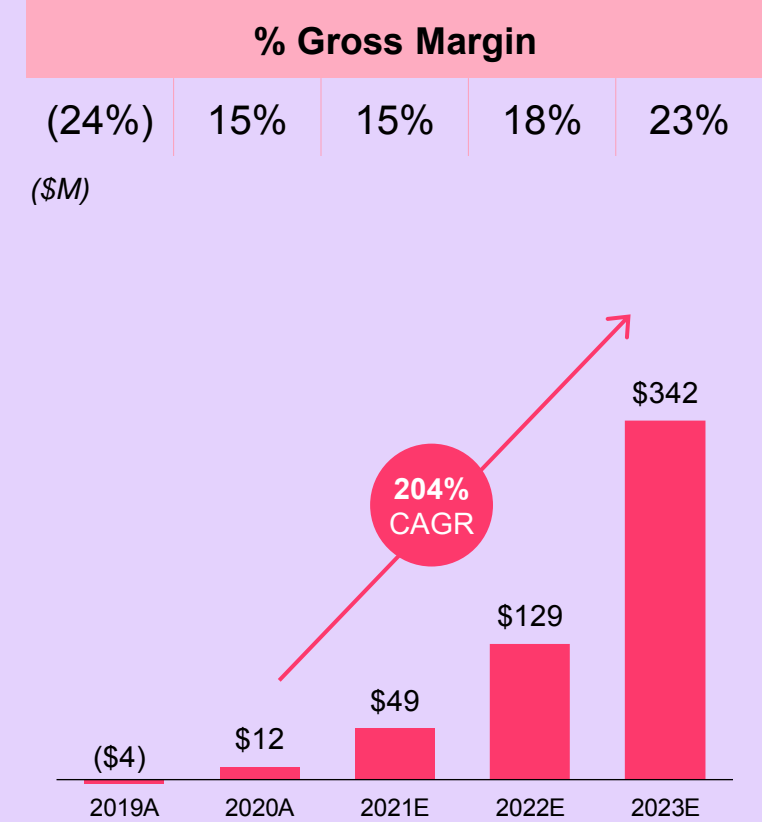
## Revenue



## Year-End ARR<sup>(1)</sup>



## Gross Profit<sup>(2)</sup>

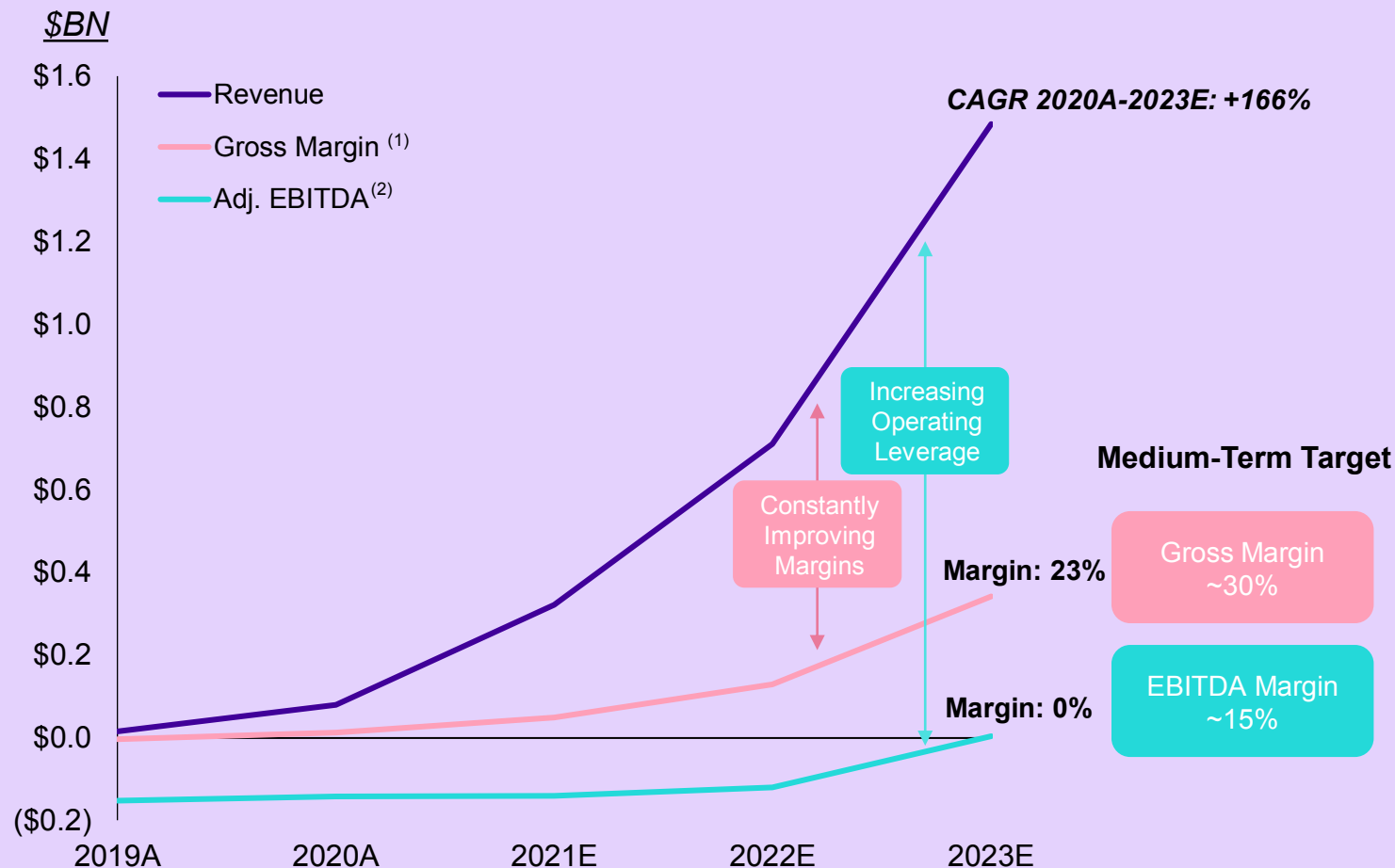


Source: Management estimates. Notes:  
1) Year-end ARR (Annual Run-Rate Revenue) is calculated at a point in time by multiplying December's expected monthly revenue by 12.  
2) Revenue less Cost of Care Delivery.

# We Expect Babylon's Margins to Expand as it Gains Operational Leverage



## We Expect Babylon will Grow Profitably...



Source: Management estimates. Notes:

1) Revenue less Cost of Care Delivery.

2) Adjusted EBITDA reconciliation on page 100.

3) In 2020 95% of all bookings across Babylon's geographies were digital (including cancellations).

## ...By Providing Digital-First End-to-End Care

**Babylon's highly-accessible, digital-first service will allow it to:**

- ✓ Divert patients from expensive Urgent Care to proactive & accessible virtual primary care
- ✓ Avoid expensive downstream costs of chronic conditions by solving healthcare issues earlier

## ...and Reducing Expensive Delivery Costs

**Leverage technology and automation to significantly reduce the cost of primary care:**

- ✓ Increase in efficiency by automating admin and other lower-value tasks
- ✓ Use digital triage to increase the proportion of interactions served by lower-cost healthcare professionals
- ✓ Reducing costs associated with physical services by solving ~95%<sup>(3)</sup> of issues via digital consultations

# Historical and Projected Financial Summary



	HISTORICAL		PROJECTED		
	2019A	2020A	2021E	2022E	2023E
<u>\$M</u>					
<b>Revenue</b>	<b>16</b>	<b>79</b>	<b>321</b>	<b>710</b>	<b>1,484</b>
<i>% growth</i>	102%	394%	305%	121%	109%
<b>Gross Profit<sup>(1)</sup></b>	<b>(4)</b>	<b>12</b>	<b>49</b>	<b>129</b>	<b>342</b>
<i>% growth</i>			299%	166%	165%
<i>% margin</i>	(24%)	15%	15%	18%	23%
<b>Adj. EBITDA<sup>(2)</sup></b>	<b>(152)</b>	<b>(142)</b>	<b>(140)</b>	<b>(119)</b>	<b>5</b>
<i>% margin</i>			(44%)	(17%)	0%

Source: Management estimates. Notes:

1) Revenue less Cost of Care Delivery.

2) Adjusted EBITDA reconciliation on page 100.



# Babylon's Growth Levers

# Babylon has Multiple Value-Accretive Growth Levers



Note: M&A not included in base business financial forecasts

## 1 Potential Addressable Market for Existing Customers<sup>(1)</sup>

- Potential to expand covered population with existing customers
- Potential to increase scope of contract to a full capitation construct through Babylon VBC

Expanding Babylon's Geographic Coverage with Existing Customers<sup>(2)</sup>

Potential Addressable Market for Existing Covered Populations<sup>(3)</sup>

Dec-20 ARR<sup>(4)</sup> for Existing Contracts



## 2 Strong Contract Pipeline

- Strong track record of winning new contracts worldwide
- Over \$3.5BN of additional aggregated ARR possible in the pipeline through existing customers and new business

	Projected ARR <sup>(4)</sup>
Existing Clients	~\$1.2BN
New Clients	~\$2.4BN
Total Pipeline	~\$3.6BN

## 3 Targeted Acquisitions & Strategic Investments

- Opportunity to consolidate brick & mortar, integrated care providers in the US
- Acquiring new partners to augment Babylon's end-to-end platform

Consolidation

Technology & Content

Distribution

### Example Completed Deal



Omni-channel consumer health engagement platform with nationwide retail network of 10,000 FDA-cleared, free-to-use Smart Health Stations which help identify health risks and match consumers to care

Source: Based on management estimates and a pipeline of contracts under discussion as of March 15, 2021. Notes:

1) Reflects potential addressable market based on existing clients including contracts not currently in the pipeline. Market size based on annualized monthly revenue of potential new contracts with existing customers.

2) Addressable market for Babylon VBC based on lives covered by Babylon's existing clients. Calculated using an illustrative Babylon VBC PMPY pricing assumption based on management's current discussions and market knowledge; number of lives based on management's best estimates.

3) Assumes Babylon's existing clients with software license contracts purchase either fee-for-service or Babylon VBC for the lives covered under their existing contracts based on management's expectations. Assumes Babylon's existing clients with fee-for-service contracts purchase Babylon VBC for lives covered under their existing contracts. Calculated using illustrative pricing assumptions based on management's current discussions and market knowledge.

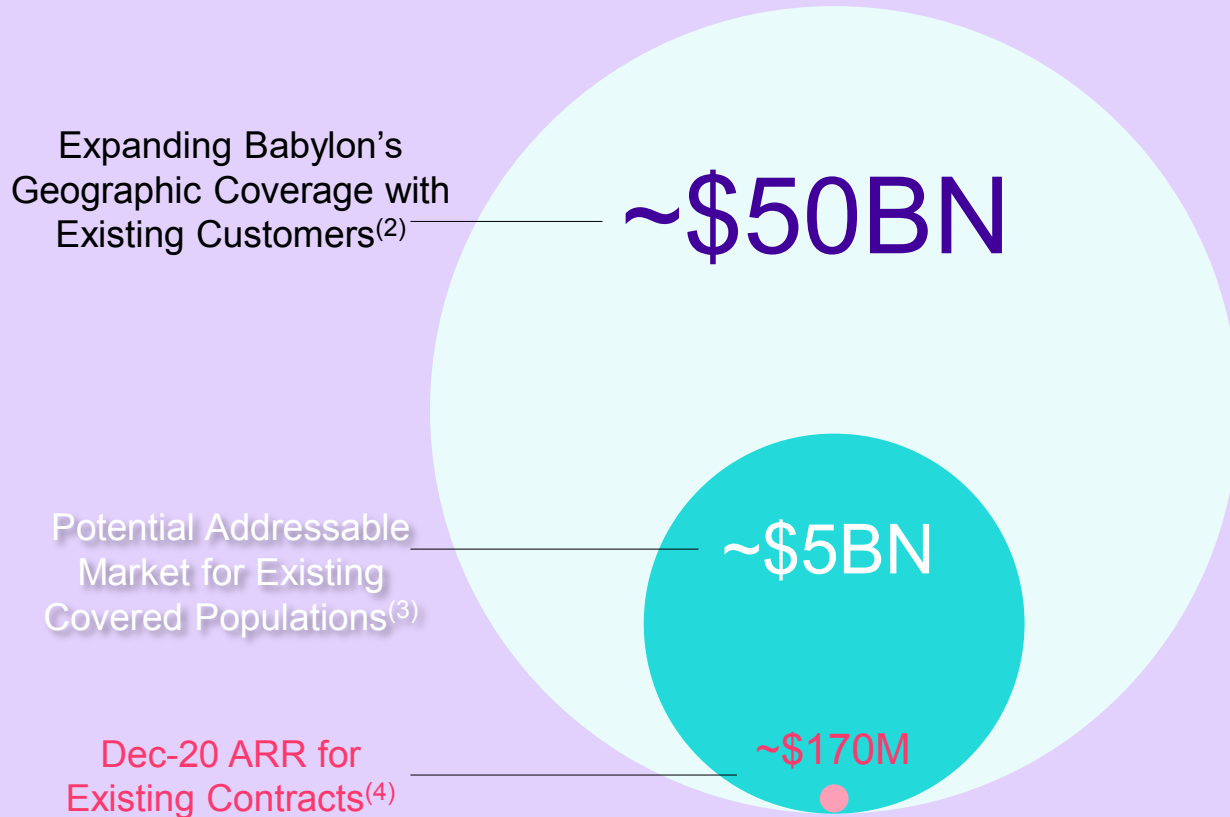
4) ARR (Annual Run-Rate Revenue) at the end of a given month is calculated at a point in time by multiplying that month's expected revenue by 12.

5) Babylon owns a 22% equity stake in Higi.

# 1 Significant Opportunity Within Existing Customer Base



## Potential Addressable Market for Existing Customers<sup>(1)</sup>



## Case Study: Large US Payor

Potential upsell opportunity with one payor based only on contracts already in discussion and in the pipeline<sup>(5)</sup>

	Total ARR <sup>(4)</sup>	Products
Historical Upsell		
Jun-2020	~\$6M	Software Licensing, Clinical Services
Dec-2020	~\$55M	Software Licensing, Clinical Services, VBC
Potential Upsell Based on Contracts in the Pipeline		
Dec-2023	~\$700M+	Software Licensing, Clinical Services, VBC

Source: Based on management estimates and a pipeline of contracts under discussion as of March 15, 2021. Notes:

- 1) Reflects potential addressable market based on existing clients including contracts not currently in the pipeline. Market size based on annualized monthly revenue of potential new contracts with existing customers.
- 2) Addressable market for Babylon VBC based on lives covered by Babylon's existing clients. Calculated using an illustrative Babylon VBC PMPY pricing assumption based on management's current discussions and market knowledge; number of lives based on management's best estimates.
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- 4) ARR (Annual Run-Rate Revenue) at the end of a given month is calculated at a point in time by multiplying that month's expected revenue by 12.
- 5) Based on management estimates and contracts under discussion as of March 15, 2021.



2

## Strong Pipeline of New Clients Worldwide



	Upselling Existing Clients	New Clients	Total Pipeline
Projected ARR <sup>(1)</sup>	<b>~\$1.2BN</b> ~98% VBC	<b>~\$2.4BN</b> ~99% VBC	<b>~\$3.6BN</b> ~99% VBC
Pipeline Coverage <sup>(2)</sup>	<b>2.5x</b>	<b>5.1x</b>	<b>7.6x</b>
Deal Count	<b>~15</b> ~55% VBC	<b>~35</b> ~55% VBC	<b>~50</b> ~55% VBC

Source: Based on management estimates and a pipeline of contracts under discussion as of March 15, 2021. Notes:

1) ARR (Annual Run-Rate Revenue) at the end of a given month is calculated at a point in time by multiplying that month's expected revenue by 12.

2) Multiple of estimated December 2021 Annual Run-Rate Revenue of ~\$475M.

3

## We Believe Babylon can Bolster Breadth of Offerings Through Targeted Acquisitions



### Consolidation

Plan to acquire legacy integrated care networks and improve their economics through highly scalable digital-first platform and provide access to new network of consumers and providers

Example Completed Deal



New Medicaid and Medicare Advantage Plans

### Distribution

Plan to increase customer touch points and explore new or augmented existing distribution channels

Example Completed Deal<sup>(1)</sup>



Retail Outlet Deployment

### Technology & Content

Plan to acquire tools and platforms that enhance Babylon's ability to deliver best-in-class digital-first care

Example Completed Deal<sup>(2)</sup>



New Geographies

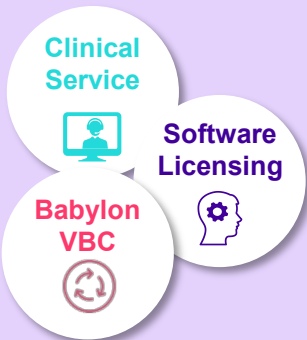
Notes:

1) Babylon owns a 22% equity stake.





2) Babylon bought a majority stake in DayToDay, which is subject to re-purchasing rights.



# Financial Deep Dive



# Revenue Model Review

	Value Based Care Via Babylon 360	Clinical Services	Software Licensing Via Babylon Cloud Services
Revenue Methodology	Capitation Revenue Per Member Per Month ("PMPM") <sup>(1)</sup>	License Fee (PMPM) + Fee-for-Service ("FFS")	Upfront Fee  (revenue recognized over the contract term)
Cost Methodology	Assume the financial responsibility for the healthcare expenses of members	Clinical Costs + Incremental Software Cost (minimal cost)	Incremental Software Cost (minimal cost)
Example Customer	 Home State Health	 (Leading UK Insurer)	 

Note: Reflects typical contracts under each Babylon product, however, specific contracts terms may vary.

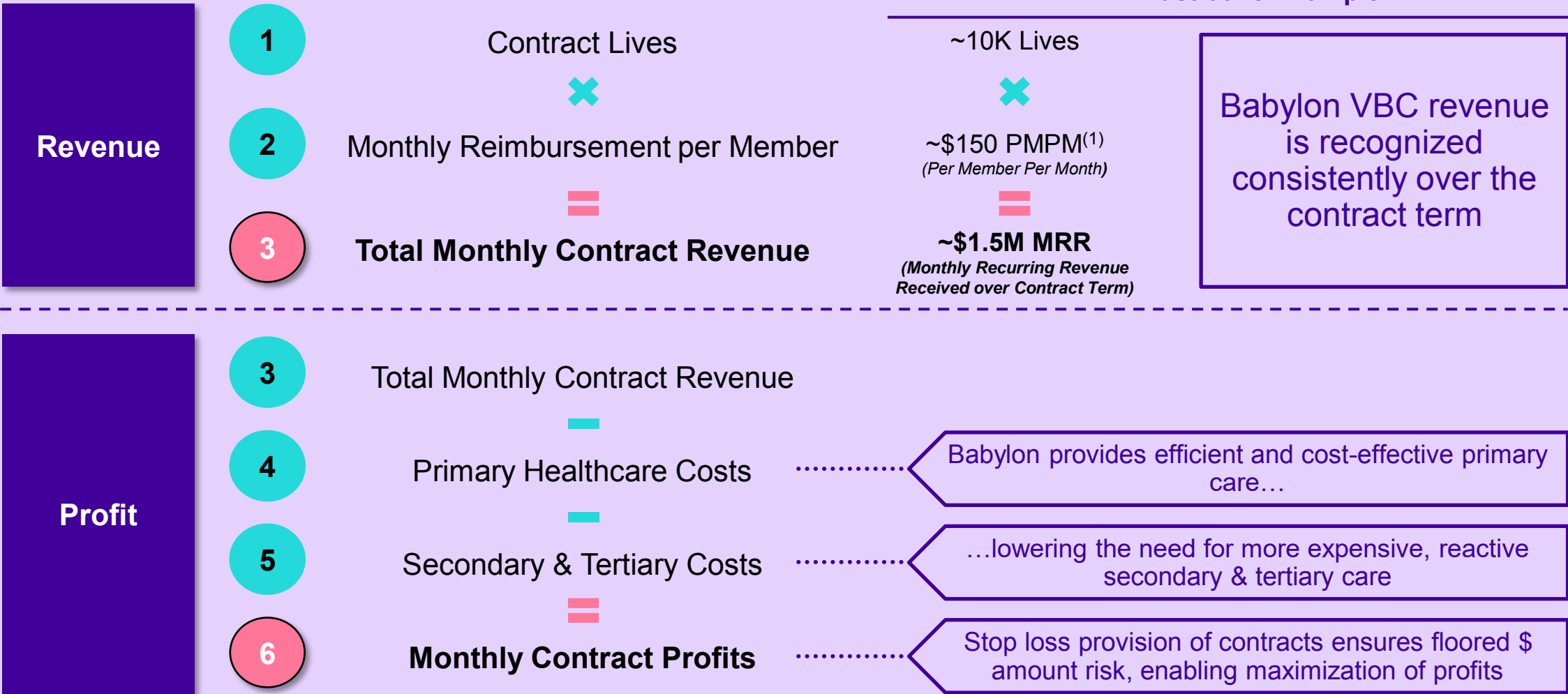
1) Significant portion of the PMPM fee is fixed, and the remainder of the PMPM fee is variable. Revenue from the variable PMPM fees can be earned through either, or a combination of, the achievement of certain performance metrics or the realization of healthcare savings resulting from the utilization of our services.



# Babylon VBC: Capitation Review

## Babylon VBC

## Illustrative Example



Note: 1) Illustrative PMPM for a Babylon VBC contract

# Consolidated Statement of Profit and Loss



For the Years Ended December 31,  
\$ in thousands

2019A

2020A

## Primary Drivers

<b>Revenue</b>	<b>16,034</b>	<b>79,272</b>
----------------	---------------	---------------

<b>1</b> Cost of Care Delivery	(19,810)	(67,254)
--------------------------------	----------	----------

<b>2</b> R&D and Technology Expenses	(68,153)	(84,188)
--------------------------------------	----------	----------

<b>3</b> Sales, General & Administration Expenses	(90,891)	(103,341)
---------------------------------------------------	----------	-----------

<b>Operating Loss</b>	<b>(162,820)</b>	<b>(175,511)</b>
-----------------------	------------------	------------------

Net Finance Costs	(101)	(3,920)
-------------------	-------	---------

Exchange Rate Gains / (Losses) <sup>(1)</sup>	17,075	(2,836)
-----------------------------------------------	--------	---------

Share of Loss of Equity-accounted Investees	-	(1,124)
---------------------------------------------	---	---------

<b>Loss Before Taxation</b>	<b>(145,846)</b>	<b>(183,391)</b>
-----------------------------	------------------	------------------

Tax Benefit / (Provision)	5,559	(4,639)
---------------------------	-------	---------

<b>Net Loss</b>	<b>(140,287)</b>	<b>(188,030)</b>
-----------------	------------------	------------------

**1** Fees paid to providers/health professionals plus costs incurred in connection with provider network operations; recorded as an expense when VBC revenue is recognized – largely variable driven by member activity and required medical services

**2** Employee-related expenses (salaries, bonuses, stock-based compensation expense, training expenses and benefits for employees and contractors in our technology department); includes tax credits relating to our R&D activities and the amortization of capitalized development costs; largely fixed expense base growing commensurate with ongoing maintenance and continued development

**3** Employee-related expenses, contractors and consultants' expense, stock-based compensation, property and facility related expenses, IT and hosting, marketing, training and recruiting expenses; includes depreciation of property, fixtures and fittings and amortization of acquired intangible assets; largely fixed expense base with expense growth associated with incremental costs as a new public company and other business growth related expense

Source: Management reporting. Note:

1) Gain includes those resulting from inter-company relationships with significant GBP balances within USD companies translated at rates in accordance with IFRS.

# Consolidated Statement of Profit and Loss (Cont'd)



For the Years Ended December 31,  
\$ in thousands

	2019A	2020A
<b>Revenue</b>	<b>16,034</b>	<b>79,272</b>
1 Cost of Care Delivery	(19,810)	(67,254)
2 R&D and Technology Expenses	(68,153)	(84,188)
3 Sales, General & Administrative Expenses	(90,891)	(103,341)
<b>Operating Loss</b>	<b>(162,820)</b>	<b>(175,511)</b>
4 Net Finance Costs	(101)	(3,920)
5 Exchange Rate Gains / (Losses) <sup>(1)</sup>	17,075	(2,836)
Share of Loss of Equity-accounted Investees	-	(1,124)
<b>Loss Before Taxation</b>	<b>(145,846)</b>	<b>(183,391)</b>
6 Tax Benefit / (Provision)	5,559	(4,639)
<b>Net Loss</b>	<b>(140,287)</b>	<b>(188,030)</b>

## Summary of Historical Performance

- 1 Increase in 2020 following launch of Value Based Care services in US; further increases in the UK, Canada and Rwanda due to increased demand for appointments
- 2 Increase in 2020 due to increased amortization following the launch of Licensing services in Asia and the US; technology headcount reduction in 2020 following mid-year restructuring
- 3 Increase in 2020 due to higher headcount in commercial and support services aligned to business growth; increased professional fees from FCMG acquisition and deployment of Babylon services into new markets
- 4 Finance costs relate primarily to lease obligations and the accounting for certain Licensing services when upfront payments are received from customers
- 5 Exchange rate loss primarily due to fluctuation between USD and GBP (majority of Babylon revenue received in USD, majority of expenses paid in GBP); exchange rate gain in 2019 results from majority of business operating in GBP despite the functional currency being USD
- 6 The change in tax (provision)/benefit is primarily the reversal of previously recognized tax benefits of \$4.3M related to U.K. tax credits for qualifying R&D activities, which will be amortized over the useful life of the related capitalized development costs as a reduction to R&D technology expense

Source: Management reporting. Note:

1) Gain includes those resulting from inter-company relationships with significant GBP balances within USD companies translated at rates in accordance with IFRS.

# Adjusted EBITDA Reconciliation



\$ in millions	2019A	2020A
<b>Net Loss</b>	<b>(140.3)</b>	<b>(188.0)</b>
1 (+) Depreciation & Amortization	2.5	14.5
2 (+) Net Finance Costs	0.1	3.9
3 (+) Tax	(5.6)	4.6
<b>EBITDA</b>	<b>(143.2)</b>	<b>(165.0)</b>
4 (+) Impairment	—	6.4
5 (+) Share Based Payments	8.0	9.6
6 (+) Exchange Rate (Gains) / Losses	(17.1)	2.8
<b>Adjusted EBITDA</b>	<b>(152.4)</b>	<b>(146.2)</b>

## Commentary

- 1 Increased amortization of capitalized technology costs as a result of new software licence contracts
- 2 Finance costs relate primarily to lease obligations and the accounting for certain Licensing services when upfront payments are received from customers
- 3 Primarily the reversal of previously recognized tax benefits related to U.K. tax credits for qualifying R&D activities, which will be amortized over the useful life of the related capitalized development costs as a reduction to R&D technology expense
- 4 Impairment of technology development costs
- 5 Share based compensation relating to employees
- 6 Exchange rate loss primarily due to fluctuation between USD and GBP (majority of Babylon revenue received in USD, majority of expenses paid in GBP); exchange rate gain in 2019 results from majority of business operating in GBP despite the functional currency being USD

Source: Management reporting.

Notes: We have not reconciled the non-IFRS measures for the future periods to their corresponding IFRS measures because certain reconciling items such as share-based payments and exchange rate gains and losses depend on factors such as the share price at the time of award of future grants and foreign exchange rates and thus cannot be reasonably predicted. Accordingly, reconciliation to the non-IFRS projected measures are not available without unreasonable effort.



# Condensed Consolidated Statement of Cash Flows



For the Years Ended December 31,  
\$ in thousands

2019A 2020A

## Cash Flow from Operating Activities

	Adjusted EBITDA	(152,358)	(146,155)
1	Share of Net Loss of Associates	-	1,124
2	Net Working Capital Adjustments	8,744	1,601
	<b>Net Cash Used in Operating Activities</b>	<b>(143,614)</b>	<b>(143,430)</b>

## Cash Flow from Investing Activities

3	Development Costs Capitalized	(36,036)	(36,509)
4	Payment for Acquired Trade Assets	-	(25,671)
5	Purchase of Shares in Associates	-	(10,000)
	Purchase of PPE	(1,915)	(719)
	Interest Received	1,015	673
	<b>Net Cash Used in Investing Activities</b>	<b>(36,936)</b>	<b>(72,226)</b>

## Cash Flow from Financing Activities

6	Proceeds from Issuance of Convertible Loan Notes	51,064	100,000
	Repayment of Loans	(16,025)	
	Net Proceeds from Issuance of Share Capital	319,561	1,851
	Other	(2,079)	(1,793)
	<b>Net Cash Provided by Financing Activities</b>	<b>352,251</b>	<b>100,058</b>

	<b>Cash and Cash Equivalents at January 1,</b>	<b>46,031</b>	<b>214,888</b>
	Net (Decrease) / Increase in Cash and Cash Equivalents	171,971	(115,598)
	Effect of Movements in Exchange Rate on Cash Held	(3,114)	2,467
	<b>Cash and Cash Equivalents at December 31,</b>	<b>214,888</b>	<b>101,757</b>

## Commentary

- 1 Relates to Babylon's investment in Higi
- 2 Greater portion of revenue was recognized from advanced payments from Licensing
- 3 Consistent with 2019, slight increase as a result of higher amortization and the mid-year restructure
- 4 Investments in a controlling stake in First Choice Medical Group
- 5 Investment in Higi
- 6 Issuance of \$100M worth of convertible loan notes in 2020, which were converted into equity in two tranches, with \$30M converting in December 2020 and \$70M converting in June 2021

# Condensed Consolidated Statement of Financial Position



As of December 31, \$ in thousands	2019A	2020A	As of December 31, \$ in thousands	2019A	2020A
<b>Non-Current Assets</b>			<b>Equity</b>		
Right-of-use Assets + PPE	7,030	3,906	Share Related Reserves	458,406	517,419
Goodwill and Investments in Associates	61	26,708	Retained Earnings	(282,705)	(469,504)
Other Intangible Assets	43,751	78,853	Translation Differences	(1,904)	1,675
<b>Total Non-Current Assets</b>	<b>50,842</b>	<b>109,467</b>	<b>Total Capital and Reserves</b>	<b>173,797</b>	<b>49,590</b>
<b>Current Assets</b>			Non-Controlling Interest	-	(1,231)
Prepayments, Receivables and Other	23,104	22,366	<b>Total Equity</b>	<b>173,797</b>	<b>48,359</b>
Cash and Cash Equivalents	214,888	101,757	<b>Liabilities</b>		
Other	-	5,224	Contract & Lease Liabilities	68,477	59,285
<b>Total Current Assets</b>	<b>237,992</b>	<b>129,347</b>	Other	-	7,488
<b>Total Assets</b>			<b>Total Non-Current Liabilities</b>	<b>68,477</b>	<b>66,773</b>
			Loans & Borrowings	-	70,357
			Other Current Liabilities	46,560	53,325
			<b>Total Current Liabilities</b>	<b>46,560</b>	<b>123,682</b>
			<b>Total Liabilities</b>	<b>115,037</b>	<b>190,455</b>
			<b>Total Liabilities &amp; Equity</b>		
				<b>288,834</b>	<b>238,814</b>

Source: Management reporting.



Thank you



babylon



# Appendix

# Glossary



Term	Definition
<b>A&amp;E</b>	Accident & Emergency
<b>AI</b>	Artificial Intelligence
<b>ARR</b>	Annual Run-Rate Revenue
<b>B2B</b>	Business to Business
<b>CAGR</b>	Compounded Annual Growth Rate
<b>EBITDA</b>	Earnings Before Interest Tax Depreciation & Amortisation
<b>ER</b>	Emergency Room
<b>GP</b>	General Practitioner
<b>GTM</b>	Go-to-market

Term	Definition
<b>HSH</b>	Home Street Health
<b>NHS QOF</b>	National Healthcare Service Quality Outcomes Framework
<b>PIPE</b>	Private Investment in Public Equity
<b>PMPM</b>	Per Member Per Month
<b>PMPY</b>	Per Member Per Year
<b>RWT</b>	The Royal Wolverhampton NHS Trust
<b>SaaS</b>	Software as a Service
<b>TEV</b>	Total Enterprise Value
<b>VBC</b>	Value Based Care

# Risk Factors Summary



1. 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.
2. Our relatively limited operating history makes it difficult to evaluate our current business and future prospects and increases the risk of your investment.
3. 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 would be harmed.
4. Our business and growth strategy depend on our ability to maintain and expand a network of qualified providers. If we are unable to do so, our future growth would be limited and our business, financial condition and results of operations would be harmed.
5. We are dependent on our relationships with physician-owned entities, which are affiliated professional entities that we do not own, to hold contracts and provide healthcare services, and our business would be harmed if those relationships were disrupted.
6. If we are unable to attract new customers and expand member enrollment with existing customers, our revenue growth could be slower than we expect, and our business may be adversely affected.
7. If our existing customers do not continue or renew their contracts with us, renew at lower fee levels or decline to purchase additional applications and services from us, it could have a material adverse effect on our business, financial condition and results of operations.
8. Our revenue sources are highly concentrated, the loss of any of which would have a material adverse effect on our business, financial condition and results of operations.
9. Under many of our agreements with health plans, we assume some or all of the risk that the cost of providing services will exceed our compensation. Over time, we expect the proportion of risk-based revenue may increase.
10. We may face intense competition, which could limit our ability to maintain or expand market share within our industry, and if we do not maintain or expand our market share our business and operating results will be harmed.
11. If we are not able to develop and release new solutions and services, or successful enhancements, new features and modifications to our existing solutions and services, our business could be adversely affected.
12. There are significant risks associated with estimating the amount of revenue that we recognize under our risk-based agreements with health plans, and if our estimates of revenue are materially inaccurate, it could impact the timing and the amount of our revenue recognition or have a material adverse effect on our business, financial condition, results of operations and cash flows.
13. Security breaches, loss of data and other disruptions could compromise sensitive information related to our business or members, or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation.
14. Our use, disclosure, and other processing of personally identifiable information, including health information, is subject to HIPAA, the GDPR and the DPA 2018, and other 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, a material adverse effect on our client base, member base and revenue.
15. If we are unable to obtain, maintain and enforce intellectual property protection for our technology or if the scope of our intellectual property protection is not sufficiently broad, others may be able to develop and commercialize technology substantially similar to ours, and our ability to successfully commercialize our technology may be adversely affected.
16. We may become subject to medical liability claims, which could cause us to incur significant expenses and may require us to pay significant damages if not covered by insurance.
17. We have been and may in the future become subject to litigation or regulatory investigation, which could harm our business.
18. We rely on internet infrastructure, bandwidth providers, third-party computer hardware and software and other third parties for providing services to our customers and members, and any failure or interruption in the services provided by these third parties could expose us to litigation and negatively impact our relationships with customers and members, adversely affecting our operating results.
19. We conduct business in a heavily regulated industry and if we fail to comply with these laws and government regulations, we could incur penalties or be required to make significant changes to our operations or experience adverse publicity, which could have a material adverse effect on our business, financial condition, and results of operations.
20. The impact of recent healthcare reform legislation and other changes in the healthcare industry and in healthcare spending on us is currently unknown, but may adversely affect our business, financial condition and results of operations.
21. We depend on our talent to grow and operate our business, and if we are unable to hire, integrate, develop, motivate and retain our personnel, we may not be able to grow effectively.