

Clover Health

Fourth Quarter and Full Year 2022 -
Earnings Results



Disclaimer

This presentation and the accompanying oral presentation include forward-looking statements, including statements regarding future events and Clover Health Investments, Corp.'s ("Clover Health," "we," "our," or "us") future results of operations, financial condition, outlook, market size and opportunity, business strategy and plans, and the factors affecting our performance and our objectives for future operations.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the risk factors set forth in Clover Health's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC"), including the Risk Factors section therein, and in our other filings with the SEC. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

Forward-looking statements are not guarantees of future performance and you are cautioned not to place undue reliance on such statements. The forward-looking statements included in this presentation and the accompanying oral presentation are made as of the date hereof. Except as required by law, Clover Health undertakes no obligation to update any of these forward-looking statements after the date hereof or to conform these statements to actual results or revised expectations.

In addition to U.S. Generally Accepted Accounting Principles ("GAAP") financial measures, this presentation includes certain non-GAAP financial measures including Adjusted EBITDA, Adjusted SG&A, and Adjusted SG&A as a percentage of revenue. These non-GAAP financial measures are provided to enhance the reader's understanding of Clover Health's past financial performance and our prospects for the future. Non-GAAP financial measures are supplemental to and should not be considered a substitute for financial information presented in accordance with GAAP and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. A reconciliation of historical non-GAAP measures to historical GAAP measures is included in the Appendix of this presentation.

Speakers



Andrew Toy
Chief Executive Officer



Scott Leffler
Chief Financial Officer

Q4 & Full Year 2022 and Recent Highlights

Business & Market Update

- Insurance MCR of 92.4% in Q4 2022 and 91.8% for FY 2022 demonstrate continued positive momentum and significant improvement compared to 2021
- 2023 guidance includes Insurance MCR range of 89% - 91%, continued top-line Insurance revenue growth, and Non-Insurance MCR of 98% - 100% reflecting increased focus on profitability
- Strong liquidity expected to be sufficient to meet 2023 operating requirements

Q4 & Full Year Financial Performance

- Insurance MCR: Q4 of 92.4%; Full year of 91.8%
- Non-Insurance MCR: Q4 of 103.6%; Full year of 103.4%
- Adjusted SG&A: Q4 of \$85.6mm, or 10% of revenue⁽¹⁾; Full year of \$320.7mm, or 9% of revenue⁽¹⁾
- Adjusted EBITDA⁽²⁾: Q4 of (\$81.1mm); Full year of (\$298.7mm)

Full Year Capital & Liquidity

- Consolidated restricted and unrestricted cash, cash equivalents, and investments was \$555mm at year end
- Parent entity and unregulated subsidiaries' restricted and unrestricted cash, cash equivalents, and investments was \$332mm at year end

(1) Adjusted SG&A and Adjusted SG&A as a percentage of revenue are non-GAAP financial measures. We define Adjusted SG&A as total SG&A less stock-based compensation expense, less activity attributable to Seek Insurance Services, Inc., less expenses attributable to Character Biosciences, Inc. A reconciliation of Adjusted SG&A to the sum of Salaries and benefits plus General and administrative expenses, the most directly comparable GAAP measure, is provided in the Appendix "Non-GAAP Financial Measures" section in the accompanying earnings press release.

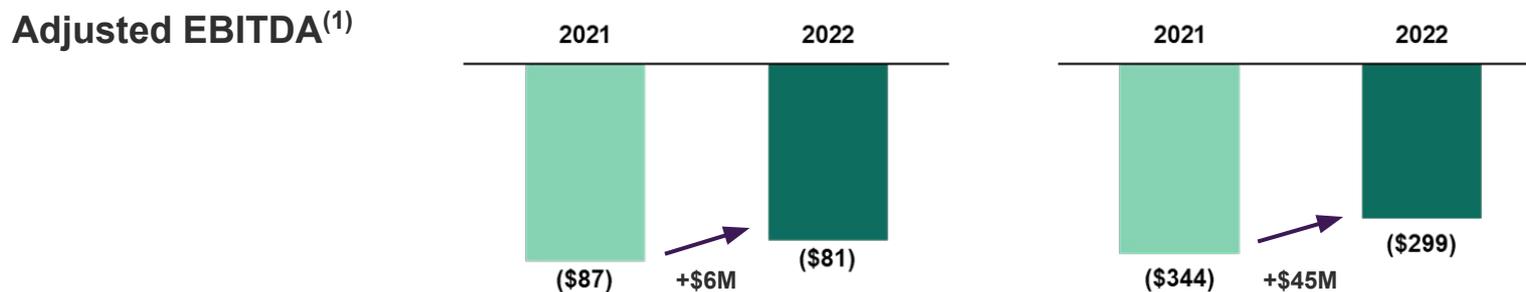
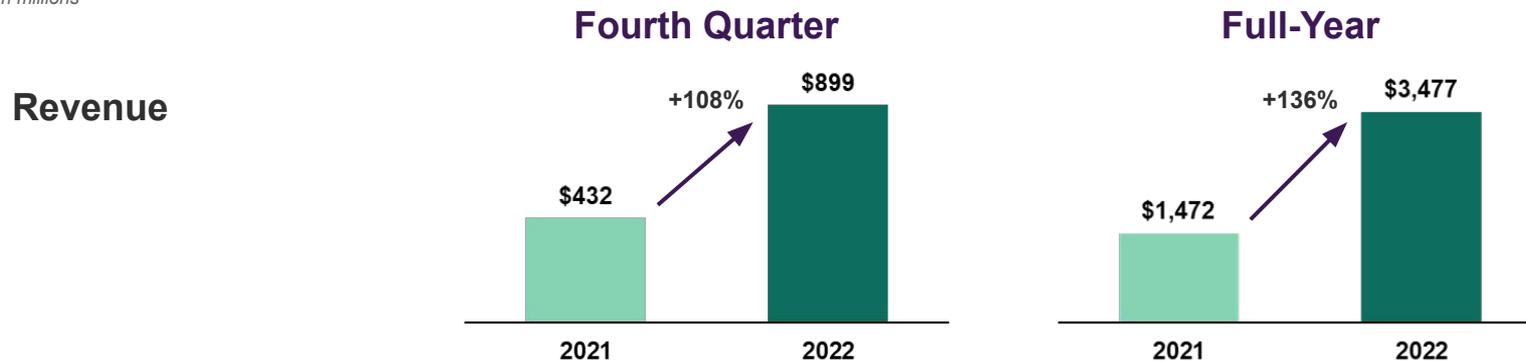
(2) Adjusted EBITDA is a non-GAAP financial measure. We define Adjusted EBITDA as net loss before interest expense, amortization of notes and securities discount, depreciation and amortization, change in fair value of warrants, (gain) loss on investment, stock-based compensation expense, premium deficiency reserve expense (benefit), gain on extinguishment on note payable, and expenses attributable to Character Biosciences, Inc. before the Company began accounting for its interest in this entity using the equity method of accounting in the first quarter of 2022, and activity attributable to Seek Insurance Services, Inc. Please refer to Non-GAAP Financial Measures provided in the Appendix in the accompanying earnings press release for a reconciliation of Adjusted EBITDA to Net Loss, the most directly comparable GAAP measure.

Financial Overview



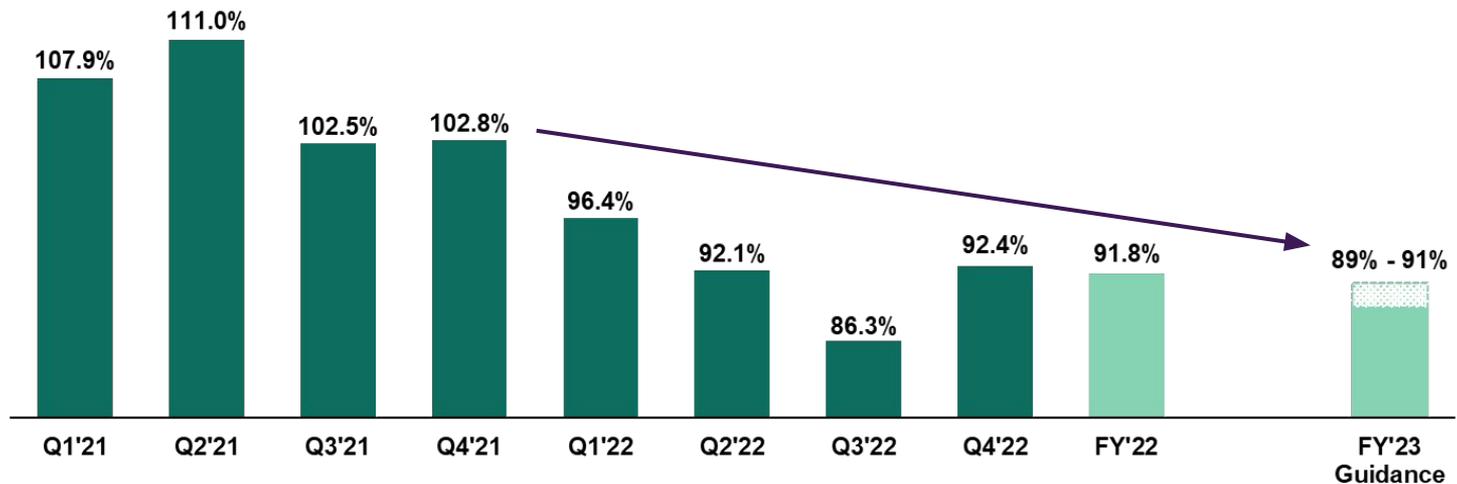
Q4 & Full-Year 2022 Financial Performance: Consolidated

In millions



(1) Adjusted EBITDA is a non-GAAP financial measure. Please refer to Non-GAAP Financial Measures provided in the Appendix for a reconciliation of Adjusted EBITDA to Net Loss, the most directly comparable GAAP measure.

Favorable Trend in Insurance MCR



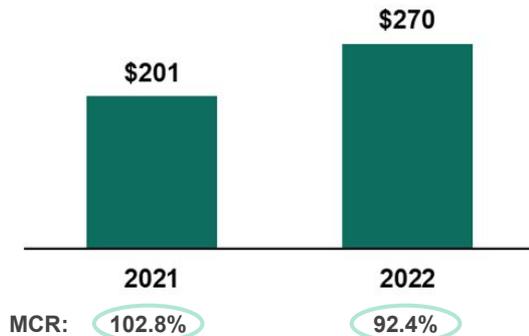
Q4 & Full-Year 2022 Financial Performance: Insurance

In millions, except MCR

■ Revenue

Fourth Quarter

Revenue +34%
MCR -1,040 bps



Full-Year

Revenue +36%
MCR -1,420 bps



- Q4 2022 revenue driven by growth in membership of ~30% year-over-year
- Insurance MCR improvement driven by continued favorability in underlying operational trends as our portfolio matures

Q4 & Full-Year 2022 Financial Performance: Non-Insurance

In millions, except MCR

■ Revenue

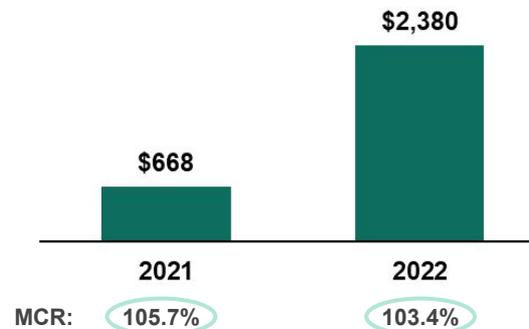
Fourth Quarter

Revenue +172%
MCR +60 bps



Full-Year

Revenue⁽¹⁾ +256%
MCR -230 bps



- Q4 2022 revenue driven by growth in aligned beneficiaries of ~166% year-over-year

(1) Direct Contracting (Non-Insurance) line of business launched in April 2021, so "Full-Year" for the performance year 2021 only incorporates three quarters of performance, rather than four.

2023 Outlook

On the following slide, Clover Health presents an overview of its full-year 2023 outlook, including certain non-GAAP measures.

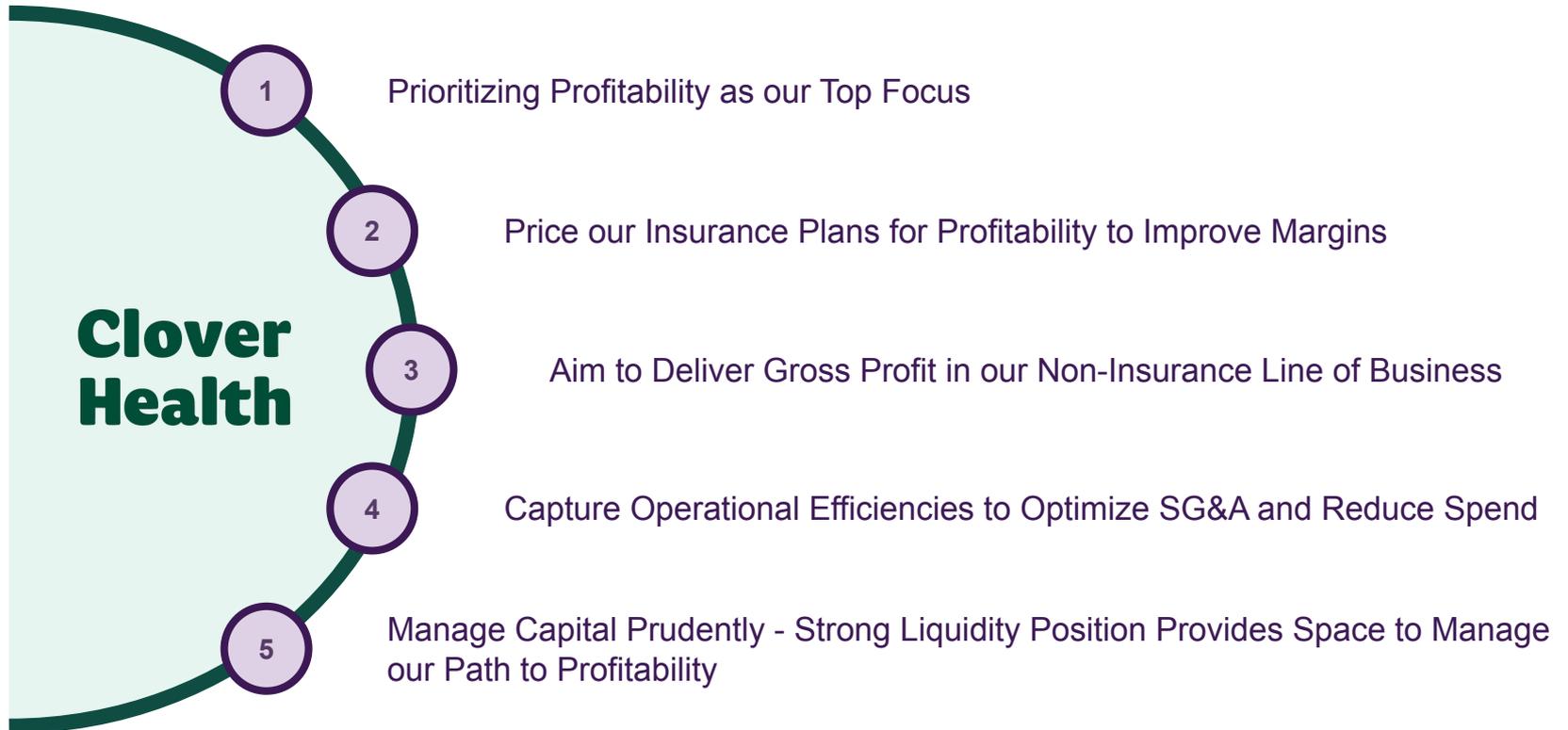


Full-Year 2023 Outlook

	Guidance
Total Revenue	\$1.90 billion - \$2.00 billion
Insurance Revenue	\$1.15 billion - \$1.20 billion
Non-Insurance Revenue	\$0.75 billion - \$0.80 billion
Insurance MCR	89% - 91%
Non-Insurance MCR	98% - 100%
Adjusted SG&A ⁽¹⁾	\$315 million - \$325 million
Adjusted EBITDA ⁽¹⁾	(\$155) million - (\$205) million

(1) Adjusted EBITDA and Adjusted SG&A are non-GAAP financial measures. As outlined in the Company's February 28, 2023 press release, Clover Health does not provide a reconciliation of the forward-looking Adjusted Salaries and Benefits plus General and Administrative Expenses and Adjusted EBITDA outlook to the most directly comparable GAAP measure, as this cannot be reasonably calculated or predicted at this time without unreasonable efforts.

Our 2023 Goal: Shareholder Value

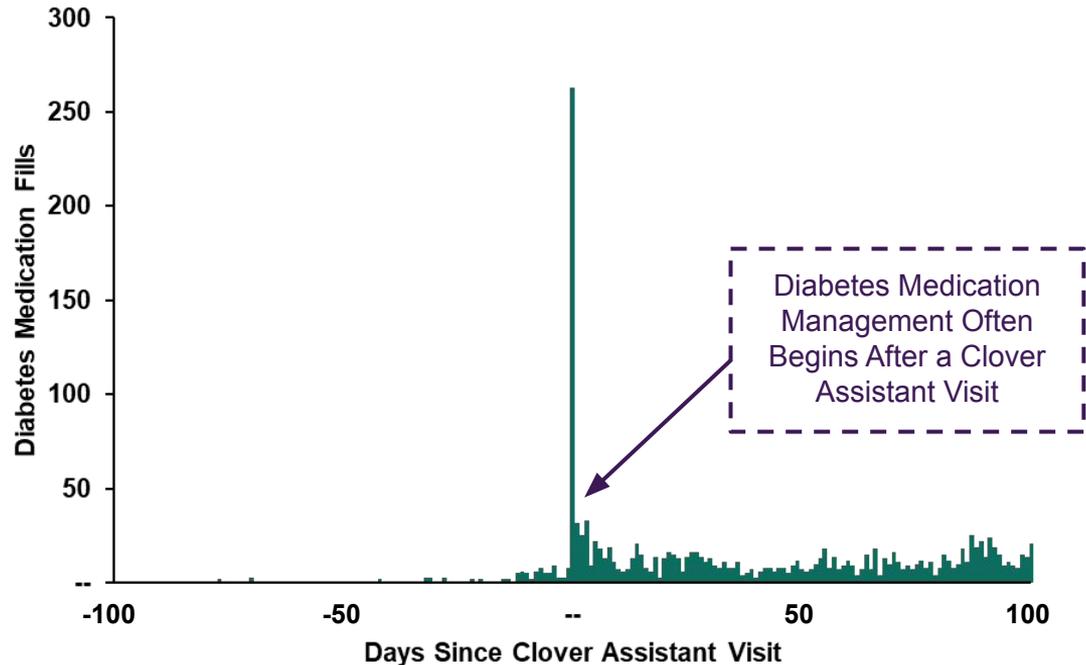


Appendix



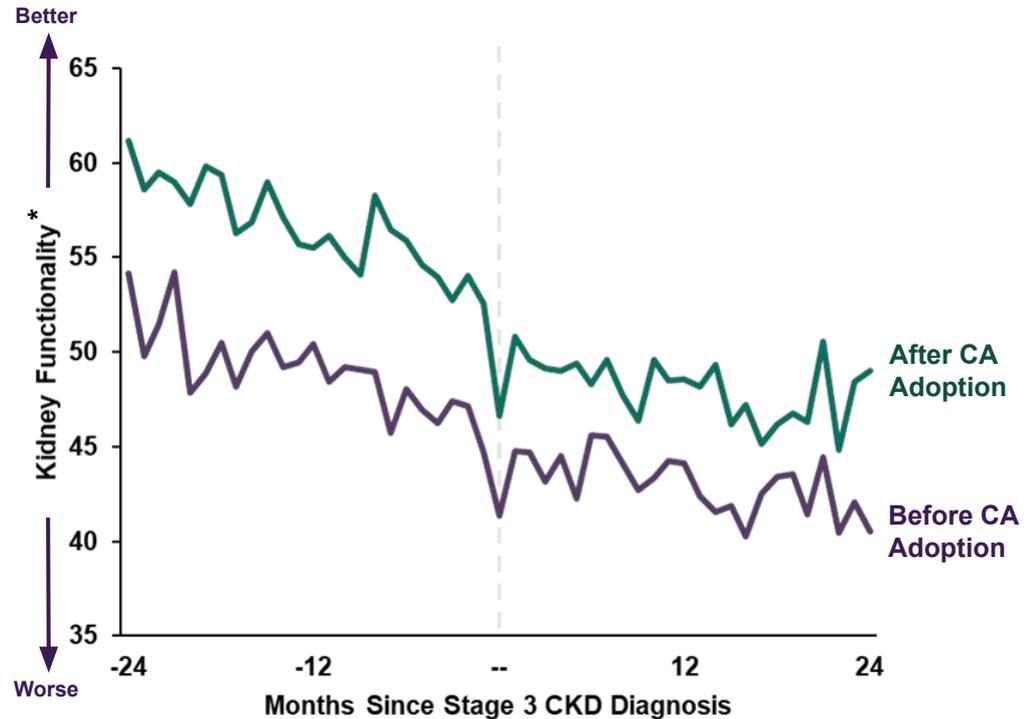
Clover Assistant Helps in Early Treatment of Diabetes

- Clover Assistant parses multiple datasets using AI/ML for insights that may signal whether a member has a risk of disease
- When a physician is prompted by Clover Assistant to consider diabetes, we find that diabetes is often then diagnosed **and medication prescribed**, even when there has never been diabetes identified or medication prescribed previously



PCPs Detect CKD Earlier Once Adopting CA

- Clover Assistant helps track Glomerular filtration rate (GFR)
- When a member's GFR declines to a certain range, Clover Assistant prompts the PCP to consider CKD Stage 3
- Clover Assistant helps PCPs identify CKD earlier in the disease's progression



(*) Kidney Functionality measured via GFR (Glomerular Filtration Rate)

Non-GAAP Financial Measures

CLOVER HEALTH INVESTMENTS, CORP. AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
ADJUSTED EBITDA (NON-GAAP) RECONCILIATION
(in thousands)⁽¹⁾

	Three Months Ended December 31,		Years ended December 31,	
	2022	2021	2022	2021
Net loss:	\$ (84,046)	\$ (187,202)	\$ (338,844)	\$ (587,756)
Adjustments				
Interest expense	136	412	1,333	3,193
Amortization of notes and securities discount	3	—	30	13,717
Depreciation and amortization ⁽²⁾	(841)	848	1,187	1,246
Change in fair value of warrants	(900)	—	(900)	(66,146)
Loss (gain) on investment	970	—	(9,217)	—
Stock-based compensation expense	39,097	31,181	164,305	163,723
Premium deficiency reserve (benefit) expense	(11,269)	61,967	(94,240)	110,628
(Benefits) expenses and other income attributable to Seek Insurance Services, Inc.	(949)	4,542	655	14,036
Expenses attributable to Character Biosciences, Inc.	—	826	357	3,622
Gain on extinguishment of note payable	\$ (23,326)	\$ —	\$ (23,326)	\$ —
Adjusted EBITDA (non-GAAP)	<u>\$ (81,125)</u>	<u>\$ (87,426)</u>	<u>\$ (298,660)</u>	<u>\$ (343,737)</u>

(1) The table above includes non-GAAP measures. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP. For a detailed explanation of these non-GAAP measures, see Appendix A in the accompanying earnings press release.

(2) The three months ended December 31, 2022 includes amounts related to reclassifications from Depreciation and amortization to General and administrative expenses.

Non-GAAP Financial Measures (continued)

CLOVER HEALTH INVESTMENTS, CORP. AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
ADJUSTED SG&A (NON-GAAP) RECONCILIATION
(in thousands)⁽¹⁾

	Three Months Ended December 31,		Years ended December 31,	
	2022	2021	2022	2021
Salaries and benefits	\$ 69,001	\$ 58,903	\$ 278,725	\$ 260,458
General and administrative expenses	55,348	55,177	207,917	185,287
Total SG&A	124,349	114,080	486,642	445,745
Adjustments				
Stock-based compensation expense	(39,097)	(31,181)	(164,305)	(163,723)
Benefits (expenses) attributable to Seek Insurance Services, Inc.	364	(4,542)	(1,240)	(14,036)
Expenses attributable to Character Biosciences, Inc.	—	(826)	(357)	(3,622)
Adjusted SG&A (non-GAAP)	<u>\$ 85,616</u>	<u>\$ 77,531</u>	<u>\$ 320,740</u>	<u>\$ 264,364</u>
Total revenues	\$ 898,791	\$ 432,036	\$ 3,476,687	\$ 1,471,996
Adjusted SG&A (non-GAAP) as a percentage of revenue	10 %	18 %	9 %	18 %

(1) The table above includes non-GAAP measures. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP. For a detailed explanation of these non-GAAP measures, see Appendix A in the accompanying earnings press release.

About Non-GAAP Financial Measures

We use non-GAAP measures including Adjusted EBITDA, Adjusted SG&A, and Adjusted SG&A as a percentage of revenue. These non-GAAP financial measures are provided to enhance the reader's understanding of Clover Health's past financial performance and our prospects for the future. Clover Health's management team uses these non-GAAP financial measures in assessing Clover Health's performance, as well as in planning and forecasting future periods. These non-GAAP financial measures are not computed according to GAAP, and the methods we use to compute them may differ from the methods used by other companies. Non-GAAP financial measures are supplemental to and should not be considered a substitute for financial information presented in accordance with GAAP and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Readers are encouraged to review the reconciliations of these non-GAAP financial measures to the comparable GAAP measures, which are included in the Appendix of this presentation, together with other important financial information, including our filings with the SEC, on the Investor Relations page of our website at investors.cloverhealth.com.

For a description of these non-GAAP financial measures, including the reasons management uses each measure, please see Appendix A in the accompanying earnings press release: "Explanation of Non-GAAP Financial Measures and Other Items."