

**The Cigna Group**

**Quarterly Financial Supplement**

**December 31, 2023**

*This document is dated February 2, 2024. The data contained in this document may not be accurate after such date and The Cigna Group does not undertake to update or keep it accurate after such date.*



**The Cigna Group**  
**December 31, 2023 Quarterly Financial Supplement**  
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**BASIS OF PRESENTATION:**

*All dollar amounts are in millions, unless otherwise noted.*

*The Cigna Group (the “Company” or “our”) measures its financial results on a consolidated basis using adjusted income from operations and adjusted revenues. Adjusted income from operations and adjusted revenues on a consolidated basis are not determined in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and should not be viewed as a substitute for the most directly comparable GAAP measures which are shareholders’ net income and total revenues. The Company also uses adjusted income (loss) from operations to measure the results of its segments, however the segment metric is determined before income taxes.*

*Adjusted income (loss) from operations is a principal financial measure of profitability used by The Cigna Group’s management because it presents the underlying results of operations of the Company’s businesses and permits analysis of trends in underlying revenue, expenses and shareholders’ net income. The Company defines adjusted income from operations as shareholders’ net income (or income before income taxes less pre-tax income (loss) attributable to noncontrolling interests for the segment metric) excluding net realized investment results, amortization of acquired intangible assets and special items. The Cigna Group’s share of certain realized investment results of its joint ventures reported in the Cigna Healthcare segment using the equity method of accounting are also excluded. Special items are matters that management believes are not representative of the underlying results of operations due to their nature or size. Adjusted income (loss) from operations is measured on an after-tax basis for consolidated results and on a pre-tax basis for segment results. Consolidated adjusted income (loss) from operations is not determined in accordance with GAAP and should not be viewed as a substitute for the most directly comparable GAAP measure, shareholders’ net income. See the Financial Highlights page for a reconciliation of consolidated adjusted income from operations to shareholders’ net income.*

*Adjusted revenues is used by The Cigna Group’s management because it permits analysis of trends in underlying revenue. The Company defines adjusted revenues as total revenues excluding the following adjustments: special items and The Cigna Group’s share of certain realized investment results of its joint ventures reported in the Cigna Healthcare segment using the equity method of accounting. Special items are matters that management believes are not representative of the underlying results of operations due to their nature or size. We exclude these items from this measure because management believes they are not indicative of past or future underlying performance of the business. Adjusted revenues is not determined in accordance with GAAP and should not be viewed as a substitute for the most directly comparable GAAP measure, total revenues. See the Financial Highlights page for a reconciliation of consolidated adjusted revenues to total revenues.*

*Effective January 1, 2023, the Company adopted Accounting Standards Update (“ASU”) 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts, and related amendments. Accordingly, our consolidated income statements, consolidated balance sheet, condensed consolidated statement of cash flows and segment results for Cigna Healthcare and Corporate and Other Operations, including medical care and SG&A expense ratios, for prior periods presented have been restated to reflect the adoption of the new accounting guidance. The cumulative effects of adopting the new standard were immaterial. For more information about this guidance, please refer to the Summary of Significant Accounting Policies footnote in the Company’s Form 10-K for the period ended December 31, 2023, expected to be filed on February 29, 2024, for additional details.*

*In January 2024, the Company entered into a definitive agreement whereby Health Care Service Corporation will acquire the Medicare Advantage, Medicare Stand-Alone Prescription Drug Plans, Medicare Supplement and CareAllies businesses (the “HCSC transaction”). Subject to receipt of applicable regulatory approvals and other customary closing conditions, we expect to complete this transaction in the first quarter of 2025. During the fourth quarter of 2023, the Company determined that these businesses met the criteria to be classified as held for sale. For additional information, please refer to the Assets and Liabilities of Businesses Held For Sale footnote in the Company’s Form 10-K for the period ended December 31, 2023, expected to be filed on February 29, 2024.*

*In some financial tables in this Quarterly Financial Supplement, we present percentage changes. When those changes are so large as to become not meaningful, we present “N/M” in place of the computed percentage.*

## The Cigna Group Financial Highlights (unaudited)

(Dollars in millions, except per share amounts)

	Three Months Ended December 31,			Year Ended December 31,		
	2023	2022 <sup>(1)</sup>	% Change	2023	2022 <sup>(1)</sup>	% Change
<b>Total revenues</b>	\$ 51,114	\$ 45,753	12 %	\$ 195,265	\$ 180,518	8 %
Net realized investment results from certain equity method investments	35	(8)	N/M	57	126	(55)
<b>Adjusted revenues</b>	\$ 51,149	\$ 45,745	12 %	\$ 195,322	\$ 180,644	8 %
<b>Shareholders' net income</b>	\$ 1,029	\$ 1,193	(14) %	\$ 5,164	\$ 6,704	(23) %
<b>Pre-Tax Adjusted Income (Loss) From Operations by Segment</b>						
Evernorth Health Services	\$ 1,890	\$ 1,725	10 %	\$ 6,442	\$ 6,127	5 %
Cigna Healthcare	969	517	87	4,478	4,099	9
Corporate and Other Operations	(400)	(375)	(7)	(1,602)	(957)	(67)
Consolidated pre-tax adjusted income from operations	\$ 2,459	\$ 1,867	32 %	\$ 9,318	\$ 9,269	1 %
Adjusted income tax expense	460	334	38	1,870	1,956	(4)
Consolidated after-tax adjusted income from operations	\$ 1,999	\$ 1,533	30 %	\$ 7,448	\$ 7,313	2 %
<b>Adjusted EBITDA<sup>(2)</sup></b>	\$ 3,133	\$ 2,469	27 %	\$ 11,980	\$ 11,558	4 %
<b>Operating cash flow (see page 11)</b>	\$ 1,467	\$ 2,099	(30) %	\$ 11,813	\$ 8,656	36 %
<b>SG&amp;A expense ratio<sup>(3)</sup></b>	7.9 %	7.6 %	(30) bps	7.6 %	7.3 %	(30) bps
<b>Adjusted SG&amp;A expense ratio<sup>(3)</sup></b>	7.4 %	7.6 %	20 bps	7.3 %	7.2 %	(10) bps
<b>Weighted average shares (in thousands)</b>	294,565	305,413		296,882	313,065	

	Three Months Ended December 31,					Year Ended December 31,						
	2023		2022 <sup>(1)</sup>		% Change	2023		2022 <sup>(1)</sup>		% Change		
	Pre-tax	After-tax	Pre-tax	After-tax		Pre-tax	After-tax	Pre-tax	After-tax			
<b>Diluted earnings per share</b>												
<b>Shareholders' net income</b>	\$	3.49	\$	3.91	(11) %	\$	17.39	\$	21.41	(19) %		
Adjustments to reconcile to adjusted income from operations												
Net realized investment losses (gains) <sup>(4)</sup>	\$	0.23	0.20	\$	(0.05)	(0.06)	\$	0.45	0.38	\$	1.96	1.59
Amortization of acquired intangible assets		1.53	1.22		1.50	0.93		6.13	4.77		5.99	4.30
<b>Special items</b>												
Loss (gain) on sale of businesses		5.02	4.79		0.23	0.18		5.05	4.81		(5.31)	(4.26)
Charge for organizational efficiency plan		0.86	0.66		—	—		0.85	0.65		0.07	0.05
Charges (benefits) associated with litigation matters		—	—		—	—		0.68	0.58		(0.09)	(0.06)
Integration and transaction-related costs		0.08	0.07		0.08	0.06		0.15	0.12		0.43	0.33
Deferred tax (benefits), net		—	(3.64)		—	—		—	(3.61)		—	—
<b>Total special items</b>	\$	5.96	1.88	\$	0.31	0.24	\$	6.73	2.55	\$	(4.90)	(3.94)
Adjusted income from operations	\$	6.79	\$	5.02	35 %	\$	25.09	\$	23.36	7 %		

### CUSTOMER RELATIONSHIPS

(Relationships and lives in thousands)

	As of December 31,		
	2023	2022	% Change
Pharmacy <sup>(5)</sup>	98,570	93,905	5 %
Medical (see page 7)	19,780	18,004	10
Behavioral Care <sup>(6)</sup>	24,956	44,841	(44)
Dental	18,543	18,397	1
Medicare Part D	2,550	2,874	(11)
<b>Total customer relationships<sup>(5) (6)</sup></b>	<b>164,399</b>	<b>178,021</b>	<b>(8) %</b>

(1) Effective January 1, 2023, the Company adopted ASU 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts, and related amendments. Prior year results have been restated to reflect the adoption of the new accounting guidance. The cumulative effects of adopting the new standard were immaterial. Please refer to the Basis of Presentation section for additional details.

(2) Adjusted income from operations excluding interest, taxes, depreciation and amortization ("Adjusted EBITDA") is a non-GAAP measure, defined as shareholders' net income excluding income taxes and the pre-tax impact of special items, interest expense, total depreciation and amortization, and net realized investment results.

(3) SG&A expense ratio is calculated as selling, general and administrative expenses including special items divided by total revenues. Adjusted SG&A expense ratio is calculated as selling, general and administrative expenses excluding special items divided by adjusted revenues.

(4) Includes the Company's share of certain realized investment results of its joint ventures reported in the Cigna Healthcare segment using the equity method of accounting.

(5) Effective January 1, 2023, Pharmacy customers and total customer relationships have been updated to reflect customer filled prescriptions through Inside Rx. Previously these customers had been estimated based on active customers over a period of time. Pharmacy customers and total customer relationships for prior periods have been restated to reflect this change.

(6) Behavioral care and total customer relationships as of December 31, 2023 were impacted by the non-renewal of a supplemental behavioral coverage contract with New York Life which was insignificant to Total revenues, Shareholders' net income and Adjusted income from operations. Behavioral care and total customer relationships as of December 31, 2022 excluding the impact of the supplemental behavioral coverage contract with New York Life were 24,696 and 157,876, respectively.

**The Cigna Group**  
**Consolidated Income Statements (unaudited)**

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2023	2022 <sup>(1)</sup>	% Change	2023	2022 <sup>(1)</sup>	% Change
<b>Revenues</b>						
Pharmacy revenues	\$ 36,604	\$ 33,135	10 %	\$ 137,243	\$ 128,566	7 %
Premiums	11,175	9,548	17	44,237	39,916	11
Fees and other revenues	3,045	2,858	7	12,619	10,881	16
Net investment income	290	212	37	1,166	1,155	1
Total revenues	51,114	45,753	12	195,265	180,518	8
<b>Benefits and expenses</b>						
Pharmacy and other service costs	35,261	32,094	10	133,801	124,834	7
Medical costs and other benefit expenses	9,280	7,969	16	36,287	32,184	13
Selling, general and administrative expenses excluding special items	3,785	3,461	9	14,324	13,045	10
Amortization of acquired intangible assets	451	457	(1)	1,819	1,876	(3)
Special items	277	23	N/M	498	129	286
Total benefits and expenses	49,054	44,004	11	186,729	172,068	9
<b>Income from operations</b>						
	2,060	1,749	18	8,536	8,450	1
Interest expense and other	(360)	(324)	(11)	(1,446)	(1,228)	(18)
(Loss) gain on sale of businesses	(1,478)	(73)	N/M	(1,499)	1,662	N/M
Net realized investment (losses) gains	(34)	6	N/M	(78)	(487)	84
<b>Income before income taxes</b>						
	188	1,358	(86)	5,513	8,397	(34)
Total income tax (benefit) expense	(919)	136	N/M	141	1,615	(91)
<b>Net income</b>						
	1,107	1,222	(9)	5,372	6,782	(21)
Less: Net income attributable to noncontrolling interests	78	29	169	208	78	167
<b>Shareholders' net income</b>	\$ 1,029	\$ 1,193	(14) %	\$ 5,164	\$ 6,704	(23) %

	Three Months Ended December 31,					Year Ended December 31,				
	2023		2022 <sup>(1)</sup>		% Change	2023		2022 <sup>(1)</sup>		% Change
	Pre-tax	After-tax	Pre-tax	After-tax		Pre-tax	After-tax	Pre-tax	After-tax	
<b>Shareholders' net income</b>	\$	1,029	\$	1,193	(14) %	\$	5,164	\$	6,704	(23) %
<b>Adjustments to reconcile adjusted income from operations</b>										
Net realized investment losses (gains) <sup>(2)</sup>	\$	69	\$	(14)	(17)	\$	135	\$	613	496
Amortization of acquired intangible assets		451		457	284		1,819		1,413	1,345
<b>Special items</b>										
Loss (gain) on sale of businesses		1,478		73	56		1,499		(1,662)	(1,332)
Charge for organizational efficiency plan		252		193	—		252		193	22
Charges (benefits) associated with litigation matters		—		—	—		201		171	(28)
Integration and transaction-related costs		25		20	17		45		35	103
Deferred tax (benefits), net		—		(1,071)	—		—		(1,071)	—
<b>Adjusted income from operations</b>	\$	1,999	\$	1,533	30 %	\$	7,448	\$	7,313	2 %

(1) Effective January 1, 2023, the Company adopted ASU 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts, and related amendments. Prior year results have been restated to reflect the adoption of the new accounting guidance. The cumulative effects of adopting the new standard were immaterial. Please refer to the Basis of Presentation section for additional details.

(2) Includes the Company's share of certain realized investment results of its joint ventures reported in the Cigna Healthcare segment using the equity method of accounting.

**The Cigna Group**  
**Evernorth Health Services**  
**Segment Results (unaudited)**

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2023	2022	% Change	2023	2022	% Change
<b>Revenues</b>						
Pharmacy revenues	\$ 37,764	\$ 34,202	10 %	\$ 142,293	\$ 132,982	7 %
Fees and other revenues	2,689	1,951	38	10,965	7,267	51
Net investment income	66	35	89	241	86	180
Total revenues <sup>(1)</sup>	40,519	36,188	12	153,499	140,335	9
<b>Benefits and expenses</b>						
Pharmacy and other service costs	37,752	33,659	12	143,571	131,284	9
Gross profit	2,767	2,529	9	9,928	9,051	10
Selling, general and administrative expenses excluding special items	872	778	12	3,340	2,856	17
Amortization of acquired intangible assets	444	443	—	1,774	1,772	—
Special items	—	—	N/M	44	—	N/M
<b>Income from operations</b>	1,451	1,308	11	4,770	4,423	8
Interest expense and other	(1)	(1)	—	(2)	(2)	—
<b>Income before income taxes</b>	1,450	1,307	11	4,768	4,421	8
<b>Pre-tax adjustments required to reconcile to adjusted income from operations</b>						
Pre-tax (income) attributable to noncontrolling interests	(4)	(25)		(144)	(66)	
Amortization of acquired intangible assets	444	443		1,774	1,772	
Special items	—	—		44	—	
<b>Pre-tax adjusted income from operations</b>	\$ 1,890	\$ 1,725	10 %	\$ 6,442	\$ 6,127	5 %
<b>Pre-tax adjusted margin</b>	4.7 %	4.8 %	(10) bps	4.2 %	4.4 %	(20) bps

(1) Total revenues equal adjusted revenues as there were no special items in the periods presented.

**The Cigna Group**  
**Evernorth Health Services**  
**Key Metrics (unaudited)**

*(Dollars and adjusted scripts in millions)*

	Three Months Ended December 31,			Year Ended December 31,		
	2023	2022	% Change	2023	2022	% Change
<b>Selected Financial Information</b>						
Adjusted EBITDA <sup>(1)</sup>	\$ 2,075	\$ 1,864	11 %	\$ 7,108	\$ 6,640	7 %
<b>Pharmacy revenue by distribution channel</b>						
Network revenues	\$ 18,434	\$ 16,725	10 %	\$ 67,514	\$ 64,946	4 %
Home delivery and specialty revenues	16,789	15,733	7	65,732	61,283	7
Other revenues	2,541	1,744	46	9,047	6,753	34
Total pharmacy revenues	\$ 37,764	\$ 34,202	10 %	\$ 142,293	\$ 132,982	7 %
<b>Pharmacy script volume</b>						
Adjusted network scripts <sup>(2)</sup>	349	332	5 %	1,327	1,295	2 %
Adjusted home delivery and specialty scripts <sup>(2)</sup>	65	70	(7)	258	280	(8)
Total adjusted scripts <sup>(2)</sup>	414	402	3 %	1,585	1,575	1 %
<b>Generic fill rate</b>						
Network	84.5 %	84.4 %	10 bps	86.9 %	86.4 %	50 bps
Home delivery	85.8 %	84.6 %	120 bps	85.3 %	85.1 %	20 bps
Overall generic fill rate	84.6 %	84.4 %	20 bps	86.7 %	86.3 %	40 bps

(1) Adjusted EBITDA is defined as Evernorth Health Services segment pre-tax adjusted income from operations excluding interest expense and depreciation and amortization, net of amortization of acquired intangible assets that is already excluded in segment pre-tax adjusted income from operations.

(2) Non-specialty network scripts filled through 90-day programs, and home delivery scripts are multiplied by three. All other network and specialty scripts are counted as one script.

**The Cigna Group**  
**Cigna Healthcare**  
**Segment Results (unaudited)**

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2023	2022 <sup>(1)</sup>	% Change	2023	2022 <sup>(1)</sup>	% Change
<b>Revenues</b>						
Premiums	\$ 11,096	\$ 9,445	17 %	\$ 43,882	\$ 38,094	15 %
Fees and other revenues	1,731	1,602	8	6,669	6,179	8
Net investment income	143	93	54	597	638	(6)
Total revenues	12,970	11,140	16	51,148	44,911	14
<b>Benefits and expenses</b>						
Medical costs	9,124	7,916	15	35,678	31,119	15
Selling, general and administrative expenses excluding special items	2,914	2,701	8	11,055	9,827	12
Amortization of acquired intangible assets	7	14	(50)	45	103	(56)
Special items	—	—	N/M	157	—	N/M
Total benefits and expenses	12,045	10,631	13	46,935	41,049	14
<b>Income from operations</b>						
Interest expense and other	2	4	(50)	8	12	(33)
Loss on sale of businesses	(1,481)	—	N/M	(1,481)	—	N/M
Net realized investment (losses) gains	(34)	4	N/M	(76)	(404)	81
<b>Income before income taxes</b>	<b>(588)</b>	<b>517</b>	<b>N/M</b>	<b>2,664</b>	<b>3,470</b>	<b>(23)</b>
<b>Pre-tax adjustments required to reconcile to adjusted income from operations</b>						
Pre-tax (income) attributable to noncontrolling interests	—	(2)		(2)	(4)	
Net realized investment losses (gains) <sup>(2)</sup>	69	(12)		133	530	
Amortization of acquired intangible assets	7	14		45	103	
Special items	1,481	—		1,638	—	
<b>Pre-tax adjusted income from operations</b>	<b>\$ 969</b>	<b>\$ 517</b>	<b>87 %</b>	<b>\$ 4,478</b>	<b>\$ 4,099</b>	<b>9 %</b>
<b>Pre-tax adjusted margin</b>	<b>7.5 %</b>	<b>4.6 %</b>	<b>290 bps</b>	<b>8.7 %</b>	<b>9.1 %</b>	<b>(40) bps</b>
<b>Reconciliation of total revenues to adjusted revenues</b>						
Total revenues	\$ 12,970	\$ 11,140	16 %	\$ 51,148	\$ 44,911	14 %
Net realized investment results from certain equity method investments	35	(8)	N/M	57	126	(55)
Adjusted revenues	\$ 13,005	\$ 11,132	17 %	\$ 51,205	\$ 45,037	14 %

(1) Effective January 1, 2023, the Company adopted ASU 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts, and related amendments. Prior year results have been restated to reflect the adoption of the new accounting guidance. The cumulative effects of adopting the new standard were immaterial. Please refer to the Basis of Presentation section for additional details.

(2) Includes the Company's share of certain realized investment results of its joint ventures reported in the Cigna Healthcare segment using the equity method of accounting.

**The Cigna Group**  
**Cigna Healthcare**  
**Premium Revenue and Medical Care Ratio (unaudited)**

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2023	2022 <sup>(2)</sup>	% Change	2023	2022 <sup>(2)</sup>	% Change
<b>Premiums:</b> <sup>(1)</sup>						
<b>U.S. Healthcare</b>						
Employer insured	\$ 4,175	\$ 3,887	7 %	\$ 16,490	\$ 15,199	8 %
Medicare Advantage	2,166	1,816	19	8,771	7,896	11
Stop loss	1,578	1,408	12	6,143	5,461	12
Individual and Family Plans	1,318	649	103	5,088	2,636	93
Other	1,004	925	9	4,095	3,996	2
Total U.S. Healthcare	10,241	8,685	18	40,587	35,188	15
<b>International Health</b>	855	760	13	3,295	2,906	13
<b>Total premiums</b>	\$ 11,096	\$ 9,445	17 %	\$ 43,882	\$ 38,094	15 %
<b>Medical Care Ratio</b>	82.2 %	83.8 %	160 bps	81.3 %	81.7 %	40 bps

(1) Cigna Healthcare includes the U.S. Healthcare and International Health operating segments, which provide comprehensive medical and coordinated solutions to clients and customers. During the fourth quarter of 2023, the U.S. Commercial and U.S. Government operating segments combined to form the U.S. Healthcare operating segment. Information presented for the three months and year ended December 31, 2022 has been restated to conform to the new operating segment presentation.

(2) Prior year premium revenue for U.S. Healthcare has been reclassified to reflect current operating segment presentation discussed in note 1.



**The Cigna Group**  
**Cigna Healthcare**<sup>(1)</sup>  
**Total Medical Customers (unaudited)**

<b>MEDICAL CUSTOMERS</b> <sup>(2)</sup> <b>BY</b>	As of December 31,			<b>MEDICAL CUSTOMERS</b> <sup>(2)</sup> <b>BY</b>	As of December 31,		
<b>FUNDING TYPE:</b>	2023	2022 <sup>(6)</sup>	% Change	<b>MARKET SEGMENT:</b> <sup>(5)</sup>	2023	2022 <sup>(6)</sup>	% Change
<i>(Lives in thousands)</i>				<i>(Lives in thousands)</i>			
U.S. Healthcare insured				U.S. Healthcare			
Employer insured	2,233	2,238	— %	National Accounts	5,722	5,755	(1) %
Medicare Advantage	601	529	14	Middle Market	7,411	6,278	18
Individual and Family Plans <sup>(3)</sup>	976	337	190	Select	2,917	2,756	6
Other insured	470	483	(3)	Small	68	63	8
Total U.S. Healthcare insured	4,280	3,587	19	Medicare Advantage	601	529	14
International Health insured <sup>(4)</sup>	1,184	1,169	1	Individual and Family Plans <sup>(3)</sup>	976	337	190
				Other	475	488	(3)
U.S. Healthcare administrative services only	13,890	12,619	10	Total U.S. Healthcare	18,170	16,206	12
International Health administrative services only <sup>(4)</sup>	426	629	(32)	International Health	1,610	1,798	(10)
<b>Total medical customers</b>	<b>19,780</b>	<b>18,004</b>	<b>10 %</b>	<b>Total medical customers</b>	<b>19,780</b>	<b>18,004</b>	<b>10 %</b>

(1) Cigna Healthcare includes the U.S. Healthcare and International Health operating segments, which provide comprehensive medical and coordinated solutions to clients and customers. During the fourth quarter of 2023, the U.S. Commercial and U.S. Government operating segments combined to form the U.S. Healthcare operating segment. Information presented as of December 31, 2022 has been restated to conform to the new operating segment presentation.

(2) Includes individuals in our Cigna Healthcare segment who meet any one of the following criteria: are covered under a medical insurance policy, managed care arrangement, or administrative services agreement issued by Cigna Healthcare; have access to Cigna Healthcare's provider network for covered services under their medical plan; or have medical claims that are administered by Cigna Healthcare.

(3) As of December 31, 2023, Individual and Family Plans include on-exchange Patient Protection and Affordable Care and Education Reconciliation Act ("ACA") business (962 thousand customers) and off-exchange ACA business (14 thousand customers).

(4) International Health excludes medical customers served by less than 100% owned subsidiaries, as well as certain customers served by our third-party administrator. International Health customers as of December 31, 2023 reflect the transition of certain runoff business to Other Operations beginning January 1, 2023.

(5) Market Segments are defined as follows:

- ~ the National Accounts market segment includes employers with 3,000 or more eligible employees;
- ~ the Middle Market segment includes employers with 500 to 2,999 eligible employees, solutions for third party payers, Taft Hartley plans, and other groups;
- ~ the Select market segment includes employers with 51 to 499 eligible employees;
- ~ the Small market segment includes employers with 2 to 50 eligible employees;
- ~ the Medicare Advantage market segment includes individuals who are Medicare-eligible customers, as well as employer group sponsored post-65 retirees;
- ~ the Individual and Family Plans market segment offers individual health insurance coverage both on and off the public exchanges;
- ~ Other largely comprises Medicare Supplement;
- ~ the International Health market segment is focused on health care coverage in our international markets, as well as health care benefits for globally mobile individuals and employees of multinational organizations.

(6) Prior year lives have been reclassified to reflect current operating segment presentation discussed in note 1 and to reflect current market segment presentation according to the definitions discussed in note 5.

**The Cigna Group**  
**Cigna Healthcare**  
**Unpaid Claims Liability (unaudited)**

*(Dollars in millions)*

	Year Ended December 31,	
	2023	2022
Beginning balance	\$ 4,176	\$ 4,261
Less: Reinsurance and other amounts recoverable	221	261
Beginning balance, net	3,955	4,000
<b>Incurred costs related to:</b>		
Current year	35,953	31,342
Prior years	(279)	(259)
Total incurred	35,674	31,083
<b>Paid costs related to:</b>		
Current year	31,322	27,583
Prior years	3,451	3,545
Total paid	34,773	31,128
Ending balance, net	4,856	3,955
Add: Reinsurance and other amounts recoverable	236	221
Ending balance <sup>(1)</sup>	\$ 5,092	\$ 4,176

(1) The ending balance is included in the Insurance and contractholder liabilities balance on the Consolidated Balance Sheets, with the exception of \$823 million reported as Liabilities of businesses held for sale on the Consolidated Balance Sheet as of December 31, 2023. For additional information regarding this liability, see the Insurance and Contractholder Liabilities footnote in the Company's Form 10-K for the period ended December 31, 2023, expected to be filed on February 29, 2024.

**The Cigna Group**  
**Corporate and Other Operations**  
**Results (unaudited)**

<i>(Dollars in millions)</i>	Three Months Ended December 31,			Year Ended December 31,		
	2023	2022 <sup>(1)</sup>	% Change	2023	2022 <sup>(1)</sup>	% Change
<b>Revenues</b>						
Total revenues and eliminations <sup>(2)</sup>	\$ (2,375)	\$ (1,575)	(51) %	\$ (9,382)	\$ (4,728)	(98) %
<b>Expenses</b>						
Total expenses and eliminations excluding special items <sup>(2)</sup>	(2,336)	(1,530)	(53)	(9,232)	(5,022)	(84)
Special items	277	23	N/M	297	129	130
Total expenses and eliminations <sup>(2)</sup>	<u>(2,059)</u>	<u>(1,507)</u>	(37)	<u>(8,935)</u>	<u>(4,893)</u>	(83)
<b>(Loss) income from operations</b>	(316)	(68)	N/M	(447)	165	N/M
Interest expense and other	(361)	(327)	(10)	(1,452)	(1,238)	(17)
Gain (loss) on sale of businesses	3	(73)	N/M	(18)	1,662	N/M
Net realized investment gains (losses)	—	2	N/M	(2)	(83)	98
<b>(Loss) income before income taxes</b>	(674)	(466)	(45)	(1,919)	506	N/M
<b>Pre-tax adjustments required to reconcile adjusted income (loss) from operations</b>						
Pre-tax (income) attributable to noncontrolling interests	—	(3)		—	(14)	
Net realized investment (gains) losses	—	(2)		2	83	
Amortization of acquired intangible assets	—	—		—	1	
Special items	274	96		315	(1,533)	
<b>Pre-tax adjusted loss from operations</b>	\$ (400)	\$ (375)	(7) %	\$ (1,602)	\$ (957)	(67) %

(1) Effective January 1, 2023, the Company adopted ASU 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts, and related amendments. Prior year results have been restated to reflect the adoption of the new accounting guidance. The cumulative effects of adopting the new standard were immaterial. Please refer to the Basis of Presentation section for additional details.

(2) Includes amounts for elimination of intercompany revenues and expenses.

**The Cigna Group**  
**Consolidated Balance Sheets (unaudited)**

<i>(Dollars in millions)</i>	As of December 31, 2023	As of December 31, 2022 <sup>(1)</sup>	As of December 31, 2023	As of December 31, 2022 <sup>(1)</sup>
<b>Assets</b>			<b>Liabilities</b>	
<b>Current Assets</b>			<b>Current Liabilities</b>	
Cash and cash equivalents	\$ 7,822	\$ 5,924	Current insurance and contractholder liabilities	\$ 5,514
Investments	925	905	Pharmacy and other service costs payable	19,815
Accounts receivable, net	17,722	17,218	Accounts payable	8,553
Inventories	5,645	4,777	Accrued expenses and other liabilities	9,955
Other current assets	2,169	1,298	Short-term debt	2,775
Total current assets	<u>34,283</u>	<u>30,122</u>	Total current liabilities	<u>46,612</u>
Long-term investments	17,985	16,288	Non-current insurance and contractholder liabilities	10,904
Reinsurance recoverables <sup>(2)</sup>	4,835	5,416	Deferred tax liabilities, net	7,173
Property and equipment	3,695	3,774	Other non-current liabilities	3,441
Goodwill	44,259	45,811	Long-term debt	28,155
Other intangible assets	30,863	32,492	Separate account liabilities	7,430
Other assets	3,421	2,704	Liabilities of businesses held for sale, non-current <sup>(3)</sup>	2,695
Separate account assets	7,430	7,278	Total liabilities	<u>106,410</u>
Assets of businesses held for sale, non-current <sup>(3)</sup>	5,990	—	Redeemable noncontrolling interests	107
				66
			<b>Shareholders' Equity</b>	
			Common stock	4
			Additional paid-in capital	30,669
			Accumulated other comprehensive loss	(1,864)
			Retained earnings	41,652
			Less: treasury stock, at cost	(24,238)
			Total shareholders' equity	<u>46,223</u>
			Other noncontrolling interests	21
			Total equity	<u>46,244</u>
<b>Total assets</b>	<b>\$ 152,761</b>	<b>\$ 143,885</b>	<b>Total liabilities and equity</b>	<b>\$ 152,761</b>
				<b>\$ 143,885</b>

(1) Effective January 1, 2023, the Company adopted ASU 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts, and related amendments. Prior year results have been restated to reflect the adoption of the new accounting guidance. The cumulative effects of adopting the new standard were immaterial. Please refer to the Basis of Presentation section for additional details.

(2) Includes \$4.33 billion as of December 31, 2023 and \$4.34 billion as of December 31, 2022 related to: 1) the sale of our Individual Life & Annuity business in 1998 and our Retirement Benefits business in 2004, which were primarily in the form of reinsurance arrangements; 2) the reinsurance transaction with Berkshire in 2013; and 3) the sale of our Group Disability and Life business to New York Life in 2020. Corresponding liabilities are primarily reported in Insurance and contractholder liabilities.

(3) The assets and liabilities in the Medicare Advantage, Medicare Stand-Alone Prescription Drug Plans, Medicare Supplement and CareAllies businesses to be sold pursuant to the HCSC transaction have been classified as held for sale as of December 31, 2023. For additional information regarding the sale of these businesses, see the Assets and Liabilities of Businesses Held For Sale footnote in the Company's Form 10-K for the year ended December 31, 2023, expected to be filed on February 29, 2024.

**The Cigna Group**  
**Condensed Consolidated Statements of Cash Flows (unaudited)**

(Dollars in millions)

	Year Ended December 31,	
	2023	2022 <sup>(1)</sup>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 5,372	\$ 6,782
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,035	2,937
Realized investment losses, net	78	487
Deferred income tax benefit	(1,659)	(472)
Loss (gain) on sale of businesses	1,499	(1,662)
<b>Net changes in assets and liabilities, net of non-operating effects:</b>		
Accounts receivable, net	(1,663)	(2,237)
Inventories	(868)	(1,055)
Reinsurance recoverable and Other assets	(539)	393
Insurance liabilities	584	(336)
Pharmacy and other service costs payable	2,030	1,760
Accounts payable and accrued expenses and other liabilities	3,481	1,734
Other, net	463	325
<b>Net cash provided by operating activities</b>	<b>11,813</b>	<b>8,656</b>
<b>Net cash (used in) provided by investing activities <sup>(2)</sup></b>	<b>(5,174)</b>	<b>3,098</b>
<b>Net cash used in financing activities <sup>(3)</sup></b>	<b>(4,294)</b>	<b>(11,240)</b>
Effect of foreign currency rate changes on cash, cash equivalents and restricted cash	16	(86)
<b>Net increase in cash, cash equivalents and restricted cash</b>	<b>2,361</b>	<b>428</b>
Cash, cash equivalents and restricted cash January 1, <sup>(4)</sup>	5,976	5,548
Cash, cash equivalents and restricted cash December 31, <sup>(5)</sup>	\$ 8,337	\$ 5,976
Cash and cash equivalents reclassified to Assets of businesses held for sale	(467)	—
Cash, cash equivalents and restricted cash December 31, per Consolidated Balance Sheets <sup>(5)</sup>	\$ 7,870	\$ 5,976

(1) Effective January 1, 2023, the Company adopted ASU 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts, and related amendments. Prior year results have been restated to reflect the adoption of the new accounting guidance. The cumulative effects of adopting the new standard were immaterial. Please refer to the Basis of Presentation section for additional details.

(2) Includes \$2.7 billion of investment in VillageMD for the year ended December 31, 2023.

(3) Includes \$2.3 billion for stock repurchases for the year ended December 31, 2023.

(4) Includes restricted cash of \$19 million reported in Other assets and \$23 million reported in other long-term investments, and cash and cash equivalents of \$425 million reported in Assets of businesses held for sale as of January 1, 2022

(5) Includes restricted cash of \$48 million and \$52 million reported in other long-term investments as of December 31, 2023 and December 31, 2022, respectively.