

Clover Health

First Quarter 2023 - 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, including our Quarterly Report on Form 10-Q for the first quarter of 2023. 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, 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



Scott Leffler
Chief Financial Officer

Q1 2023 and Recent Highlights

Business & Market Update

- Relatively stable utilization and cost environment contributing to favorable performance
- Improved 2023 guidance includes Insurance MCR of 87% - 89%, Insurance revenue of \$1.18 billion - \$1.23 billion, and Adjusted EBITDA of (\$125) million - (\$175) million
- Announced business transformation initiatives to drive annualized ~\$30mm in SG&A savings starting 2024
- Path to profitability gaining momentum based on YTD results

Significantly Improved Q1 Performance

- Insurance MCR of 86.6% on 14% revenue growth
- Non-Insurance MCR of 96.1%
- Adjusted SG&A⁽¹⁾ of \$85.7mm
- Adjusted EBITDA⁽²⁾ of (\$30.5mm), as compared to (\$70.9mm) in Q1'22

Capital & Liquidity

- Consolidated restricted and unrestricted cash, cash equivalents, and investments was \$635mm at March 31, 2023
- Parent entity and unregulated subsidiaries' restricted and unrestricted cash, cash equivalents, and investments was \$331mm at March 31, 2023
- We believe our liquidity position is sufficient for our expected 2023 operating needs

(1) Adjusted SG&A is a non-GAAP financial measure. We define Adjusted SG&A as total SG&A less stock-based compensation expense, less activity attributable to restructuring costs, less non-recurring legal expenses and settlements, less expenses 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, depreciation and amortization, gain on investment, stock-based compensation expense, premium deficiency reserve benefit, restructuring costs, non-recurring legal expenses and settlements, expenses attributable to Seek, and expenses attributable to Character Biosciences, 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



Q1 2023 Financial Performance: Insurance

In millions, except MCR

■ Revenue
■ Gross Profit

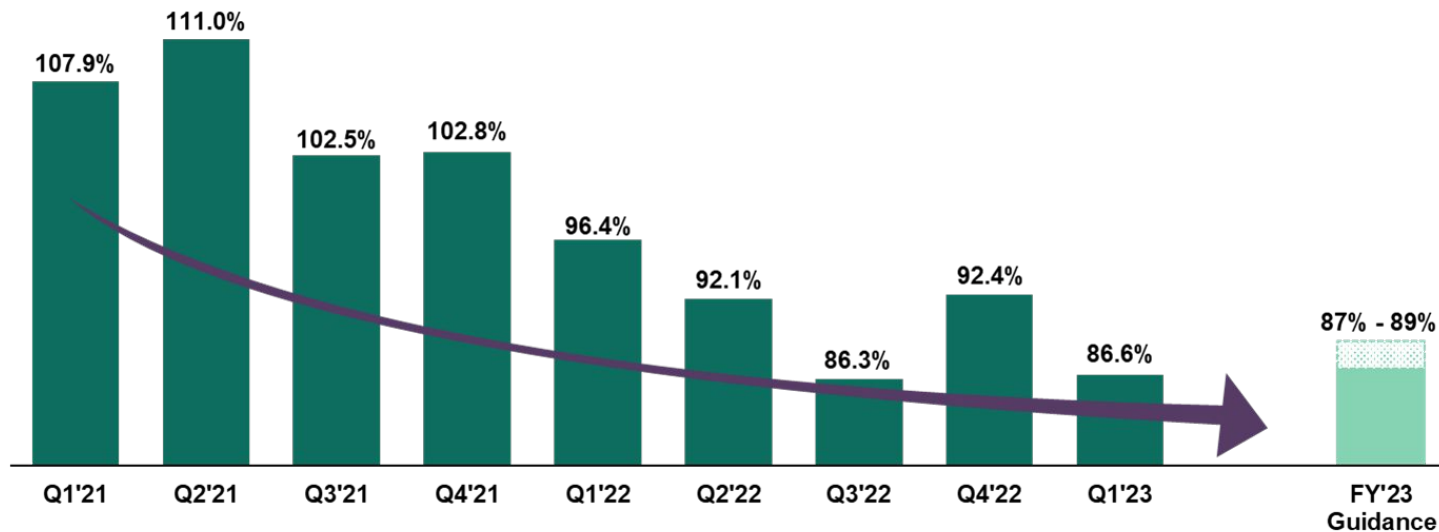
First Quarter

Revenue +14%
MCR -980 bps



- Q1 2023 revenue and MCR improvement driven by continued operational enhancements, a balanced and sustainable plan design, and improved PPO Star rating as our portfolio matures

Favorable Trend in Insurance MCR



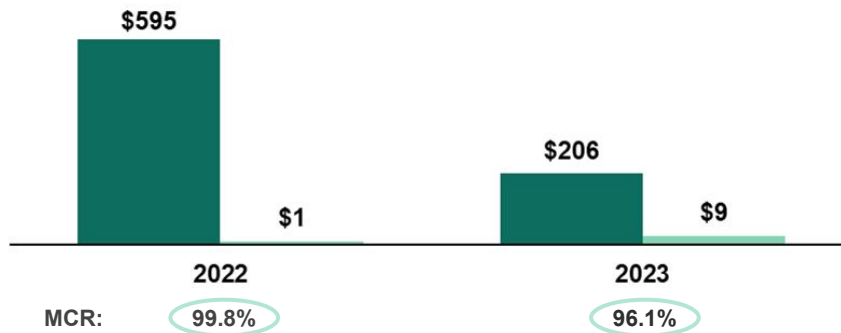
Q1 2023 Financial Performance: Non-Insurance

In millions, except MCR

■ Revenue
■ Gross Profit

First Quarter

Revenue -65%
MCR -370 bps



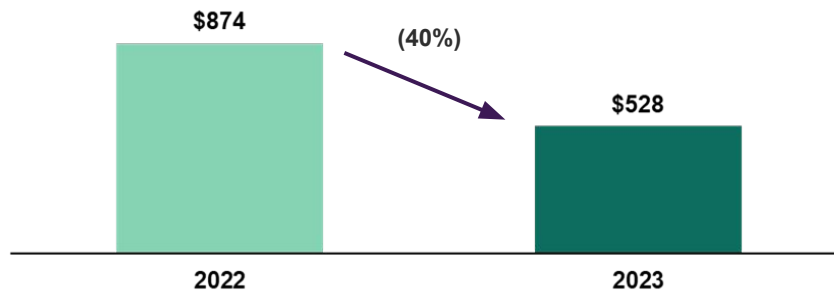
- Q1 2023 revenue decrease and MCR improvement driven by a narrower group of aligned beneficiaries as a result of our strategic focus on fewer participant providers

Q1 2023 Financial Performance: Consolidated

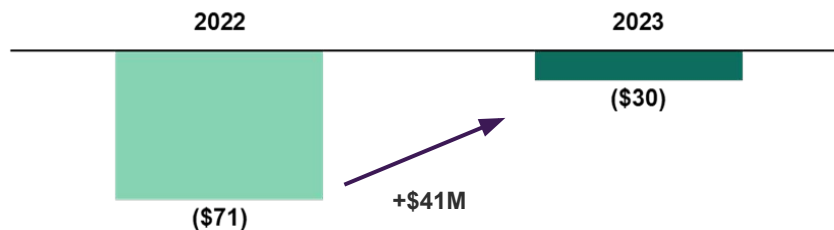
In millions

First Quarter

Revenue



Adjusted EBITDA⁽¹⁾



(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.

2023 Outlook

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

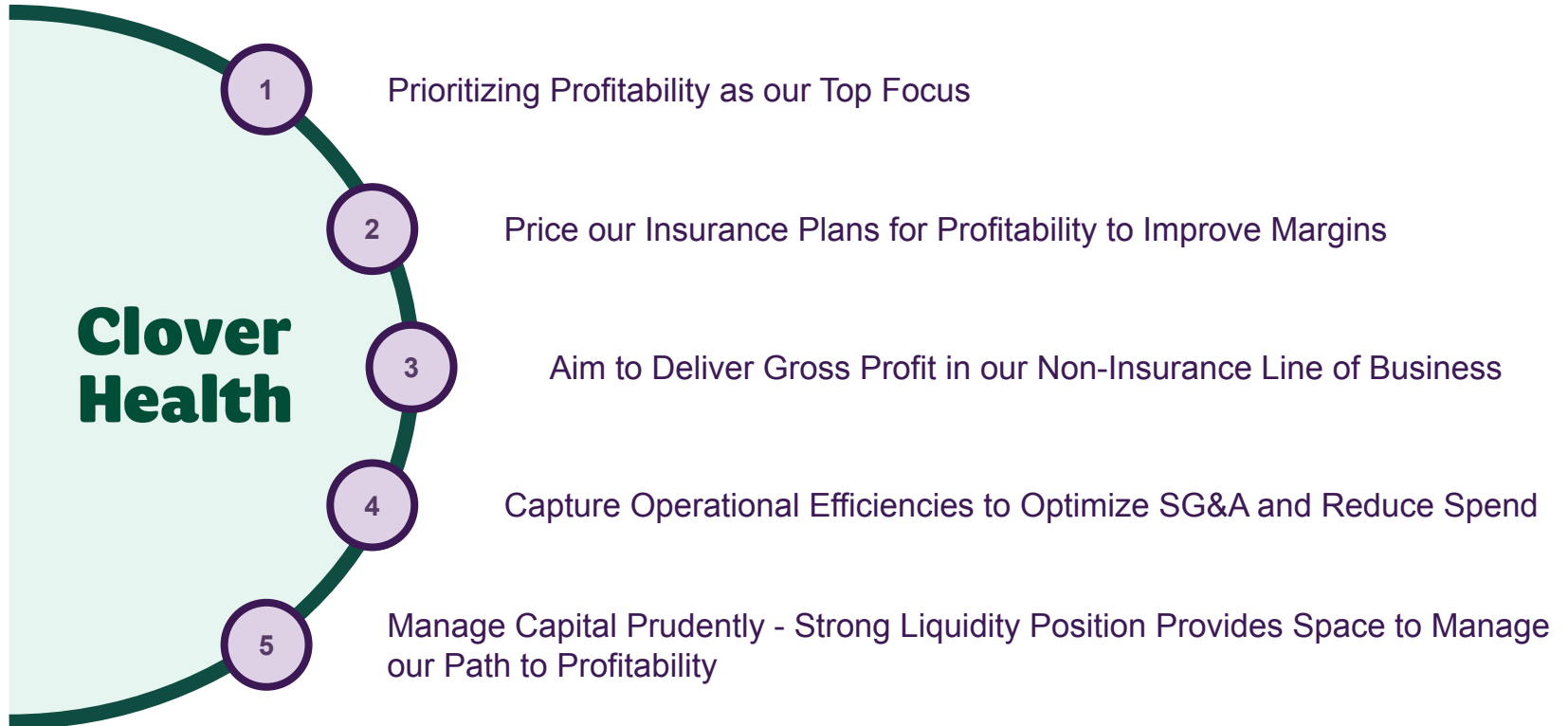


Full-Year 2023 Outlook

	Prior Guidance (2/28/23)	Updated Guidance (5/9/23)
Total Revenue	\$1.90 billion - \$2.00 billion	\$1.93 billion - \$2.03 billion
Insurance Revenue	\$1.15 billion - \$1.20 billion	\$1.18 billion - \$1.23 billion
Insurance MCR	89% - 91%	87% - 89%
Non-Insurance Revenue	\$0.75 billion - \$0.80 billion	\$0.75 billion - \$0.80 billion
Non-Insurance MCR	98% - 100%	98% - 100%
Adjusted SG&A ⁽¹⁾	\$315 million - \$325 million	\$315 million - \$325 million
Adjusted EBITDA ⁽¹⁾	(\$155) million - (\$205) million	(\$125) million - (\$175) million

(1) Adjusted EBITDA and Adjusted SG&A are non-GAAP financial measures. As outlined in the Company's May 9, 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



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 March 31,	
	2023	2022
Net loss:	\$ (72,606)	\$ (75,490)
Adjustments		
Interest expense	—	403
Depreciation and amortization	279	826
Gain on investment	—	(12,394)
Stock-based compensation expense	38,617	40,640
Premium deficiency reserve benefit	(1,810)	(27,476)
Restructuring costs	1,807	—
Non-recurring legal expenses and settlements	3,258	813
Expenses attributable to Seek Insurance Services, Inc.	—	1,374
Expenses attributable to Character Biosciences, Inc.	—	357
Adjusted EBITDA (non-GAAP)	\$ (30,455)	\$ (70,947)

(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. AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
ADJUSTED SG&A (NON-GAAP) RECONCILIATION
(in thousands)⁽¹⁾

	Three Months Ended March 31,	
	2023	2022
Salaries and benefits	\$ 70,207	\$ 69,091
General and administrative expenses	59,215	57,697
Total SG&A	129,422	126,788
Adjustments		
Stock-based compensation expense	(38,617)	(40,640)
Restructuring costs	(1,807)	—
Non-recurring legal expenses and settlements	(3,258)	(813)
Expenses attributable to Seek Insurance Services, Inc.	—	(1,374)
Expenses attributable to Character Biosciences, Inc.	—	(357)
Adjusted SG&A (non-GAAP)	\$ 85,740	\$ 83,604

(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, 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, 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."