

# Clover Health

**Business Update & First Quarter 2024  
Earnings Results**



## Disclaimer

---

This presentation and the accompanying oral presentation include forward-looking statements, including, without limitation, statements regarding future events and Clover Health Investments, Corp.'s ("Clover Health," "we," "our," or "us") expectations regarding positive Adjusted EBITDA and Adjusted SG&A (non-GAAP measures, as defined herein), targeted revenue and MCRs, future unregulated pro forma liquidity and cash, future results of operations, financial condition, outlook, market size and opportunity, business strategy and plans, the amount and timing of the Company's repurchase of its Class A Common Stock, 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 under Item 1A. "Risk Factors" in the Company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC"), as such risk factors may be updated in our subsequent filings with the SEC. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation and the accompanying oral 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 and Adjusted SG&A. 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*



**Terry Ronan**  
*Interim Chief Financial Officer*

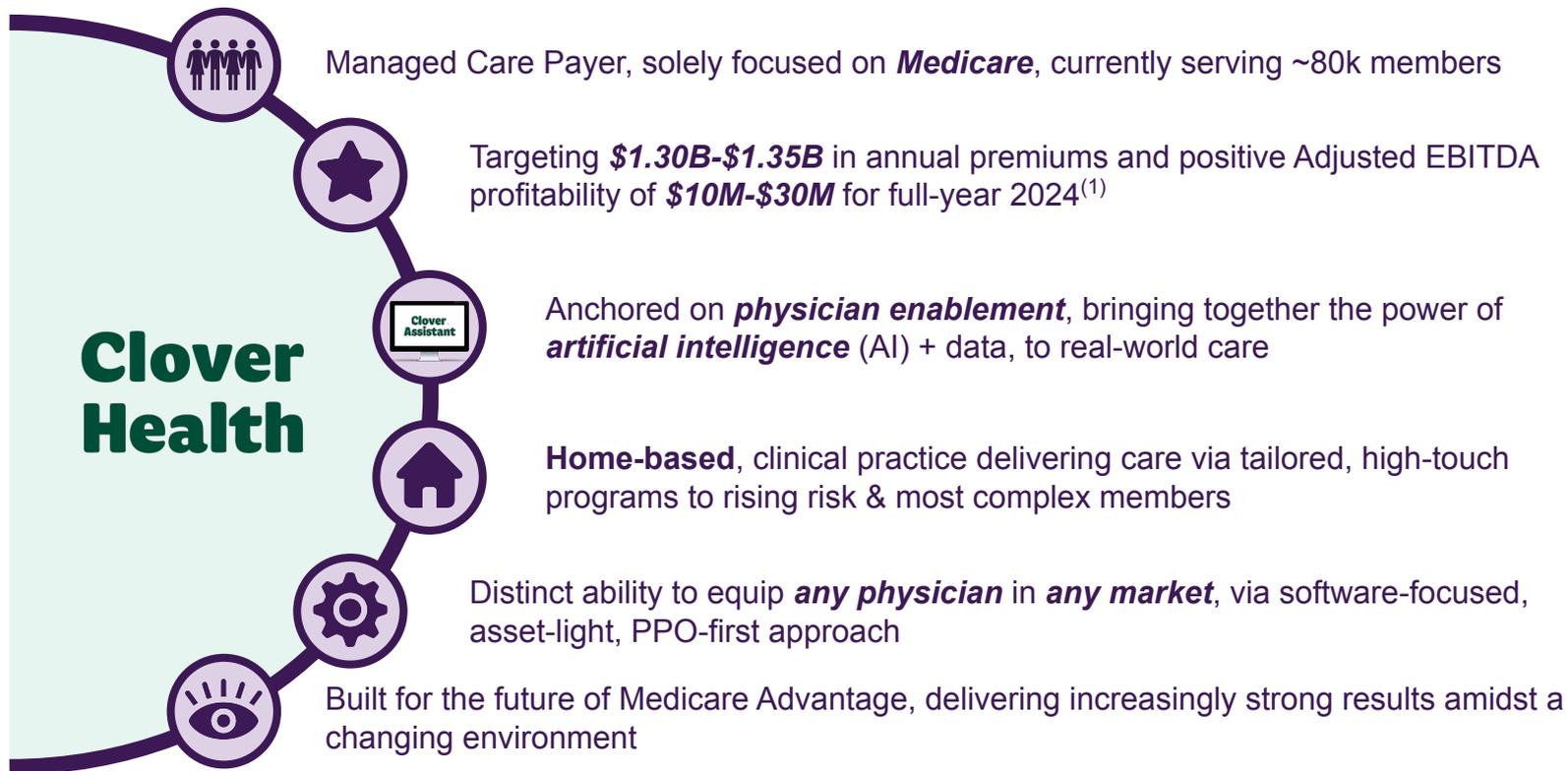
# First Quarter 2024 Business Update

---

- ➔ Delivers **first quarter 2024 positive Adjusted EBITDA** and continued **Insurance revenue growth**
- ➔ Improves 2024 guidance to target **full-year Adjusted EBITDA profitability**, and maintains view that Clover has sufficient capital for operating and growth needs<sup>(1)</sup>
- ➔ Strong performance within a wide network **PPO chassis** highlights unique ability to operate a profitable Insurance plan, positioning the Company **to thrive in the future of the Medicare Advantage program**
- ➔ Continued focus and investment in **unique care management platform**, Clover Assistant and Clover Home Care, to deliver an increasing impact and better care management for members

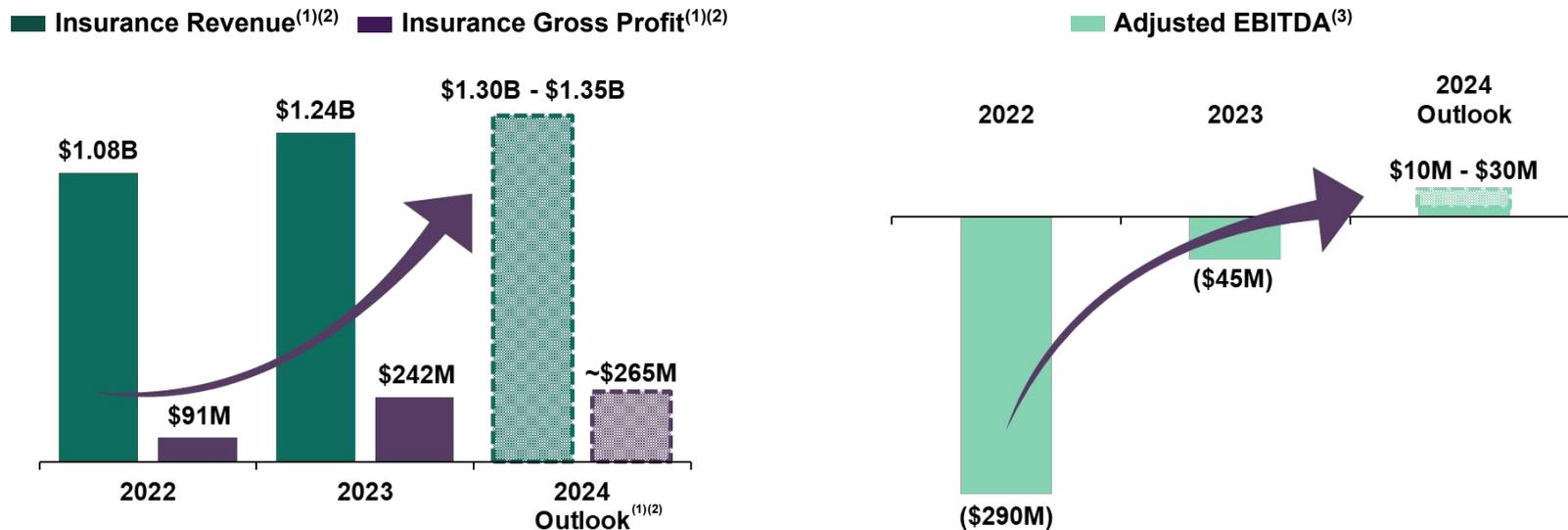
(1) Adjusted EBITDA is a non-GAAP financial measure. Please refer to Non-GAAP Financial Measures provided in the Appendix for a reconciliation of Adjusted EBITDA to Net Loss from continuing operations, the most directly comparable GAAP measure.

## Clover Health at a Glance



(1) 2024 Outlook is based on guidance provided in the Company's May 7, 2024 earnings press release.

# Financial Performance Demonstrating the Strength of Clover Health's Model



**Superior Medicare Advantage performance despite broader industry utilization headwinds cited by other Medicare centric peers**

(1) 2024 Outlook is based on guidance provided in the Company's May 7, 2024 earnings press release. Insurance Gross Profit for 2024 is calculated by taking the midpoint of the guidance provided in the Company's May 7, 2024 earnings press release.  
 (2) See the Company's most recent Form 10-K filed on March 14, 2024 for 2022 and 2023 Insurance Revenue and Insurance Gross Profit.  
 (3) Adjusted EBITDA is a non-GAAP financial measure. We define Adjusted EBITDA as Net Loss from continuing operations before depreciation and amortization, loss (gain) on investment, stock-based compensation expense, premium deficiency reserve benefit, restructuring costs, and non-recurring legal expenses and settlements. Please refer to the Appendix for a reconciliation of Adjusted EBITDA to Net Loss from continuing operations, the most directly comparable GAAP measure. Reconciliation of projected Adjusted EBITDA to Net loss from continuing operations, the most directly comparable GAAP measure, is not provided because Stock-based compensation expense, which is excluded from Adjusted EBITDA, cannot be reasonably calculated or predicted at this time without unreasonable efforts. See "About Non-GAAP Financial Measures" in the Appendix. Note that Adjusted EBITDA for 2022 and 2023 does not reflect the revised presentation of Adjusted EBITDA as disclosed in the May 7, 2024 earnings press release.

# Differentiated Asset-Light Care Management Platform Enables a Wide Network Approach

## Clover Assistant

- ➔ **Cloud-Based, AI-Powered Platform.** Aggregates, synthesizes, and normalizes disparate data streams to generate actionable clinical insights
- ➔ **Technology at Scale.** Platform-agnostic to improve care management across a wide, diverse network of physicians and existing HCIT infrastructure
- ➔ **Closed Feedback Loop.** Proprietary data access allows for rapid technology iteration

Clover Assistant is designed to enable *any* provider to deliver consistent, high quality care. This allows for wider network construction in a sustainable fashion

## Clover Home Care

- ➔ **In-Home, High-Touch Primary Care.** Fully accountable, high-touch primary care & supportive care program for members most at risk
- ➔ **Care Coordination.** Annual in-home assessments and post-discharge visits coordinate care for a rising risk population
- ➔ **Interdisciplinary Care.** Diverse care team, powered by Clover Assistant to deliver the right care at the right time

Clover Home Care supplements community physicians to meet the needs of patients that are most at-risk

# First Quarter 2024 Financial Overview



## Financial Highlights

---

### Continued Improvement in Performance

- Q1'24 Insurance MCR of 77.9% on 8% revenue growth
- Net Loss from continuing operations improved year-over-year by \$56.5mm to (\$23.2mm) in Q1'24, as compared to (\$79.7mm) in Q1'23
- Adjusted EBITDA<sup>(1)</sup> improved year-over-year by \$44.3mm to \$6.8mm in Q1'24, as compared to (\$37.5mm) in Q1'23
- SG&A of \$103.8 million in Q1'24 decreased 18% compared to Q1'23
- Adjusted SG&A<sup>(2)</sup> of \$74.9mm in Q1'24, a reduction of 12% compared to Q1'23

### Capital & Liquidity

- Consolidated restricted and unrestricted cash, cash equivalents, and investments was \$440.3mm at March 31, 2024
- Parent entity and unregulated subsidiaries' restricted and unrestricted cash, cash equivalents, and investments was \$132.6mm at March 31, 2024
- Targeting Adjusted EBITDA profitability for full-year, maintaining view that Clover has sufficient capital for operating and growth needs

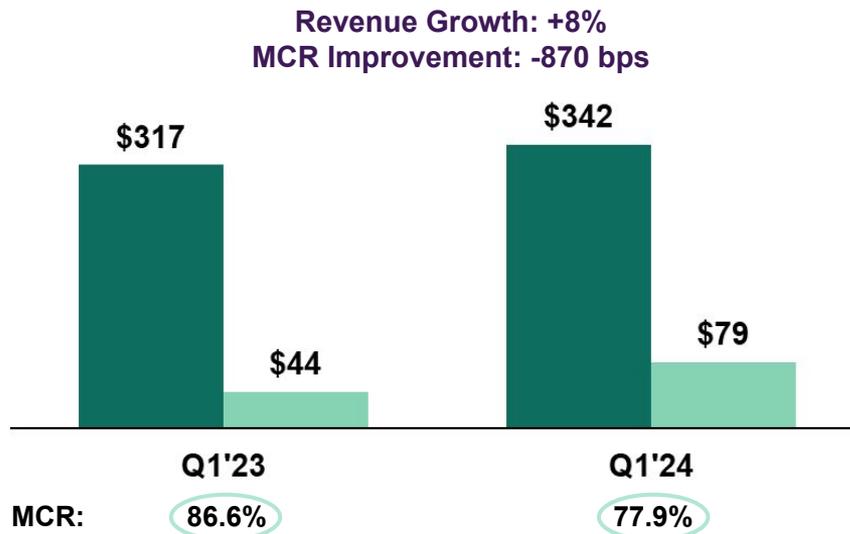
(1) Adjusted EBITDA is a non-GAAP financial measure. We define Adjusted EBITDA as Net Loss from continuing operations before depreciation and amortization, loss (gain) on investment, stock-based compensation expense, premium deficiency reserve benefit, restructuring costs, and non-recurring legal expenses and settlements. Please refer to Non-GAAP Financial Measures provided in the Appendix hereto and Appendix A in the accompanying earnings press release for a reconciliation of Adjusted EBITDA to Net Loss from continuing operations, the most directly comparable GAAP measure.

(2) Adjusted SG&A is a non-GAAP financial measure. We define Adjusted SG&A as total SG&A less stock-based compensation expense and non-recurring legal expenses and settlements. 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 hereto and Appendix A in the accompanying earnings press release.

## Q1 2024 Financial Performance: Insurance

*In millions, except MCR*

■ Revenue  
■ Gross Profit



- Q1 2024 revenue and MCR performance driven by continued operational enhancements, clinical initiatives, and the impact of Clover Assistant and Clover Home Care.

# Q1 2024 Financial Performance: Key Operating Metrics

*In millions*



- Durable Adjusted SG&A improvement a result of new MA operational ecosystem, year-over-year workforce optimization, and exiting ACO Reach program.
- Significantly improved Adjusted EBITDA as the result of strength in core Insurance offering, and meaningful reduction in SG&A.

(1) Adjusted SG&A and Adjusted EBITDA are non-GAAP financial measures. A reconciliation of Adjusted SG&A to the sum of Salaries and benefits plus General and administrative expenses, and a reconciliation of Adjusted EBITDA to Net Loss from continuing operations, the most directly comparable GAAP measures, is provided in the Appendix hereto and Appendix A in the accompanying earnings press release.

# Outlook

On the following slides, Clover Health presents an overview of its full-year 2024 outlook, including certain non-GAAP measures.

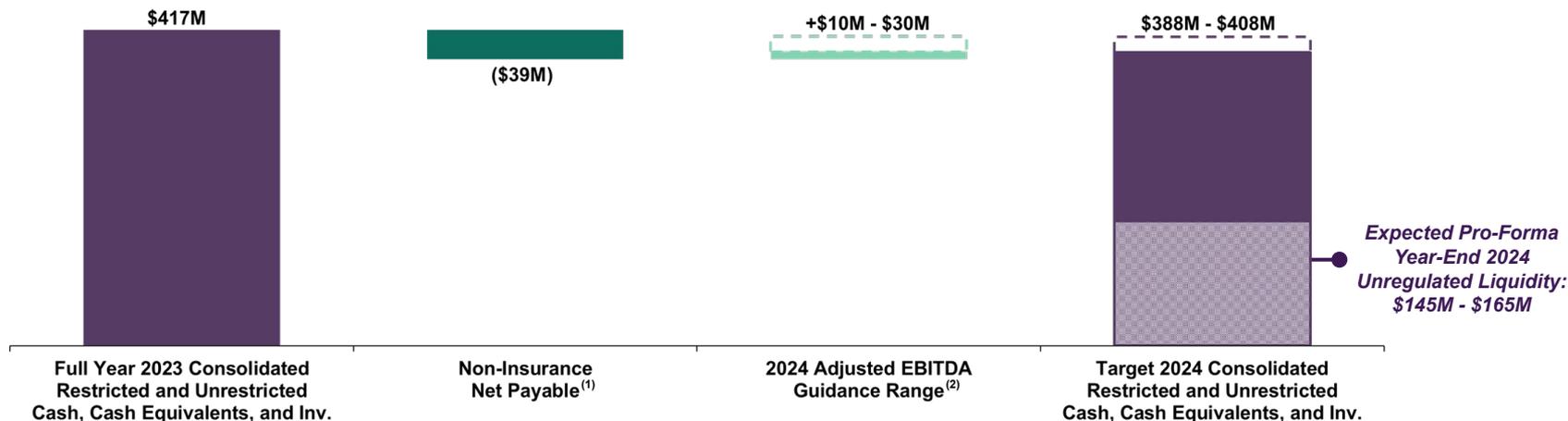


# Full-Year 2024 Outlook

	Prior Guidance (3/12/24)	Updated Guidance (5/7/24)
Insurance Revenue	\$1.25 billion - \$1.30 billion	\$1.30 billion - \$1.35 billion
Insurance MCR	79% - 83%	79% - 81%
Adjusted SG&A <sup>(1)</sup>	\$270 million - \$280 million	\$270 million - \$280 million
Adjusted EBITDA <sup>(1)</sup>	(\$20) million - \$20 million	\$10 million - \$30 million

(1) Adjusted EBITDA and Adjusted SG&A are non-GAAP financial measures. As outlined in the Company's May 7, 2024 press release, Clover Health does not provide a reconciliation of the forward-looking Adjusted SG&A 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. Clover Health's 2024 Financial Outlook, including Projected Adjusted EBITDA, constitutes forward-looking statements and is subject to the risks and uncertainties described in the Company's May 7, 2024 press release and under Item 1A. "Risk Factors" in the Company's most recent Annual Report on Form 10-K filed with the SEC.

# We Remain Confident In Our Liquidity Position, With Sufficient Capital for Operating and Growth Needs



**At year-end 2023, Clover had unregulated liquidity of ~\$137M, as well as ~\$74M of capital and surplus in excess of minimum risk-based capital (RBC) requirements. This equates to a pro-forma year-end 2023 unregulated liquidity of ~\$211M. On the same basis, we expect pro-forma year-end 2024 unregulated liquidity of between \$145M - \$165M<sup>(3)</sup>**

Note: The targeted year-end 2024 Consolidated Restricted and Unrestricted Cash, Cash Equivalents, and Investments amount in this presentation is presented before any potential share buyback impact.

- (1) Non-Insurance Net Payable can be calculated by subtracting the Assets related to discontinued operations from the Liabilities related to discontinued operations line items that can be found within the Company's most recent Quarterly Report on Form 10-Q filed with the SEC on May 7, 2024 in the table titled: "Clover Health Investments, Corp. Consolidated Balance Sheets". Please note that Liabilities related to discontinued operations does not include the impact of restructuring activities, that you may find listed in Note 17 in Form 10-Q filed with the SEC on May 7, 2024.
- (2) 2024 Adjusted EBITDA Guidance Range represents the Company's 2024 guidance range for Adjusted EBITDA, as provided in the Company's May 7, 2024 press release. Adjusted EBITDA is a non-GAAP financial measure. As outlined in the Company's May 7, 2024 press release, Clover Health does not provide a reconciliation of the forward-looking Adjusted EBITDA outlook to the most directly comparable GAAP measure, as this cannot be reasonably calculated or predicted at this time without unreasonable efforts. Clover Health's 2024 Financial Outlook, including Projected Adjusted EBITDA, constitutes forward-looking statements and is subject to the risks and uncertainties described in the Company's May 7, 2024 press release and under Item 1A. "Risk Factors" in the Company's most recent Annual Report on Form 10-K filed with the SEC.
- (3) For year-end 2023 capital and surplus in excess of minimum risk-based capital (RBC) requirements, please refer to note 24 titled "Statutory Equity" under the "Notes to Audited Consolidated Financial Statements" in the Company's most recent Form 10-K filed on March 14, 2024.

**Appendix**



## Non-GAAP Financial Measures

CLOVER HEALTH INVESTMENTS, CORP.  
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES  
ADJUSTED EBITDA (NON-GAAP) RECONCILIATION  
(in thousands)<sup>(1)</sup>

	Three Months Ended March 31,	
	2024	2023
Net loss from continuing operations (GAAP):	\$ (23,170)	\$ (79,698)
Adjustments		
Depreciation and amortization	318	279
Loss (gain) on investment	467	—
Stock-based compensation expense	28,798	38,617
Premium deficiency reserve benefit	—	(1,810)
Restructuring costs	353	1,807
Non-recurring legal expenses and settlements	54	3,258
Adjusted EBITDA (non-GAAP)	<u>\$ 6,820</u>	<u>\$ (37,547)</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.

## Non-GAAP Financial Measures (continued)

CLOVER HEALTH INVESTMENTS, CORP.  
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES  
ADJUSTED SG&A (NON-GAAP) RECONCILIATION  
(in thousands)<sup>(1)</sup>

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Salaries and benefits	\$ 59,223	\$ 68,981
General and administrative expenses	44,569	57,644
<b>Total SG&amp;A (GAAP)</b>	<b>103,792</b>	<b>126,625</b>
<b>Adjustments</b>		
Stock-based compensation expense	(28,798)	(38,617)
Non-recurring legal expenses and settlements	(54)	(3,258)
<b>Adjusted SG&amp;A (non-GAAP)</b>	<b>\$ 74,940</b>	<b>\$ 84,750</b>

(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.

## Non-GAAP Financial Measures (continued)

CLOVER HEALTH INVESTMENTS, CORP.  
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES  
ADJUSTED EBITDA (NON-GAAP) RECONCILIATION  
(in thousands)<sup>(1)</sup>

	Years Ended December 31,	
	2023	2022
Net loss:	\$ (213,361)	\$ (339,567)
Adjustments		
Interest expense	7	1,333
Amortization of notes and securities discount	—	30
Depreciation and amortization	2,509	1,187
Change in fair value of warrants	86	(900)
Loss (gain) on investment	4,726	(9,217)
Stock-based compensation expense	140,931	164,305
Premium deficiency reserve benefit	(7,239)	(93,517)
Restructuring costs	9,931	—
Non-recurring legal expenses and settlements	1,807	8,266
Impairment of goodwill and other intangible assets	15,945	—
Expenses attributable to Seek Insurance Services, Inc.	—	655
Expenses attributable to Character Biosciences, Inc.	—	357
Gain on extinguishment of note payable	\$ —	\$ (23,326)
Adjusted EBITDA (non-GAAP)	<u>\$ (44,658)</u>	<u>\$ (290,394)</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. Note that Adjusted EBITDA for 2022 and 2023 does not reflect the revised presentation of Adjusted EBITDA as disclosed in the May 7, 2024 earnings press release.

## Selected Financial Metrics Reconciliation

CLOVER HEALTH INVESTMENTS, CORP.  
 CONSOLIDATED BALANCE SHEETS: SELECTED METRICS  
 (in thousands)<sup>(1)</sup>

<b>Selected Balance Sheet Data:</b>	<b>March 31, 2024</b>
Assets related to discontinued operations (Note 17)	\$10,926
Liabilities related to discontinued operations (Note 17)	\$50,325
<b>Non-Insurance Net Payable</b>	<b>\$39,399</b>

(1) Non-Insurance Net Payable can be calculated by subtracting the Assets related to discontinued operations from the Liabilities related to discontinued operations line items that can be found within the Company's most recent Quarterly Report on Form 10-Q filed with the SEC on May 7, 2024 in the table titled: "Clover Health Investments, Corp. Consolidated Balance Sheets". Please note that Liabilities related to discontinued operations does not include the impact of restructuring activities, that you may find listed in Note 17 in Form 10-Q filed with the SEC on May 7, 2024.

## About Non-GAAP Financial Measures

---

We use non-GAAP measures in this presentation, including Adjusted EBITDA and Adjusted SG&A. 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 included in our filings with the SEC and on the Investor Relations page of our website at [investors.cloverhealth.com](http://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."