
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 6-K

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934**

For the month of November 2022

Commission File Number: 001-40952

Babylon Holdings Limited

**2500 Bee Cave Road
Building 1 - Suite 400
Austin, TX 78746
United States
(Address of principal executive office)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.
Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

INFORMATION CONTAINED IN THIS REPORT ON FORM 6-K

Earnings Release

On November 10, 2022, Babylon Holdings Limited issued a press release announcing its financial and operating results for the third quarter ended September 30, 2022. Copies of the press release and accompanying presentation are furnished herewith as Exhibit 99.1 and Exhibit 99.2, respectively, to this Report on Form 6-K.

EXHIBIT INDEX

Exhibit Number	Exhibit Title
<u>99.1</u>	<u>Press Release, dated November 10, 2022</u>
<u>99.2</u>	<u>Earnings Release Slides</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Babylon Holdings Limited

Date: November 10, 2022

/s/ David Humphreys

David Humphreys

Chief Financial Officer

Babylon Reports Another Strong Quarter Ahead of Consensus Estimates with Revenue Growth of 3.9x and 45 ppts Adjusted EBITDA Margin Improvement

- *Third quarter revenue grew 3.9x year-over-year to \$288.9 million*
- *U.S. value-based care members grew by 171% year-over-year, including 285% growth in Medicare membership*
- *Adjusted EBITDA Margin of (18.8)% for the quarter (equivalent to \$(18.1) million Adjusted EBITDA per month), a 45 percentage points improvement year-over-year, reflecting successful execution of cost reduction actions*
- *Partnering with Ambetter Health to provide digital-first value-based care services to Commercial Exchange members across 6 U.S. states from January 2023, as well as extending key partnership with Bupa in the UK to cover 2.3 million customers*
- *Members enrolled in integrated behavioral health programs experienced a more than 50% reduction in depression and anxiety burdens, which is a leading indicator for reduced claims expense*
- *Increasing full year 2022 revenue guidance to \$1.05 billion to \$1.1 billion and reiterating Adjusted EBITDA guidance of \$(270.0) million or less*
- *Completed \$80 million private placement and announced intention to sell IPA business in California in early 2023. Together this is expected to fund Babylon to profitability*

AUSTIN, TEXAS & LONDON, UK – November 10, 2022 – Babylon Holdings Limited (NYSE: BBLN) (“Babylon”) today announced its financial and operating results for the third quarter ended September 30, 2022.

“I am truly thankful to our teams for delivering such strong third quarter results, ahead of consensus estimates across key metrics including both revenue and Adjusted EBITDA,” said Ali Parsa, CEO and Founder of Babylon. “We have achieved almost 4x revenue growth to \$289 million, and an Adjusted EBITDA Margin of (19)%, which is a strong year-on-year improvement of 45 ppts. In Q3, we expanded key partnerships across the UK, Rwanda and APAC and added approximately 10,000 new Medicare members in the U.S. Open enrollment has also begun for our important new Ambetter contracts for commercial members across 6 U.S. states. This shows the scalability of our digital-first integrated primary care platform for population health management.”

David Humphreys, Chief Financial Officer, added, “Babylon has delivered another strong financial performance in the third quarter of 2022, delivering revenue and Adjusted EBITDA results that are both ahead of consensus estimates and place us comfortably on track to meet our Adjusted EBITDA target for the year and exceed our previously announced revenue target. We also closed a fully subscribed \$80 million private placement, which when added to our cash balance at September 30 provides aggregate cash availability of \$190 million, and announced plans to sell our IPA business in California, which we expect to provide sufficient capital for Babylon’s funding requirements through profitability.”

Third Quarter Financial Results

Comparison of the following financial results for the three months ended September 30, 2022, compared to the three months ended September 30, 2021:

- Total revenue was \$288.9 million compared to \$74.5 million, a 3.9x year-over-year increase of \$214.4 million. This was primarily due to the growth in value-based care (“VBC”) revenue, which increased by 380% year-over-year to \$267.7 million in Q3 2022, and was driven especially by a 285% year-over-year growth in Medicare membership.
 - Loss for the period totaled \$89.9 million, or a 31.1% Loss for the Period Margin, compared to Loss for the period of \$66.0 million, or a 88.6% Loss for the Period Margin, in the third quarter of 2021. Loss for the Period Margin improved this quarter by 57 percentage points.
 - Claims expense increased year-over-year, from \$51.3 million in Q3 2021 to \$264.3 million in Q3 2022. Our Medical Margin, which is defined as one minus Claims expense as a percentage of our VBC revenue, improved from 0.9% in the first half of 2022 to 1.3% in Q3 2022. This is within the context that the majority
-

of our VBC revenue comes from contracts which are less than one year old, and we are still in the early stages of seeing the benefits of our capabilities among our members.

- Clinical care delivery expense increased slightly year-over-year, from \$17.0 million in Q3 2021 to \$18.5 million in Q3 2022 but decreased significantly as a percentage of revenue from 22.9% to 6.4%, demonstrating operational leverage across our network.
- Adjusted EBITDA totaled \$(54.3) million, an (18.8)% Adjusted EBITDA Margin, compared to \$(47.5) million Adjusted EBITDA, or (63.7)% Adjusted EBITDA Margin, in the third quarter of 2021, which is equivalent to \$(18.1) million per month and a year-over-year improvement of 45 percentage points. This was driven by successful execution of cost reduction actions expected to deliver up to \$100 million in yearly savings.

Adjusted EBITDA, Adjusted EBITDA Margin, Medical Loss Ratio and Medical Margin are non-IFRS measures. An explanation of non-IFRS measures, a reconciliation of Adjusted EBITDA to the most comparable IFRS measure, Loss for the period, and the calculations of IFRS Loss for the Period Margin, Adjusted EBITDA Margin, Medical Loss Ratio and Medical Margin, have been provided at the end of this press release.

Recent Highlights

- U.S. VBC membership grew 2.7x year-on-year to a total of approximately 271,000 U.S. VBC members as of September 30, 2022. The breakout of U.S. VBC Members by health insurance program type is shown below:

% of Total U.S. VBC Members:	December 31, 2020	December 31, 2021	September 30, 2022
Medicaid	88 %	84 %	77 %
Medicare	12 %	7 %	17 %
Commercial	—	9 %	6 %
Total U.S. VBC Members¹	66,000	167,000	271,000

- In July 2022, Babylon launched a new VBC contract covering approximately 10,000 Medicare Advantage members in New Mexico, furthering the diversification of our VBC portfolio. This quarter, Medicare and commercial populations made up 44% of VBC revenue.
- Babylon partnered with Ambetter to expand its digital-first Commercial Exchange product with Babylon across 6 U.S. states. Babylon will provide VBC services to commercial members through a digital-first product from January 2023.
- Babylon expanded key partnerships across the UK, Rwanda and APAC:
 - In the UK, Babylon extended a partnership with Bupa for an additional three years to deliver digital health services to 2.3 million Bupa UK health insurance customers.
 - In Rwanda, Babylon launched an AI-triage symptom checker pilot across 5 public health centers.
 - In Vietnam, Babylon announced the launch of a digital-first health service for low-income communities in partnership with Population Services International (PSI).
- Babylon's initiatives targeting specific high areas of claims expenses demonstrated success. For example, members enrolled in our integrated behavioral health programs experienced a more than 50% reduction in depression and anxiety burdens over the course of the program as measured by industry standard rating scales. This is a leading indicator for an overall reduction in claims expense across both medical and behavioral health categories.

¹ Rounded to nearest thousand. "U.S. VBC Members" means individuals who are covered by one of our U.S. value-based care agreements with a health plan or healthcare provider. Under these agreements, we take financial responsibility for all or some of the surpluses or deficits in total actual costs under the agreement compared to our negotiated fixed per member per month, or capitation, allocation. Total U.S. VBC Members for December 31, 2020 and December 31, 2021 as per Babylon's Annual Report on Form 20-F filed with the SEC on March 30, 2022. VBC membership figures may include some estimates for lagging data provided by health plans and may be subject to true-ups and adjustments in the future.

- Babylon raised \$80 million through a fully subscribed private placement of Class A ordinary shares to institutional investors, including entities affiliated with its two largest existing institutional investors, Kinnevik AB (publ) and VNV Global AB (publ).
- Babylon announced plans to sell Meritage Medical Network (“Meritage”), a network of approximately 1,800 physicians providing physical care in California with over \$400 million in estimated 2022 revenue, in order to focus on its core business model through further investment in its digital-first contracts. Babylon has initiated a formal process for the sale of Meritage with a major investment bank acting as its financial advisor for the sale process. Together with the \$80 million private placement completed this month, this is expected to provide sufficient capital for Babylon’s funding requirements through profitability.
- Babylon announced plans to complete a reverse share split in December 2022 and to recruit and appoint additional independent members of its Board of Directors. Babylon completed the conversion of its outstanding Class B ordinary shares to Class A ordinary shares in early November, resulting in an equity capital structure consisting entirely of Class A ordinary shares and the discontinuation of its dual class voting share structure.
- As part of its transition to U.S. domestic reporting company status, Babylon will, beginning January 1, 2023, cease to file reports with the U.S. Securities and Exchange Commission (the “SEC”) as a foreign private issuer, and begin complying with the SEC reporting requirements for a domestic issuer. Babylon will report its Q4 and 2022 year-end results under U.S. GAAP. Its full-year 2022 audited financial statements, prepared under U.S. GAAP, will be filed in an Annual Report on Form 10-K.

FY 2022 Financial Guidance

For the twelve months ending December 31, 2022, Babylon is updating its revenue guidance from \$1.0 billion or greater to \$1.05 billion to \$1.1 billion. Babylon is reiterating its improved Adjusted EBITDA guidance for FY 2022 of \$(270) million or less.

Babylon continues to target reaching profitability on an Adjusted EBITDA basis no later than 2025.

These statements are forward-looking and actual results may differ materially. Please refer to the Forward-Looking Statements safe harbor below for information on the factors that could cause our actual results to differ materially from these forward-looking statements. Babylon is unable to reconcile projected Adjusted EBITDA loss for 2022 to the most directly comparable IFRS measure, as we are not able to forecast Loss for the period on a forward-looking basis without unreasonable efforts due to the high variability and difficulty in predicting certain items that affect Loss for the period, including, but not limited to, changes in fair value of warrant liabilities, 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 Loss for the period as the difference between the two measures is variable and may be significant.

Third Quarter 2022 Earnings Conference Call

Babylon will host a conference call to discuss third quarter 2022 results on November 10, 2022, at 8:00 a.m. Eastern Time. To participate in the Company’s live conference call and webcast, please dial (877) 407-7994 for U.S. participants, 0800 756 3429 for U.K. participants, or +1 215-268-9868 for international participants. Alternatively, you can visit the “News & Events” section of <https://ir.babylonhealth.com/> to access the live webcast. On this page, you can also find a “Call me” link for instant telephone access to the event, which will be made active 15 minutes prior to the scheduled start time. A replay of the call will be available via webcast for on-demand listening shortly after the completion of the call, at the same web link, and will remain available for approximately 90 days.

Additional Notes

Adjusted EBITDA, Adjusted EBITDA Margin, Medical Loss Ratio and Medical Margin are non-IFRS measures. An explanation of non-IFRS measures, a reconciliation of Adjusted EBITDA to the most comparable IFRS measure, Loss for the period, and the calculations of IFRS Loss for the Period Margin, Adjusted EBITDA Margin, Medical Loss Ratio and Medical Margin, have been provided at the end of this press release.

Accompanying supplemental information will be posted to the Investor Relations section of Babylon’s website at <https://www.babylonhealth.com>.

About Babylon

At Babylon, our mission is to make quality healthcare accessible and affordable for every person on Earth. To this end we are building an integrated digital first primary care service that can manage population health at scale.

Founded in 2013, we are reengineering how people engage with their care at every step of the healthcare continuum. By flipping the model from reactive sick care to proactive healthcare through the devices people already own, we offer millions of people globally, ongoing, always-on care. And, we have already shown that in environments as diverse as the developed UK or developing Rwanda, urban New York or rural Missouri, for people of all ages, it is possible to achieve our mission by leveraging our highly scalable, digital-first platform combined with high quality, virtual clinical operations to provide integrated, personalized healthcare.

Today, we support a global patient network across 15 countries, and operate in 16 languages. In 2021 alone, Babylon helped a patient every 6 seconds, with approximately 5.2 million consultations and AI interactions. Importantly, this was achieved with a 93% user retention rate in our NHS GP at Hand service and 4 or 5-star ratings from more than 90% of our users across all of our geographies. We are working to demonstrate how our model of digital first integrated primary care can be applied to manage the health of the population in different settings across Medicare, Medicaid, and commercial value based care contracts in the US and our primary care services in the UK.

Babylon is also working with governments, health providers, employers and insurers across the globe to provide them with a new digital-first platform that any partner can use to deliver high-quality healthcare with lower costs and better outcomes. For more information, please visit www.babylonhealth.com.

Forward-Looking Statements

This press release 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 press release, 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 ability to generate profits in the future; that we may require additional financing and our ability to obtain additional financing on favorable terms; our ability to sell the Meritage Medical Network/IPA business, including the timing of the sale and the sale price; the impact of our planned reverse share split on the price and trading market for our Class A ordinary shares; if we fail to comply with the NYSE’s continued listing standards and rules, the NYSE may delist our Class A ordinary shares; uncertainties related to our ability to continue as a going concern; our ability to successfully execute our planned cost reduction actions and realize the expected cost savings; the growth of our business and organization; risks associated with impairment of goodwill and other intangible assets; 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 unsupportable 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; difficulty in hiring and retaining talent to operate our business; risks associated with our international operations, economic uncertainty, or downturns; 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; risks associated with foreign currency exchange rate fluctuations and restrictions; 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 press release.

Table 1
Babylon Holdings Limited
Consolidated Statement of Profit and Loss and Other Comprehensive Loss
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Revenue:				
Value-based care	267,686	55,715	758,359	122,107
Software licensing	7,168	7,983	22,299	52,228
Clinical services	14,044	10,764	40,048	28,898
Total revenue	288,898	74,462	820,706	203,233
Claims expense	(264,283)	(51,298)	(750,599)	(115,599)
Clinical care delivery expense	(18,505)	(17,038)	(64,081)	(44,874)
Platform & application expenses	(8,307)	(7,127)	(38,366)	(28,504)
Research & development expenses	(16,231)	(19,339)	(44,946)	(36,540)
Sales, general & administrative expenses	(57,439)	(42,166)	(183,718)	(118,771)
Impairment expense	(1,400)	—	(54,624)	—
Operating loss	(77,267)	(62,506)	(315,628)	(141,055)
Finance costs	(8,901)	(2,051)	(25,345)	(4,294)
Finance income	284	2	667	30
Change in fair value of warrant liabilities	1,143	—	17,509	—
Loss on settlement of warrants	(22)	—	(2,397)	—
Exchange loss	(4,848)	(396)	(12,645)	(487)
Net finance expense	(12,344)	(2,445)	(22,211)	(4,751)
Gain on sale of subsidiary	—	—	—	3,917
Share of loss of equity-accounted investees	—	(1,017)	—	(2,293)
Loss before taxation	(89,611)	(65,968)	(337,839)	(144,182)
Tax (provision) / benefit	(280)	(7)	(488)	2,486
Loss for the period	(89,891)	(65,975)	(338,327)	(141,696)
Other comprehensive loss				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	(102)	(159)	(2,360)	(226)
Other comprehensive loss for the period, net of income tax	(102)	(159)	(2,360)	(226)
Total comprehensive loss for the period	(89,993)	(66,134)	(340,687)	(141,922)
Loss attributable to:				
Equity holders of the parent	(89,891)	(65,247)	(338,327)	(140,153)
Non-controlling interest	—	(728)	—	(1,543)
	(89,891)	(65,975)	(338,327)	(141,696)
Total comprehensive loss attributable to:				
Equity holders of the parent	(89,993)	(65,406)	(340,687)	(140,379)
Non-controlling interest	—	(728)	—	(1,543)
	(89,993)	(66,134)	(340,687)	(141,922)
Loss per share				
Net loss per share, Basic and Diluted	(0.23)	(0.08)	(0.88)	(0.17)
Weighted average shares outstanding, Basic and Diluted	390,526,607	815,587,500	386,606,557	824,429,412

Table 2
Babylon Holdings Limited
Consolidated Statement of Cash Flows
(Unaudited)

	For the Nine Months Ended September 30,	
	2022	2021
	\$'000	\$'000
Cash flows from operating activities		
Loss for the period	(338,327)	(141,696)
<i>Adjustments to reconcile Loss for the period to net cash used in operating activities:</i>		
Share-based compensation	27,921	19,585
Depreciation and amortization	28,879	22,145
Impairment expense	54,624	—
Finance costs	25,345	4,294
Finance income	(667)	(30)
Change in fair value of warrant liabilities	(17,509)	—
Loss on settlement of warrants	2,397	—
Exchange loss	12,645	487
Taxation	488	(2,486)
Gain on sale of subsidiary	—	(3,917)
Share of loss of equity-accounted investees	—	2,293
	(204,204)	(99,325)
<i>Working capital adjustments</i>		
Decrease / (increase) in trade and other receivables	7,410	(18,015)
Increase in trade and other payables	6,313	56,966
Net cash used in operating activities	(190,481)	(60,374)
Cash flows from investing activities		
Development costs capitalized	(23,568)	(24,074)
Capital expenditures	(8,624)	(5,331)
Interest received	667	30
Proceeds from sale of investment in subsidiary	—	(13,835)
Payment for acquisition of subsidiaries	—	(5,000)
Purchase of shares in associates and joint ventures	—	2,213
Net cash used in investing activities	(31,525)	(45,997)
Cash flows from financing activities		
Proceeds from issuance of notes and warrants	100,000	63,000
Payment of equity and debt issuance costs	(6,113)	(1,000)
Interest paid	(4,798)	(2,816)
Principal payments on leases	(4,321)	(2,677)
Other financing activities, net	(1,315)	(482)
Repayment of borrowings	—	(15,000)
Net cash provided by (used in) financing activities	83,453	41,025
Net increase in cash and cash equivalents	(138,553)	(65,346)
Cash and cash equivalents at January 1,	262,581	101,757
Effect of movements in exchange rate on cash held	(13,797)	721
Cash and cash equivalents at end of period	110,231	37,132

Table 3
Babylon Holdings Limited
Consolidated Statement of Financial Position
(Unaudited)

	September 30, 2022	December 31, 2021
	\$'000	\$'000
ASSETS		
Non-current assets		
Right-of-use assets	15,379	7,844
Property, plant and equipment	25,280	24,990
Goodwill	43,126	93,678
Other intangible assets	102,288	111,421
Total non-current assets	186,073	237,933
Current assets		
Right-of-use assets	4,259	3,999
Trade and other receivables	29,922	24,119
Prepayments and contract assets	15,991	26,000
Cash and cash equivalents	110,231	262,581
Total current assets	160,403	316,699
Total assets	346,476	554,632
EQUITY AND LIABILITIES		
EQUITY		
Ordinary share capital	16	16
Share premium	927,935	922,897
Share-based payment reserve	111,095	80,371
Retained earnings	(1,176,313)	(837,986)
Foreign currency translation reserve	(2,387)	(27)
Total capital and reserves	(139,654)	165,271
Total equity	(139,654)	165,271
LIABILITIES		
Non-current liabilities		
Loans and borrowings	270,264	168,601
Contract liabilities	46,471	70,396
Lease liabilities	15,988	8,442
Deferred grant income – tax credit	7,627	7,236
Deferred tax liability	727	1,019
Total non-current liabilities	341,077	255,694
Current liabilities		
Trade and other payables	26,853	22,686
Accruals and provisions	49,976	36,856
Claims payable	42,402	24,628
Contract liabilities	18,058	23,786
Warrant liability	1,397	20,128
Lease liabilities	4,684	4,190
Deferred grant income – tax credit	1,683	1,208
Loans and borrowings	—	185
Total current liabilities	145,053	133,667
Total liabilities	486,130	389,361
Total liabilities and equity	346,476	554,632

Table 4
Babylon Holdings Limited
Non-IFRS Financial Measures
(Unaudited)

EBITDA is defined as profit (loss) for the period, adjusted for finance costs and income, depreciation and amortization, and tax provision or benefit. Adjusted EBITDA is defined as profit (loss) for the period, adjusted for finance costs and income, depreciation and amortization, tax provision or benefit, impairment expenses, change in fair value of warrant liabilities, loss on settlement of warrants, share-based compensation, foreign exchange gain or loss, restructuring and other one-time benefit arrangements and gain or loss on sale of subsidiaries. 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. Medical Loss Ratio and Medical Margin are derived from amounts presented in the Statement of Profit and Loss included in the table below.

We believe that EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Medical Loss Ratio and Medical Margin (collectively, the “Non-IFRS Measures”) 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, Adjusted EBITDA Margin, Medical Loss Ratio and Medical 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 any of the Non-IFRS Measures may not be comparable to similar measures disclosed by other issuers, because some issuers calculate certain of the Non-IFRS Measures differently or not at all, limiting their usefulness as direct comparative measures.

The following table presents a reconciliation of specific IFRS measures to the Non-IFRS Measures used by management. These include EBITDA and Adjusted EBITDA from the most directly comparable IFRS measure, Loss for the period, and the calculations of IFRS Loss for the Period Margin, Adjusted EBITDA Margin, Medical Loss Ratio and Medical Margin, for the three and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Loss for the period	(89,891)	(65,975)	(338,327)	(141,696)
<i>Adjustments to calculate EBITDA:</i>				
Finance costs and income	8,617	2,049	24,678	4,264
Depreciation and amortization	7,477	8,823	28,879	22,145
Tax provision / (benefit)	280	7	488	(2,486)
EBITDA	(73,517)	(55,096)	(284,282)	(117,773)
<i>Adjustments to calculate Adjusted EBITDA:</i>				
Impairment expense	1,400	—	54,624	—
Change in fair value of warrant liabilities	(1,143)	—	(17,509)	—
Loss on settlement of warrants	22	—	2,397	—
Share-based compensation	8,955	7,241	27,921	19,585
Exchange loss / (gain)	4,848	396	12,645	487
Restructuring and other one-time benefit arrangements	5,135	—	8,983	—
Gain on sale of subsidiary	—	—	—	(3,917)
Adjusted EBITDA	(54,300)	(47,459)	(195,221)	(101,618)
Total revenue	288,898	74,462	820,706	203,233
Value-based care revenue	267,686	55,715	758,359	122,107
Claims expense	(264,283)	(51,298)	(750,599)	(115,599)
IFRS Loss for the Period Margin	(31.1)%	(88.6)%	(41.2)%	(69.7)%
Adjusted EBITDA Margin	(18.8)%	(63.7)%	(23.8)%	(50.0)%
Medical Loss Ratio	98.7 %	92.1 %	99.0 %	94.7 %
Medical Margin	1.3 %	7.9 %	1.0 %	5.3 %

Contacts:

Media

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Investors

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Q3 2022 Earnings
November 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 ability to generate profits in the future; that we may require additional financing and our ability to obtain additional financing on favorable terms; our ability to sell the Meritage Medical Network/PA business, including the timing of the sale and the sale price; the impact of our planned reverse share split on the price and trading market for our Class A ordinary shares; if we fail to comply with the NYSE's continued listing standards and rules, the NYSE may delist our Class A ordinary shares; uncertainties related to our ability to continue as a going concern; our ability to successfully execute our planned cost reduction actions and realize the expected cost savings; the growth of our business and organization; risks associated with impairment of goodwill and other intangible assets; 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 unsupportable 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; difficulty in hiring and retaining talent to operate our business; risks associated with our international operations, economic uncertainty, or downturns; 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; risks associated with foreign currency exchange rate fluctuations and restrictions; 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 historical and projected financial and operating performance, and measures calculated based on these measures, including Adjusted EBITDA, Adjusted EBITDA Margin, Medical Loss Ratio and Medical Margin, that are not prepared in accordance with IFRS. EBITDA is defined as profit (loss) for the period, adjusted for finance costs and income, depreciation and amortization, and tax provision or benefit. Adjusted EBITDA is defined as profit (loss) for the period, adjusted for finance costs and income, depreciation and amortization, tax provision or benefit, change in fair value of warrant liabilities, loss on settlement of warrants, share-based compensation, impairment expenses, foreign exchange gain, restructuring and other one-time benefit arrangements, or loss and gain on sale of subsidiaries. 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. Medical Loss Ratio and Medical Margin are derived from amounts presented in the Statement of Profit and other Comprehensive Loss included in the "Financial Statements and Reconciliations" section of this presentation.

We believe that EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Medical Loss Ratio and Medical 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, Adjusted EBITDA Margin, Medical Loss Ratio and Medical 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, Adjusted EBITDA Margin, Medical Loss Ratio and Medical Margin may not be comparable to similar measures disclosed by other issuers, because some issuers calculate EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Medical Loss Ratio and Medical Margin differently or not at all, limiting their usefulness as direct comparative measures.

A reconciliation of EBITDA and Adjusted EBITDA from the most directly comparable IFRS measure, Loss for the period, and the calculations of IFRS Loss for the period margin, Adjusted EBITDA Margin, Medical Loss Ratio and Medical Margin been provided in the "Financial Statements and Reconciliations" section of this presentation.

We are not able to reconcile projected 2022 Adjusted EBITDA to the respective most directly comparable IFRS measure 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, restructuring and other one-time benefit expenses, 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.

Summary Progress for Q3 2022

Key Highlights

288%

Revenue growth year-over-year

+45ppt

Adjusted EBITDA Margin improvement
year-over-year

4.8x

Growth in VBC Revenue
year-over-year

Total revenue of \$289m, representing a 288% increase from Q3 2021 revenue of \$74m

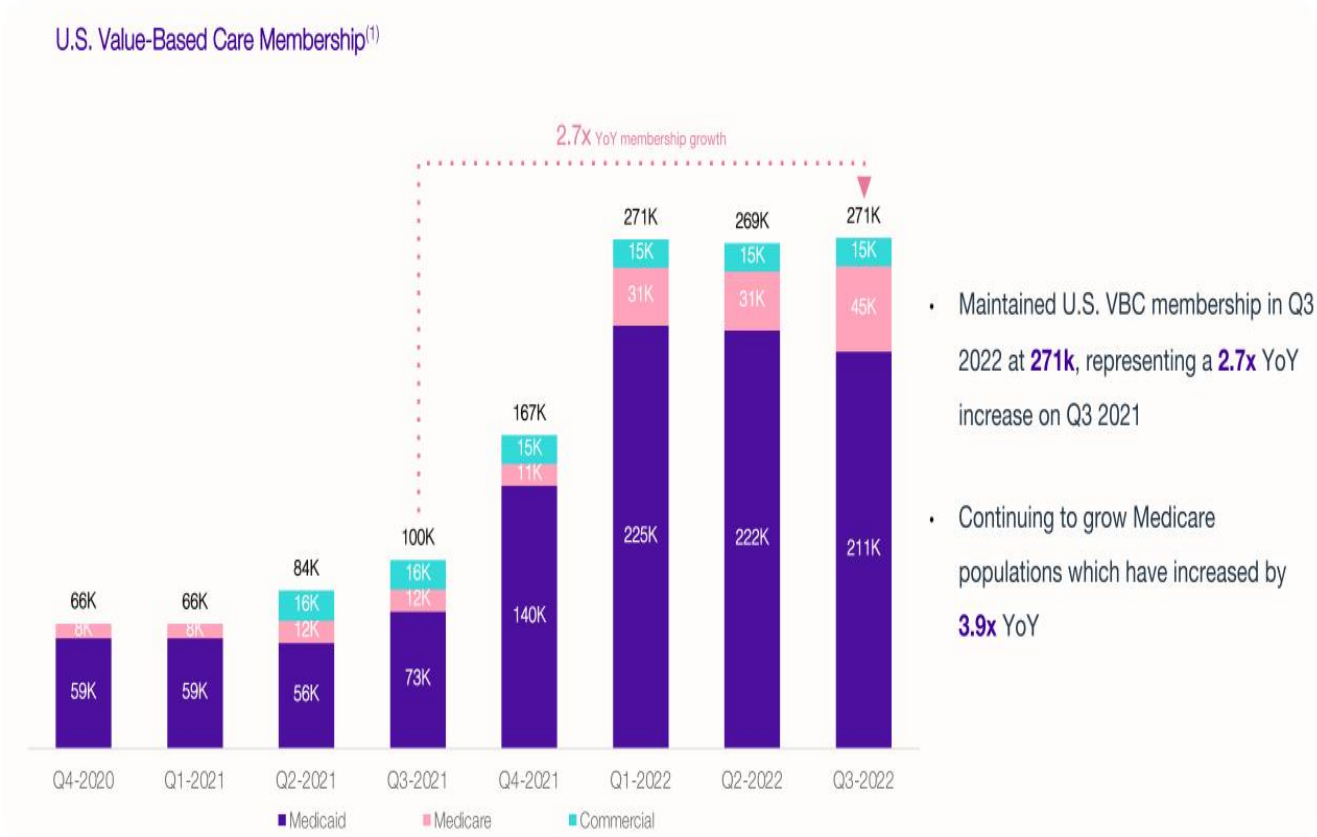
VBC revenue grew 4.8x year-over-year, while U.S. VBC membership increased by 2.7x over the same period, with Medicare and Commercial populations providing 44% of total VBC revenue

Clinical Care Delivery Expense decreased as a percentage of total revenue from 23% to 6%. Medical Margin⁽¹⁾ increased to 1.3% in Q3 2022 from 0.9% in H1 2022

Adj. EBITDA Margin improvement of 45 percentage points year-over-year to (19)%, delivering an Adj. EBITDA loss of \$54m or \$18m per month reflecting successful implementation of cost savings initiatives

Improving revenue guidance for 2022 to \$1.05bn to \$1.1bn and reiterating updated Adjusted EBITDA guidance to be \$(270)m or less

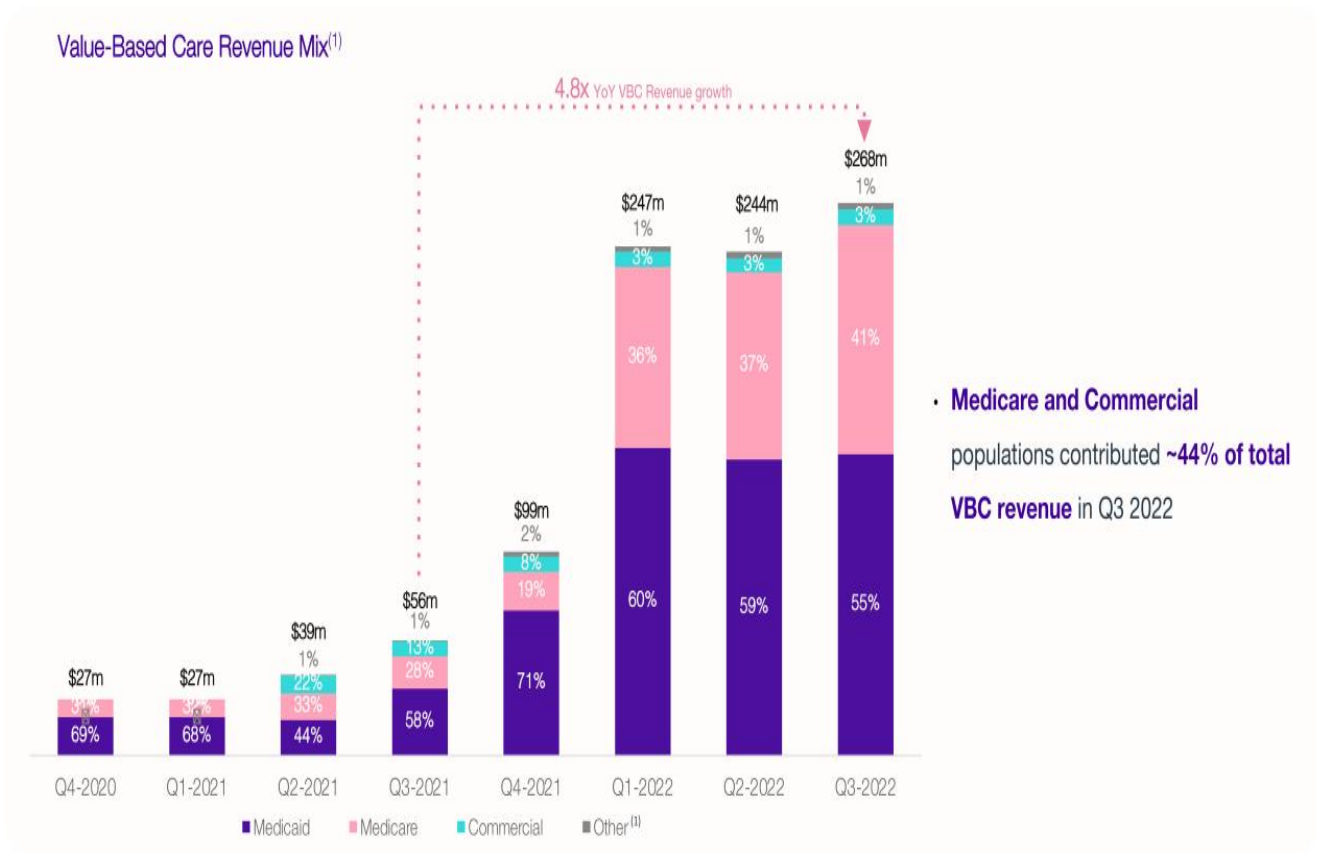
U.S. Value-Based Care Membership Growth



Notes: (1) Rounded to nearest thousand. "U.S. VBC Members" means individuals who are covered by one of our U.S. value-based care agreements with a health plan or healthcare provider. Under these agreements, we take financial responsibility for all or some of the surpluses or deficits in total actual costs under the agreement compared to our negotiated fixed per member per month, or capitation, allocation. Total U.S. VBC Members for December 31, 2020 and December 31, 2021 as per Babylon's Annual Report on Form 20-F filed with the SEC on March 30, 2022. VBC membership figures may include some estimates for lagging data provided by health plans and may be subject to true-ups and adjustments in the future.



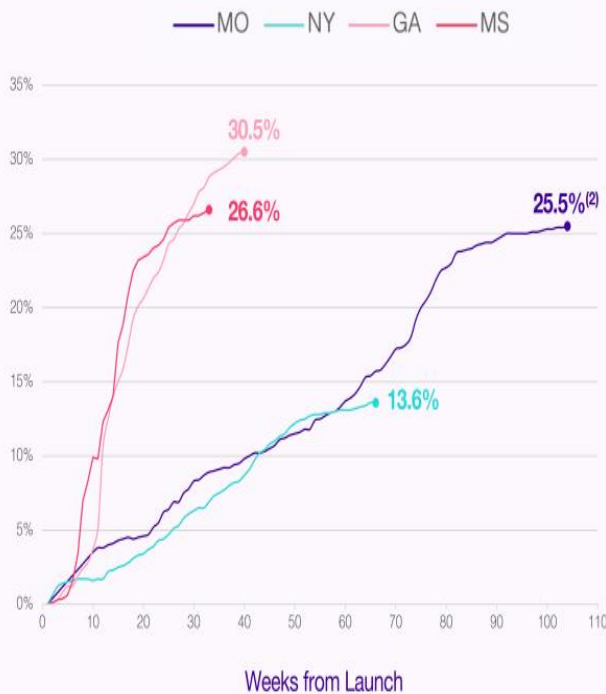
Value-Based Care Revenue Mix



5 Notes: (1) Other includes certain revenue generating items not included within Medicaid, Medicare and Commercial categories such as Hgt revenue and third party admin fee revenue.

Our Performance Continues to Accelerate as We Learn from Each Contract

% of High-Risk Members Signed Up Since Launch⁽¹⁾

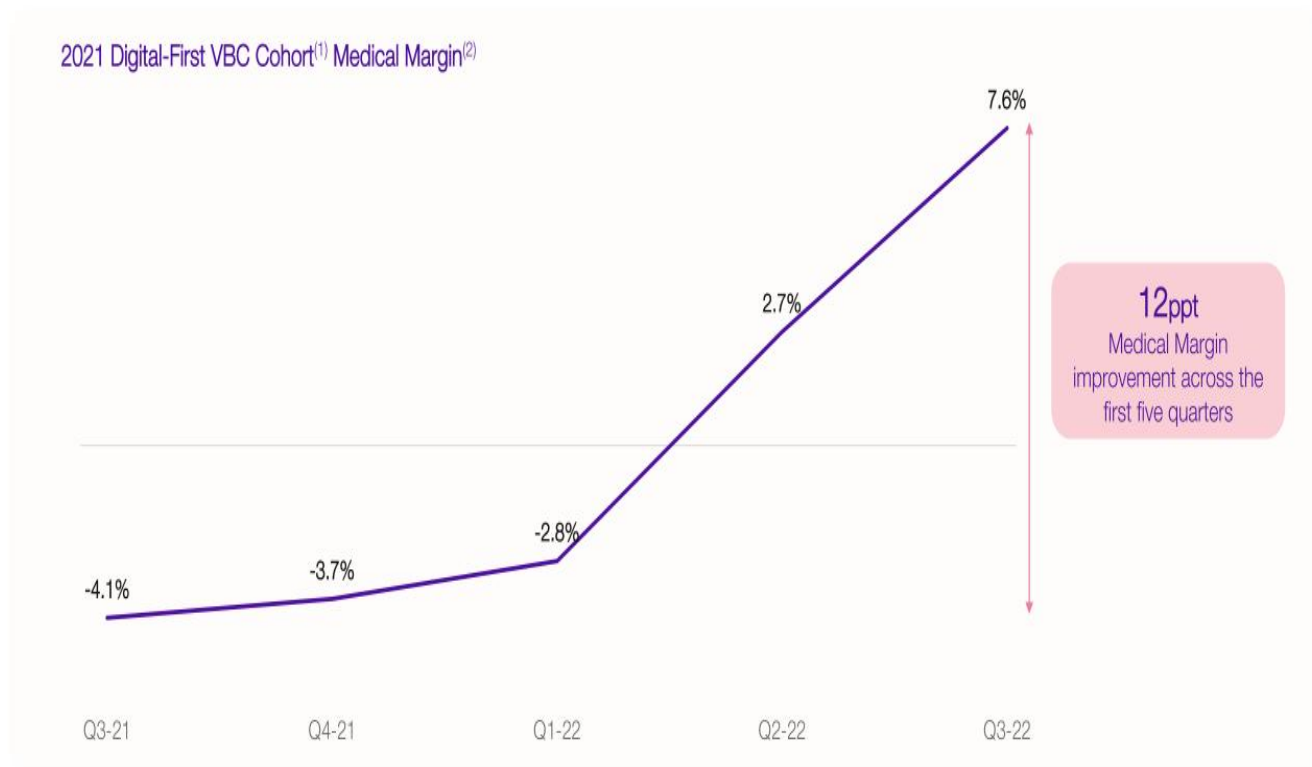


- Compared to New York and Missouri contracts, our weekly high-risk members' sign up rates for Georgia and Mississippi have been **3-4x** faster
- Continuous optimization and tailored outreach approach driving improvement in penetration rates over time
- Onboarding high-risk members early allows Babylon to quickly stratify and manage the most expensive populations' health needs

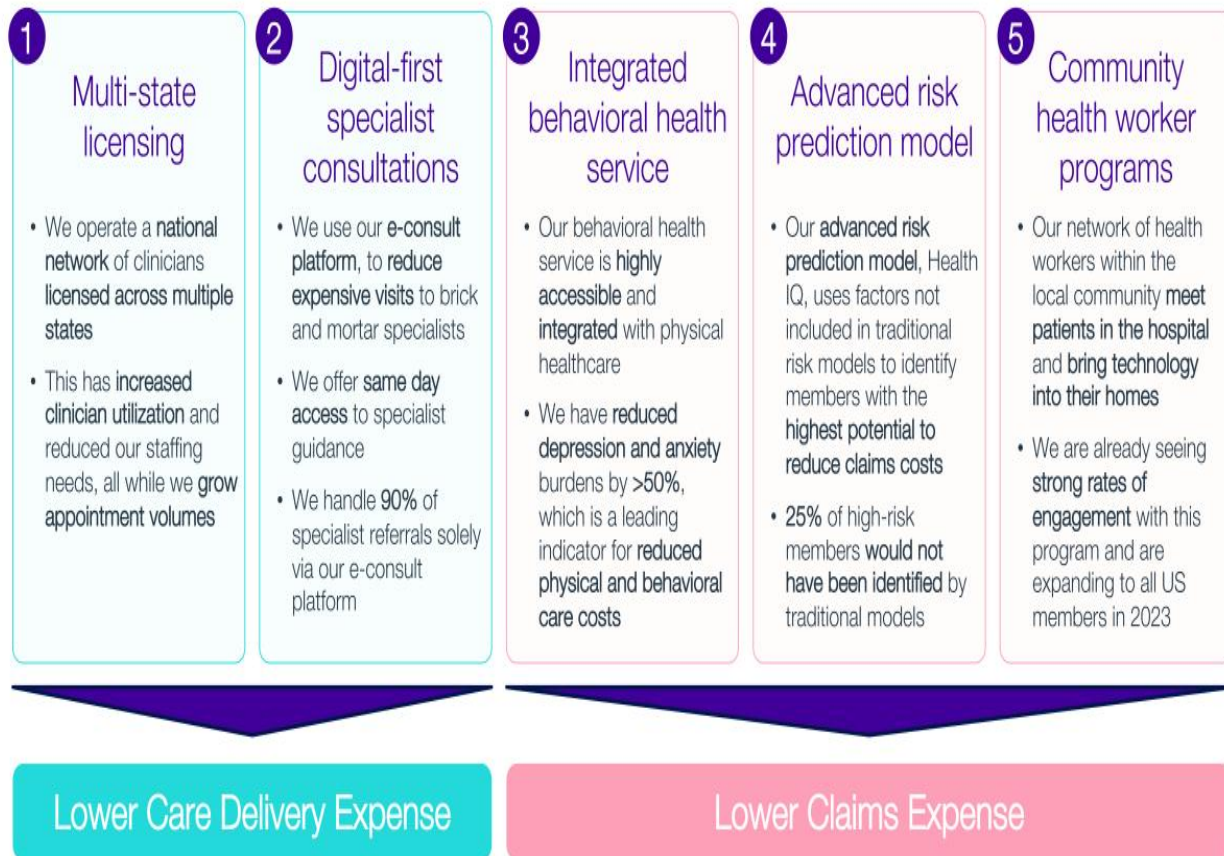
Notes: (1) Representative of unique members on the platform, recalculated for 30 September 2022. (2) Missouri data from Weeks 1 to 10 from launch taken as straight line average due to incomplete data. (3) Calculated by comparing % of high-risk sign ups per week since initial outreach.



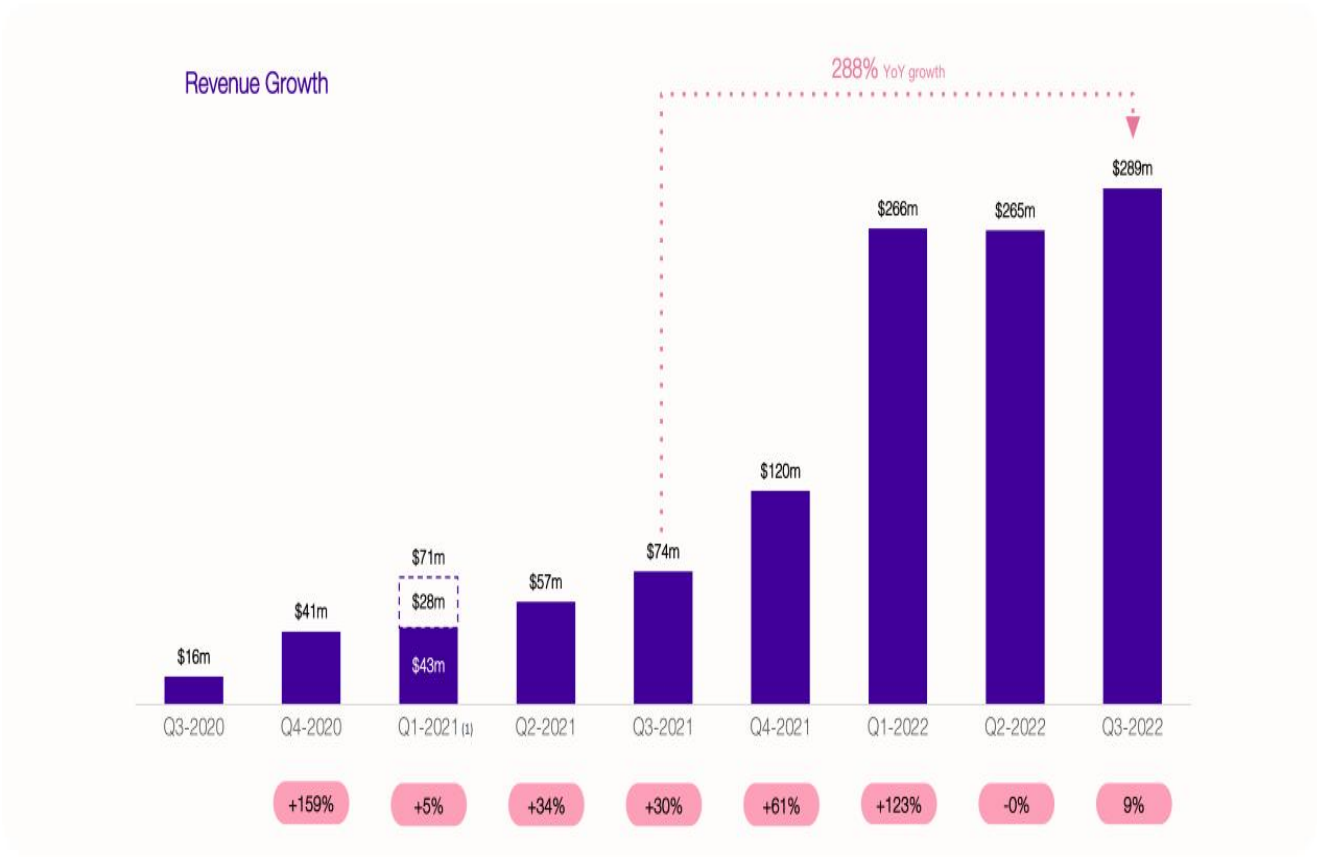
We Are Seeing Strong Medical Margin Improvements in Our Digital-First Cohorts



Key Clinical Initiatives Driving Margin Improvement

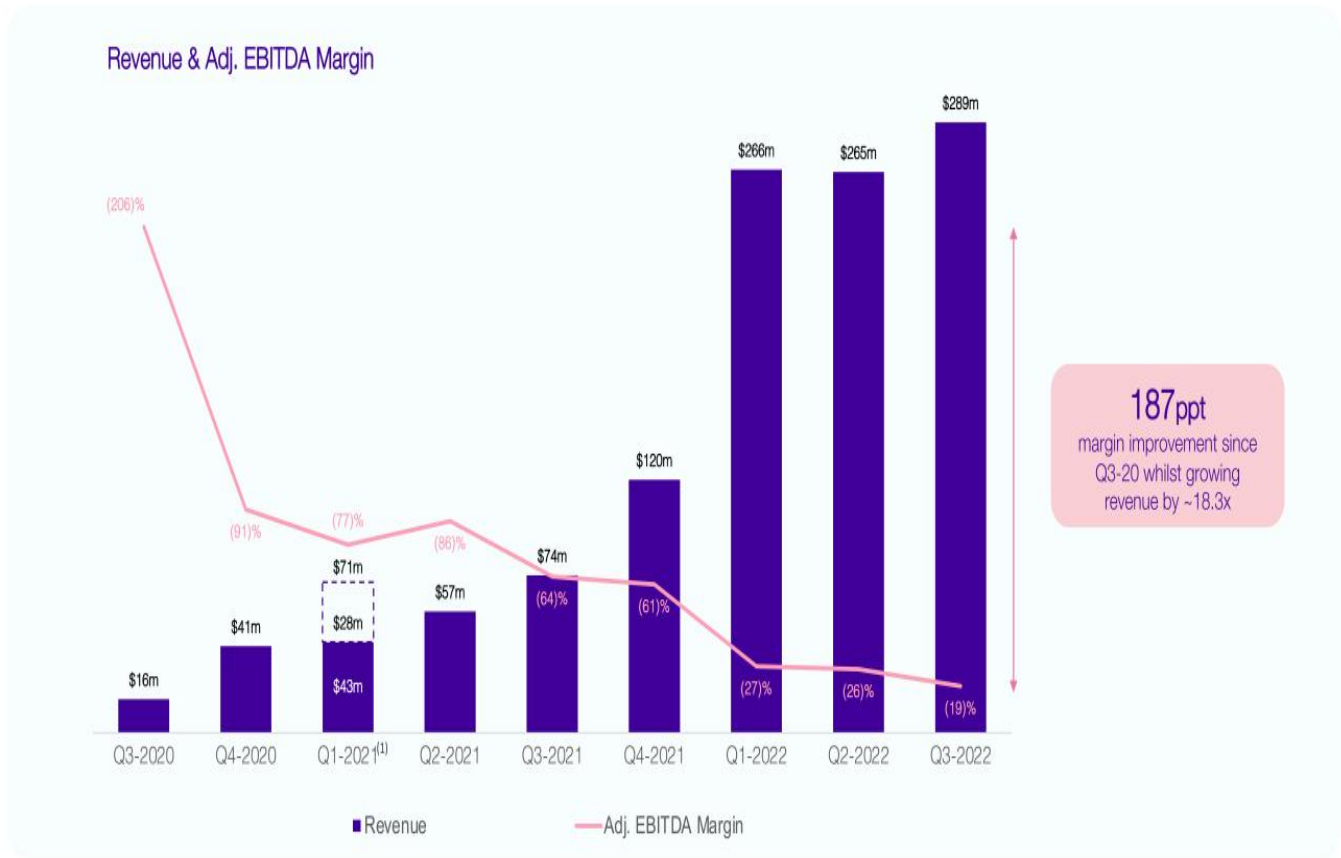


Revenue and Revenue Growth (unaudited)



9 Notes: (1) \$28.4m of one-off upfront revenue recognition in connection with a software licensing arrangement in Q1 2021.

Underlying Revenue and Adjusted EBITDA Margin (unaudited)

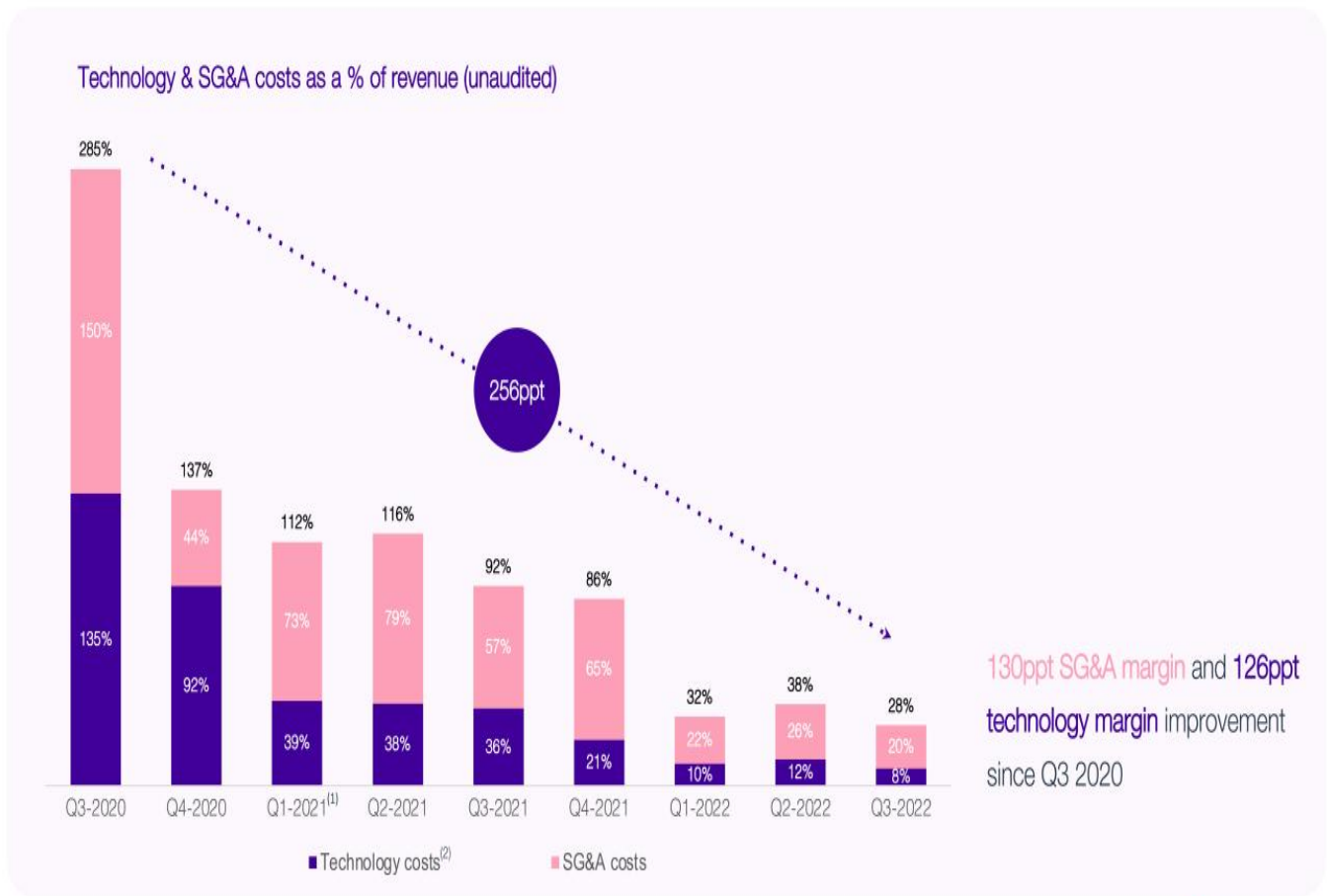


Notes: (1) \$28.4m of one-off upfront revenue recognition in connection with a software licensing arrangement in Q1 2021. Adjusted EBITDA Margin for Q1 2021 has been calculated excluding the one-off \$28.4m revenue from both revenue and Adjusted EBITDA figures.

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Operational Leverage



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



Guidance Update

Revenue Guidance

- Updating full year guidance to \$1.05bn to \$1.1bn

Adjusted EBITDA Guidance

- Reiterating guidance of \$(270)m or less for the full year, with a December exit rate of \$(18)m or less

Profitability Guidance

- Reiterating guidance of targeting profitability no later than 2025



Financial Statements and Reconciliations

Consolidated Statement of Profit and Other Comprehensive Loss (unaudited)



	Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022
	\$'000	\$'000	\$'000	\$'000	\$'000
Software licensing revenue	7,983	7,824	7,756	7,375	7,168
Clinical services revenue	10,764	13,119	12,115	13,889	14,044
Value-based care revenue	55,715	98,745	246,575	244,098	267,686
Revenue	74,462	119,688	266,446	265,362	288,898
Claims expense	(51,298)	(104,026)	(247,552)	(238,764)	(264,283)
Clinical care delivery expense	(17,038)	(25,173)	(23,927)	(21,649)	(18,505)
Platform & application expenses	(7,127)	(14,325)	(16,703)	(13,356)	(8,307)
Research & development expenses	(19,339)	(10,994)	(10,057)	(18,658)	(16,231)
Sales, general & administrative expenses	(42,166)	(77,902)	(58,310)	(67,969)	(57,439)
Impairment expense	—	—	—	(53,224)	(1,400)
Listing expense	—	(148,722)	—	—	—
Operating loss	(62,506)	(261,454)	(90,103)	(148,258)	(77,267)
Finance costs and income	(2,049)	(9,701)	(6,373)	(9,688)	(8,617)
Change in fair value of warrant liabilities	—	27,811	5,575	10,791	1,143
Loss on settlement of warrants	—	—	—	(2,375)	(22)
Exchange (loss) / gain	(396)	1,355	(447)	(7,350)	(4,848)
Net finance expense	(2,445)	19,465	(1,245)	(8,622)	(12,344)
Gain on remeasurement of equity interest	—	10,495	—	—	—
Share of loss of equity-accounted investees	(1,017)	(309)	—	—	—
Loss before taxation	(65,968)	(231,803)	(91,348)	(156,880)	(89,611)
Tax (provision) / benefit	(7)	(1,012)	(9)	(199)	(280)
Loss for the period	(65,975)	(232,815)	(91,357)	(157,079)	(89,891)
Other comprehensive loss					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences	(159)	(1,476)	(3,753)	1,495	(102)
Other comprehensive loss for the period, net of income tax	(159)	(1,476)	(3,753)	1,495	(102)
Total comprehensive loss for the period	(66,134)	(234,291)	(95,110)	(155,584)	(89,993)
Loss attributable to:					
Equity holders of the parent	(65,247)	(228,329)	(91,357)	(157,079)	(89,891)
Non-controlling interest	(728)	(4,486)	—	—	—
	(65,975)	(232,815)	(91,357)	(157,079)	(89,891)
Total comprehensive loss attributable to:					
Equity holders of the parent	(65,406)	(229,805)	(95,110)	(155,584)	(89,993)
Non-controlling interest	(728)	(4,486)	—	—	—
	(66,134)	(234,291)	(95,110)	(155,584)	(89,993)

Consolidated Statement of Financial Position (unaudited)



	Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022		Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022
	S'000	S'000	S'000	S'000	S'000		S'000	S'000	S'000	S'000	S'000
ASSETS						EQUITY AND LIABILITIES					
Non-current assets						EQUITY					
Right-of-use assets	7,297	7,844	20,014	17,972	15,379	Ordinary share capital	10	16	16	16	16
Property, plant and equipment	5,964	24,990	25,694	26,698	25,280	Preference share capital	4	—	—	—	—
Investments in associates	11,583	—	—	—	—	Share premium	557,569	922,897	923,093	927,183	927,935
Goodwill	30,503	93,678	93,655	43,041	43,126	Share-based payment reserve	52,861	80,371	89,545	101,132	111,095
Other intangible assets	102,048	111,421	112,830	105,846	102,288	Retained earnings	(609,658)	(837,986)	(929,343)	(1,086,422)	(1,176,313)
Total non-current assets	157,395	237,933	252,193	193,557	186,073	Foreign currency translation reserve	1,449	(27)	(3,780)	(2,285)	(2,387)
Current assets						Total capital and reserves	2,235	165,271	79,531	(60,376)	(139,654)
Right-of-use assets	3,783	3,999	5,454	5,057	4,259	Non-controlling interests	(2,774)	—	—	—	—
Trade and other receivables	31,124	24,119	27,981	28,333	29,922	Total equity	(539)	165,271	79,531	(60,376)	(139,654)
Prepayments and contract assets	11,789	26,000	21,971	18,417	15,991	LIABILITIES					
Cash and cash equivalents	37,132	262,581	274,978	186,957	110,231	Non-current liabilities					
Total current assets	83,828	316,699	330,384	238,764	160,403	Loans and borrowings	—	168,601	262,142	268,665	270,264
Total assets	241,223	554,632	582,577	432,321	346,476	Contract liabilities	74,903	70,396	63,763	54,781	46,471
						Lease liabilities	7,916	8,442	20,143	18,028	15,988
						Deferred grant income	5,948	7,236	6,134	7,504	7,627
						Deferred tax liability	768	1,019	1,016	764	727
						Other long term liabilities	2,388	—	—	—	—
						Total non-current liabilities	91,923	255,694	353,198	349,742	341,077
						Current liabilities					
						Trade and other payables	20,373	22,686	25,198	30,818	26,853
						Accruals and provisions	37,420	36,856	37,886	43,283	49,976
						Claims payable	17,265	24,628	39,165	38,657	42,402
						Contract liabilities	21,817	23,786	22,663	20,552	18,058
						Warrant liability	—	20,128	17,971	2,881	1,397
						Lease liabilities	4,043	4,190	5,301	5,245	4,684
						Deferred grant income	1,157	1,208	1,664	1,519	1,683
						Loans and borrowings	47,764	185	—	—	—
						Total current liabilities	149,839	133,667	149,848	142,955	145,053
						Total liabilities	241,762	389,361	503,046	492,697	486,130
						Total liabilities and equity	241,223	554,632	582,577	432,321	346,476

Consolidated Statement of Cash Flows (unaudited)



	Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022		Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022
	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						Cash flows from investing activities					
Loss for the period	(65,974)	(232,815)	(91,357)	(157,079)	(89,891)	Capital expenditures	(2,887)	(2,772)	(2,613)	(4,364)	(1,647)
<i>Adjustments to reconcile Loss for the period to net cash used in operating activities:</i>						Interest received	23	296	255	128	284
Recapitalization transaction expense	—	148,722	—	—	—	Development costs capitalized	(7,820)	(8,046)	(9,298)	(8,151)	(6,119)
Finance costs and income	2,049	9,701	6,373	9,688	8,617	Payment for acquisition of subsidiaries	—	37	—	—	—
Change in fair value of warrant liabilities	—	(27,811)	(5,575)	(10,791)	(1,143)	Cash acquired from acquisitions without consideration	—	3,792	—	—	—
Loss on settlement of warrants	—	—	—	2,375	22	Payment of lease deposit	—	(2,105)	—	—	—
Depreciation and amortization	8,823	12,859	9,458	11,944	7,477	Net cash used in investing activities	(10,684)	(8,798)	(11,656)	(12,387)	(7,482)
Share-based compensation	7,241	26,722	8,402	10,564	8,955	Cash flows from financing activities					
Taxation	7	1,012	9	199	280	Proceeds from issuance of notes and warrants	—	270,563	100,000	—	—
Exchange loss / (gain)	396	(1,355)	447	7,350	4,848	Payment of equity and debt issuance costs	(1,000)	(35,043)	(5,002)	(497)	(614)
Share of loss of equity-accounted investees	1,017	309	—	—	—	Proceeds from other loans	62,884	(63,000)	—	—	—
Gain on remeasurement of equity interest	—	(10,495)	—	—	—	Other financing activities, net	—	12	(1,538)	(198)	421
Impairment expense	—	941	—	53,224	1,400	Principal payments on leases	(384)	(1,479)	(460)	(1,975)	(1,886)
Changes in working capital, net	5,533	(13,284)	3,286	14,538	(4,101)	Repayment of loans	—	(7,431)	—	—	—
Net cash provided by (used in) operating activities	(40,908)	(85,494)	(68,957)	(57,988)	(63,536)	Gross proceeds from issuance of share capital	—	229,311	—	—	—
						Equity transactions with minority interests	—	(2,352)	—	—	—
						Repayment of cash loans	(15,000)	(67,000)	—	—	—
						Interest paid	(990)	(2,403)	(22)	(4,622)	(154)
						Net cash (used in) provided by financing activities	45,510	321,178	92,978	(7,292)	(2,233)
						Net increase / (decrease) in cash and cash equivalents	(6,082)	226,886	12,365	(77,667)	(73,251)

Reconciliation of Adjusted EBITDA and Other Non-IFRS Measures



	Q3-2020	Q4-2020	Q1-2021	Q2-2021	Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Loss for the period	(37,986)	(59,230)	(10,847)	(64,875)	(65,975)	(232,815)	(91,357)	(157,079)	(89,891)
<i>Adjustments to calculate EBITDA:</i>									
Depreciation and amortization	3,072	4,956	5,848	7,474	8,823	12,859	9,458	11,944	7,477
Finance costs and income	478	879	978	1,237	2,049	9,701	6,373	9,688	8,617
Tax provision / (benefit)	63	1,639	8	(2,501)	7	1,012	9	199	280
EBITDA	(34,373)	(51,756)	(4,013)	(58,665)	(55,096)	(209,243)	(75,517)	(135,248)	(73,517)
<i>Adjustments to calculate Adjusted EBITDA:</i>									
Share-based compensation	2,019	7,105	2,802	9,542	7,241	26,722	8,402	10,564	8,955
Change in fair value of warrant liabilities	—	—	—	—	—	(27,811)	(5,575)	(10,791)	(1,143)
Loss on settlement of warrants	—	—	—	—	—	—	—	2,375	22
Gain on remeasurement of equity interest	—	—	—	—	—	(10,495)	—	—	—
Gain on sale of subsidiary	—	—	(3,917)	—	—	—	—	—	—
Impairment expense	—	—	—	—	—	—	—	53,224	1,400
Restructuring and other one-time benefit arrangements	—	6,404	—	—	—	941	—	3,848	5,135
Exchange (gain) / loss	(259)	949	573	(482)	396	(1,355)	447	7,350	4,848
Recapitalization transaction expense	—	—	—	—	—	148,722	—	—	—
Adjusted EBITDA	(32,613)	(37,298)	(4,555)	(49,605)	(47,459)	(72,519)	(72,243)	(68,678)	(54,300)
Total revenue	15,811	40,958	71,293	57,478	74,462	119,688	266,446	265,362	288,898
IFRS Loss for the Period Margin	(240.3)%	(144.6)%	(15.2)%	(112.9)%	(88.6)%	(194.5)%	(34.3)%	(59.2)%	(31.1)%
Adjusted EBITDA Margin	(206.3)%	(91.1)%	(6.4)%	(86.3)%	(63.7)%	(60.6)%	(27.1)%	(25.9)%	(18.8)%
Value-based care revenue	—	26,038	27,259	39,133	55,715	98,745	246,575	244,098	267,686
Claims expense	—	—	(23,917)	(40,384)	(51,298)	(104,026)	(247,552)	(238,764)	(264,283)
Medical Loss Ratio	—	—	87.7%	103.2%	92.1%	105.3%	100.4%	97.8%	98.7%
Medical Margin	—	—	12.3%	(3.2)%	7.9%	(5.3)%	(0.4)%	2.2%	1.3%

Note: 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 for the period 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, changes in fair value of warrant liabilities, impairment expense, share-based compensation, restructuring and other one-time benefits, foreign exchange gains or losses and gains and losses on sale of subsidiaries. Adjusted EBITDA should not be used to predict IFRS loss for the period as the difference between the two measures is variable and may be significant.



Risk Factors Summary

- We have a history of incurring losses, may not be able to achieve or maintain profitability, and may require additional financing to support our business. Additional financing may not be available on favorable terms or at all;
- Our historical operating results and dependency on further capital raising indicate significant doubt exists related to our ability to continue as a going concern;
- Our ability to sell the Meritage Medical Network/IPA business, including the timing of the sale and the sale price;
- The impact of our planned reverse share split on the price and trading market for our Class A ordinary shares;
- If we fail to comply with the NYSE's continuing listing requirements and rules, the NYSE may delist our Class A ordinary shares;
- 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;
- Our ability to successfully execute our planned cost reduction actions and realize the expected cost savings;
- Goodwill and other intangible assets represent a significant portion of our assets, and an impairment of these assets could have a material adverse effect on our business, financial condition and results of operations;
- 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;



Risk Factors Summary (Continued)

- 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;
- 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 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;
- 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 will no longer qualify as a foreign private issuer as of January 1, 2023;
- Our issuance of additional Class A ordinary shares in connection with any future financings, acquisitions, investments, under our stock incentive plans, or otherwise will dilute all other shareholders and 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 shareholders' 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; and
- The other matters discussed in the "Risk Factors" section of our Annual Report on Form 20-F filed with the SEC on March 30, 2022, and in our other SEC filings.



