



Clover Health

**Fourth Quarter & Full-Year 2024
Earnings Conference Call**

February 27, 2025

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 Adjusted EBITDA, Adjusted Net income (loss) from continuing operations, Adjusted SG&A, Adjusted SG&A as a percentage of revenue, Insurance BER (non-GAAP measures, as defined herein), targeted revenue and MCRs, future unregulated pro forma liquidity and cash, future results of operations, financial condition, guidance, 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 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"), filed with the SEC on March 14, 2024, 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, Adjusted Net income (loss) from continuing operations, Adjusted SG&A and Insurance BER. 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.

Our Vision

Empower Every Physician with Technology to Identify, Manage & Treat Chronic Diseases Earlier

*Earlier Diagnosis
& Treatment*

*Earlier Disease
Management*

*Higher Quality
Clinical Care*

*Affordable &
Accessible Care*

Our Goals: 12 Month Lookback

- ✓ Meaningful Adj. EBITDA Profitability of ~\$70 million⁽²⁾
- ✓ PPO Plan PY25: 3.5 Stars / PY26: 4.0 Stars⁽³⁾
- ✓ Top-Line Growth; ~27% January YoY Membership Growth⁽⁴⁾
- ✓ Counterpart Health Launch

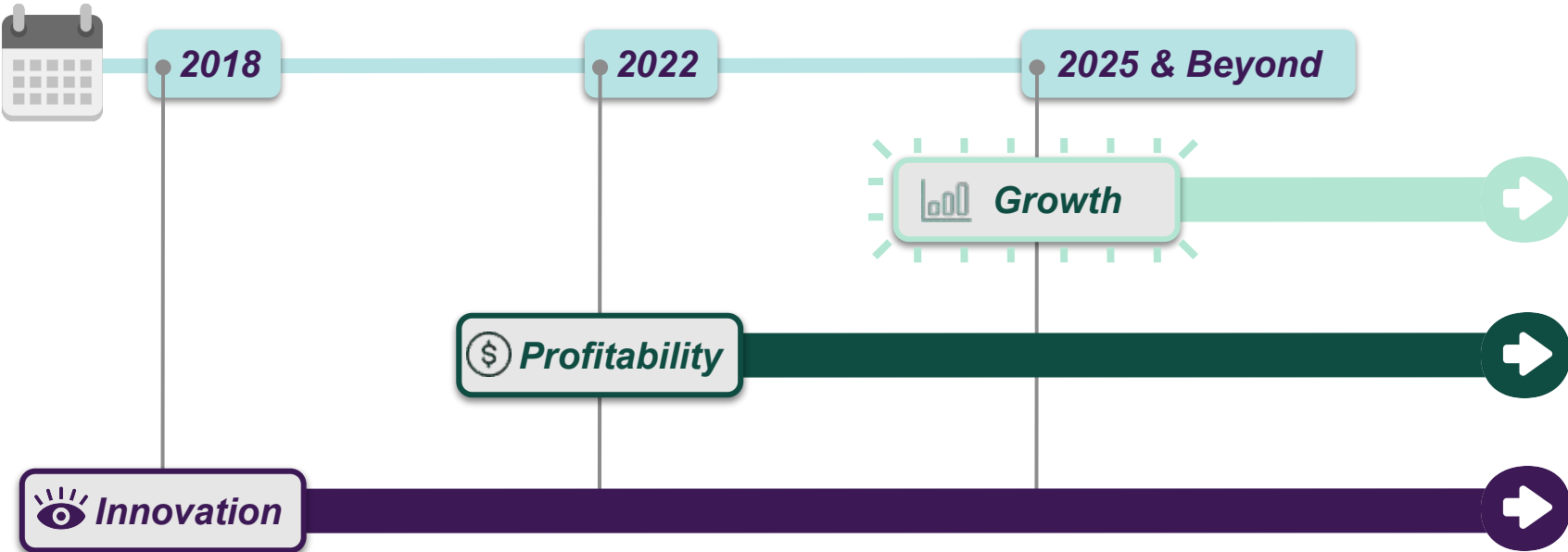
Investor Presentation from ~1 Year Ago⁽¹⁾

Goals for 2024 and Beyond



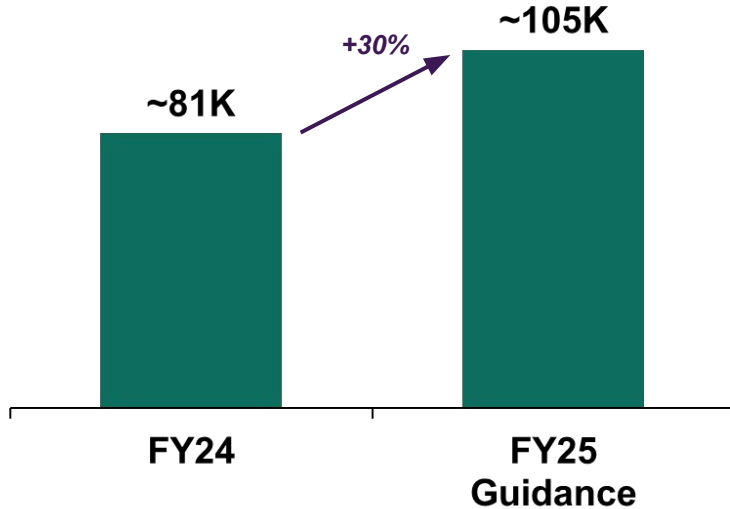
(1) The slide screenshot of the page titled "Goals for 2024 and Beyond" comes from the Clover Health presentation at the 42nd Annual J.P. Morgan Conference, filed on January 10, 2024 [here](#), and on the Company's investor relations website.
 (2) Adjusted EBITDA is a non-GAAP financial measure. We define Adjusted EBITDA as net loss from continuing operations before depreciation and amortization, interest expense, change in fair value of warrants, loss on investment, stock-based compensation, premium deficiency reserve benefit, restructuring costs, impairment of goodwill and other intangible assets, and non-recurring legal expenses and settlements. Please refer to the Appendix for a reconciliation of Adjusted EBITDA to Net Income (Loss) from continuing operations, the most directly comparable GAAP measure.
 (3) Clover Health maintained a 3.5 Star Rating for payment year 2025, and improved its Star Rating to 4.0 Stars for payment year 2026 for its flagship PPO plans.
 (4) Clover Health continued to deliver strong top-line Revenue growth during 2024. Medicare Advantage membership growth as of the beginning of January 2025, as compared to January 2024.

Clover's Next Phase: Growth

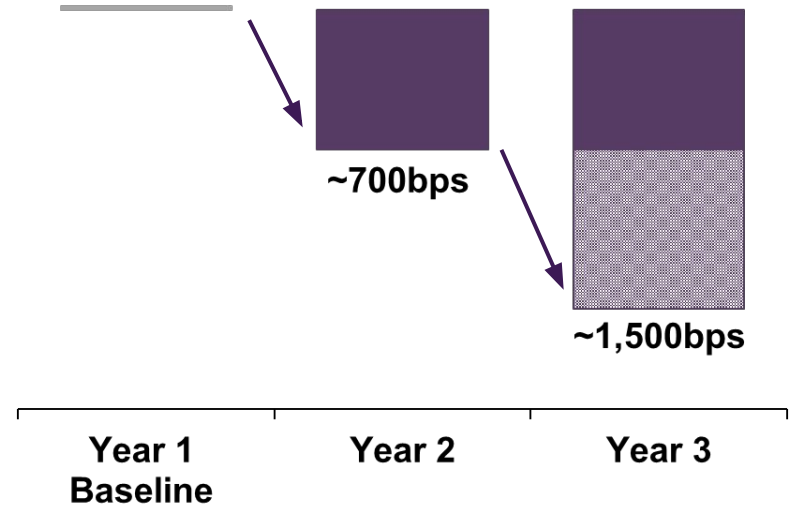


Positioned to Succeed

Average Medicare Advantage Membership⁽¹⁾



Average MCR Differential by Cohort Year⁽²⁾



Robust new member growth via MA switchers & core market focus, coupled with compelling cohort management, establishes foundation for long-term Medicare Advantage success

(1) Average Medicare Advantage (MA) Membership as of the year ended 2024 and the expected year ended 2025 at the midpoint of our guidance.

(2) Clover Health cohort information represents incurred membership data from dates of service including 2021 through 2024. Within any given performance year, MCR differential represents the member weighted average difference between Year 2 and Year 1 cohorts, as well as Year 3 and Year 1 cohort differentials.

Guidance

On the following slides, Clover Health presents an overview of its full year 2025 guidance, including certain non-GAAP measures.



Full Year 2025 Guidance Review

	Full-Year 2025 Guidance (2/27/25)
Insurance Revenue	\$1.800B - \$1.875B
Adjusted SG&A ⁽¹⁾	\$355M - \$365M
Adjusted SG&A as a % of Total Revenues	19% - 20%
Adjusted EBITDA ⁽¹⁾	\$45M - \$70M
Adjusted Net Income ⁽¹⁾	\$45M - \$70M
Average Medicare Advantage Membership	103,000 - 107,000
Insurance BER ⁽¹⁾	87% - 88%

(1) Insurance BER, Adjusted EBITDA, Adjusted Net income, and Adjusted SG&A are non-GAAP financial measures. As outlined in the Company's February 27, 2025 press release, Clover Health does not provide a reconciliation of the forward-looking Adjusted SG&A, Adjusted EBITDA, Adjusted Net income, and Insurance BER guidance to the most directly comparable GAAP measure, as this cannot be reasonably calculated or predicted at this time without unreasonable efforts. Clover Health's 2025 Financial Guidance, including Projected Adjusted EBITDA, constitutes forward-looking statements and is subject to the risks and uncertainties described in the Company's February 27, 2025 press release and under Item 1A. "Risk Factors" in the Company's most recent Annual Report on Form 10-K filed with the SEC.

Full Year 2025 Profitability Drivers: Adjusted EBITDA⁽¹⁾

Illustrative – Not to Scale

**FY24
Adj. EBITDA⁽¹⁾
Results**



Non-Recurring Favorable PPD Affecting FY24



Loss Ratio Cohort Economics Impact from +30% New Member Growth



Loss Ratio Impact from Strong Returning Member Cohort Economics Management



Volume Impact to Growth / Variable SG&A from +30% New Member Growth



Strategic Quality / Clover Assistant Investments



Fixed / Growth / Variable SG&A Optimization via Cost Efficiency Program

**FY25
Adj. EBITDA⁽¹⁾
Guidance**



Gross Profit Impact

SG&A Impact

(1) Adjusted EBITDA is a non-GAAP financial measure. We define Adjusted EBITDA as net loss from continuing operations before depreciation and amortization, interest expense, change in fair value of warrants, loss on investment, stock-based compensation, premium deficiency reserve benefit, restructuring costs, impairment of goodwill and other intangible assets, and non-recurring legal expenses and settlements. Please refer to the Appendix for a reconciliation of historical Adjusted EBITDA to Net Income (Loss) from continuing operations, the most directly comparable GAAP measure. As outlined in the Company's February 27, 2025 press release, Clover Health does not provide a reconciliation of forward-looking Adjusted EBITDA guidance to the most directly comparable GAAP measure, as this cannot be reasonably calculated or predicted at this time without unreasonable efforts. Clover Health's 2025 Financial Guidance, including Projected Adjusted EBITDA, constitutes forward-looking statements and is subject to the risks and uncertainties described in the Company's February 27, 2025 press release and under Item 1A. "Risk Factors" in the Company's most recent Annual Report on Form 10-K filed with the SEC.

**Fourth Quarter & Full-Year
2024 Financial Supplement**



Business Update

Meaningful Profitability

Increasing FY24 Adjusted EBITDA and Adjusted Net income from continuing operations⁽¹⁾

Strong cash flow from operations

Strong 2024 Insurance Results

Industry-leading loss ratios

Top-line revenue growth

Achieved 4.0 Stars PY2026 PPO Plans⁽²⁾

4.0 Star PPO Plans in Payment Year 2026

~95% of members in PPO Plans for 2025⁽³⁾

Market leading HEDIS performance on core measures⁽⁴⁾

Growing Lives Under Management

+27% Medicare Advantage AEP Growth⁽⁵⁾

Expanding Counterpart Health Offering

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

(2) Clover Health achieved a 4.0 Star Rating for Payment Year 2026 for its PPO plans.

(3) Based on December 2024 Clover Insurance membership.

(4) Clover Health's Medicare Advantage PPO plans received a score of 4.94 on HEDIS for the Plan Year 2025, Payment Year 2026 Star ratings. For plans with over 2,000 members, Clover's PPO received the highest score in the entire country on core HEDIS measures.

(5) Medicare Advantage (MA) Membership growth a comparison of the beginning of January for the years beginning 2025 versus 2024.

Financial Summary

Profitability

- (\$21.5M) Net loss from continuing operations in 4Q24, **improved by \$46.4M**, as compared to 4Q23. FY24 Net loss from continuing operations of (\$46.3M), **improved by \$163.8M**, as compared to FY23
- Adjusted EBITDA⁽¹⁾ of \$7.8M in 4Q24 **improved by \$24.5M**, as compared to 4Q23. FY24 **Adjusted EBITDA⁽¹⁾ of \$70.1M** improved by \$111.7M, as compared to FY23
- Adjusted Net income from continuing operations⁽²⁾ of \$7.4M in 4Q24 **improved by \$29.6M**, as compared to 4Q23. FY24 **Adjusted Net income from continuing operations⁽²⁾ of \$68.2M** improved by \$117.1M, as compared to FY23

Operations

- 4Q24 Insurance **MCR of 73.5%** and **BER⁽³⁾ of 82.8%**, on 9% revenue growth YoY, and FY24 Insurance **MCR of 75.1%** and **BER⁽³⁾ of 81.2%**, on 9% revenue growth as compared to FY23
- 4Q24 SG&A increased 7% to \$115.0M, and Adjusted SG&A⁽⁴⁾ increased 9% to \$86.1M, as compared to 4Q23. **FY24 SG&A decreased 7% to \$408.9M**, and **Adjusted SG&A⁽⁴⁾ decreased 1% to \$294.7M**, as compared to FY23

Cash & Liquidity at 4Q24

- **\$437.6M of consolidated** restricted and unrestricted cash, cash equivalents, and investments
- **\$151.5M of parent entity and unregulated subsidiaries'** restricted and unrestricted cash, cash equivalents, and investments

(1) Adjusted EBITDA is a non-GAAP financial measure. We define Adjusted EBITDA as net loss from continuing operations before depreciation and amortization, interest expense, change in fair value of warrants, loss on investment, stock-based compensation, premium deficiency reserve benefit, restructuring costs, impairment of goodwill and other intangible assets, 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 Net income (loss) from continuing operations is a non-GAAP financial measure. We define Adjusted Net income (loss) from continuing operations as Net income (loss) from continuing operations before stock-based compensation, premium deficiency reserve benefit, restructuring costs, impairment of goodwill and other intangible assets, 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 Net income (loss) from continuing operations to Net income (loss) from continuing operations, the most directly comparable GAAP measure.

(3) Insurance Benefits expense ratio ("BER") is a non-GAAP financial measure. We calculate our Insurance BER by taking the total of Insurance net medical expenses incurred and quality improvements, and dividing that total by premiums earned on a net basis, in a given period. 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 BER to Insurance Net medical claims incurred, net, the most directly comparable GAAP measure.

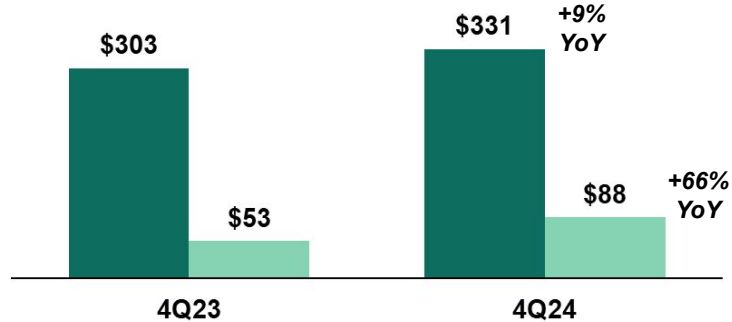
(4) Adjusted SG&A is a non-GAAP financial measure. We define Adjusted SG&A as total SG&A less stock-based compensation and non-recurring legal expenses and settlements. A reconciliation of Adjusted SG&A to the sum of Salaries and benefits plus General and administrative expenses, the most directly comparable GAAP measure, is provided in the Appendix hereto and Appendix A in the accompanying earnings press release.

4Q & FY24 Financial Performance: Insurance

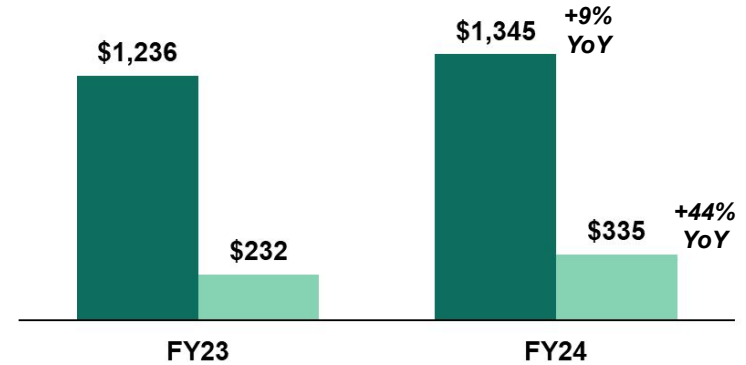
In millions, except MCR

■ Revenue
■ Gross Profit

Fourth Quarter



Full Year



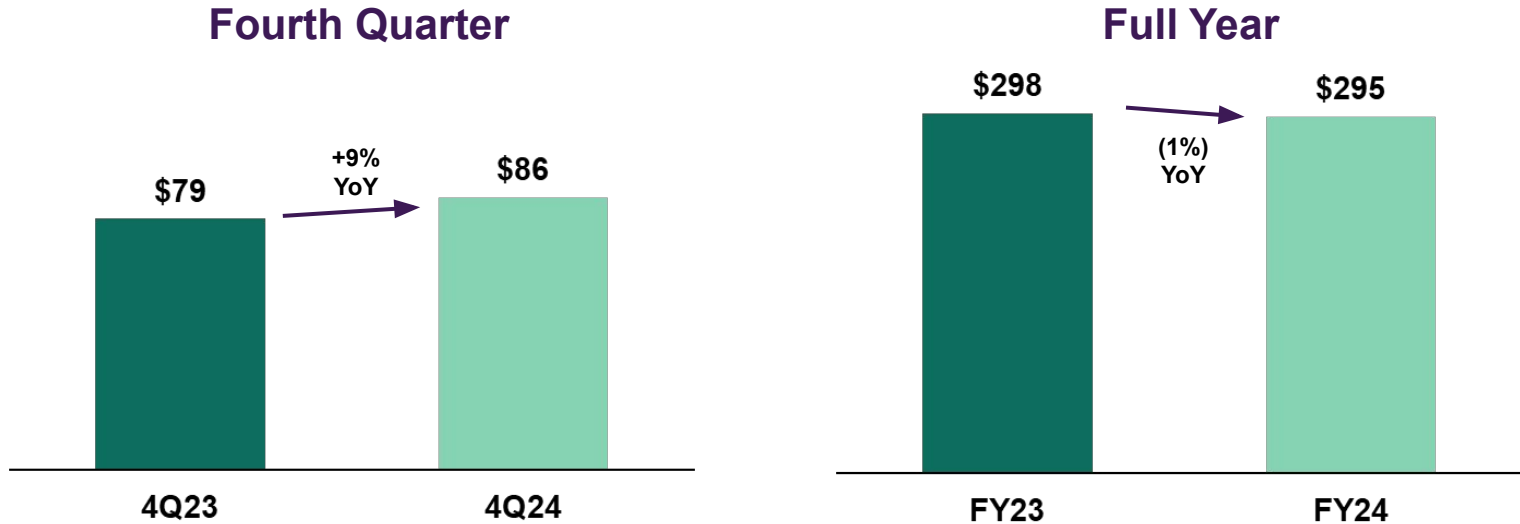
BER:	87.4%	82.8%
MCR:	82.4%	73.5%

86.5%	81.2%
81.2%	75.1%

- 4Q and FY24 revenue, MCR, and BER performance driven by strong MA fundamentals, returning member retention, clinical initiatives, and the impact of Clover Assistant powered care platform.

4Q & FY24 Financial Performance: Adjusted SG&A⁽¹⁾

In millions

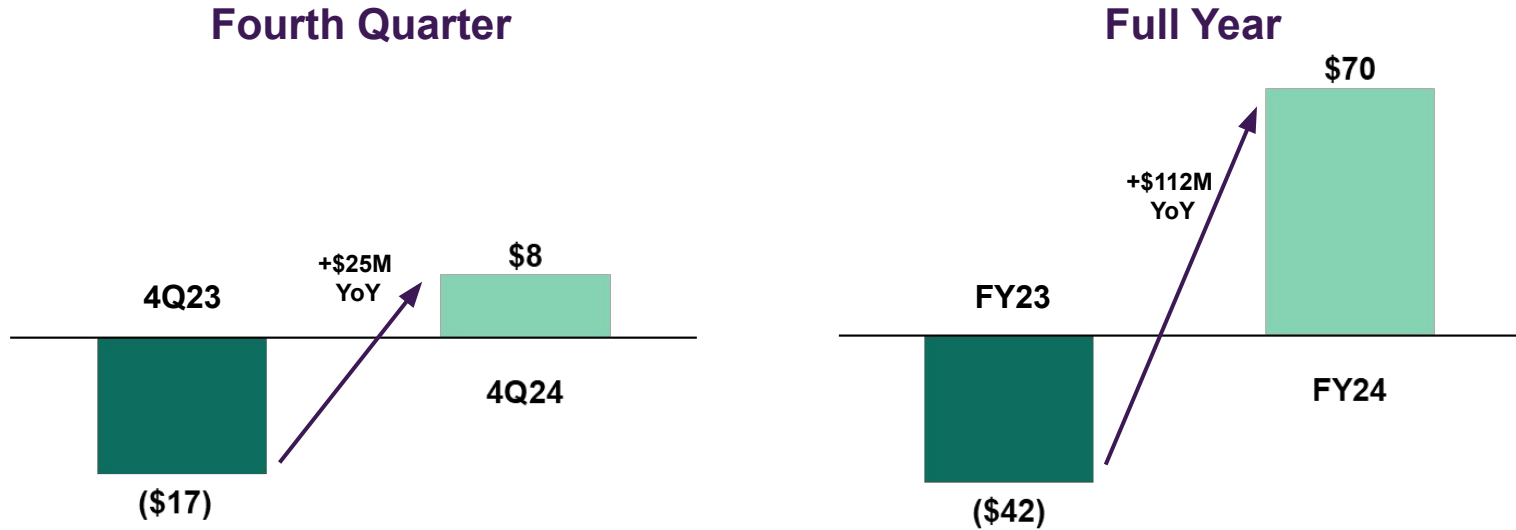


- Elevated 4Q24 Adjusted SG&A reflects strategic reinvestments made to support growth, as well as various quality-focused investments aimed at improving member outcomes.

(1) Adjusted SG&A is a non-GAAP financial measure. 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.

4Q & FY24 Financial Performance: Adjusted EBITDA⁽¹⁾

In millions

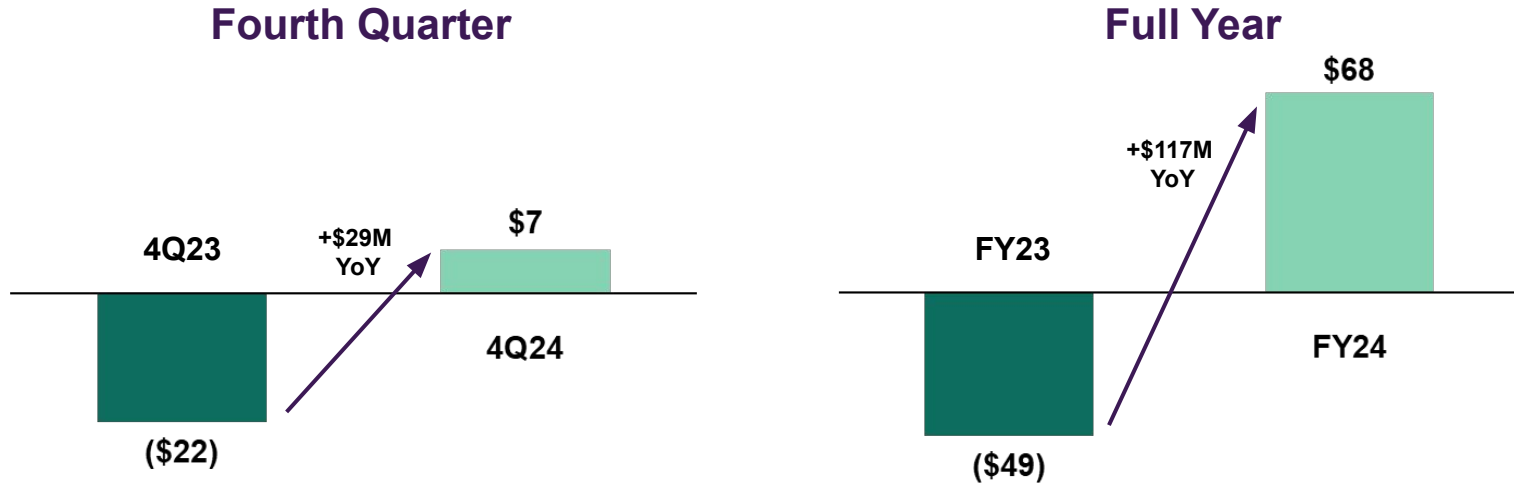


- Significantly improved year-over-year Adjusted EBITDA as the result of strong MA business performance, well managed member cohorts, differentiated ability to better manage the total cost of care via technology, and continued focus on SG&A optimization.

(1) Adjusted EBITDA is a non-GAAP financial measure. A reconciliation of Adjusted EBITDA to Net loss from continuing operations, the most directly comparable GAAP measure, is provided in the Appendix hereto and Appendix A in the accompanying earnings press release.

4Q & FY24 Financial Performance: Adjusted Net Income (Loss) from Continuing Operations⁽¹⁾

In millions



- Significantly improved year-over-year Adjusted Net income (loss) from continuing operations as the result of strong MA business performance, well managed member cohorts, differentiated ability to better manage the total cost of care via technology, and continued focus on SG&A optimization.

(1) Adjusted Net income (loss) from continuing operations is a non-GAAP financial measure. A reconciliation of Adjusted Net income (loss) from continuing operations to Net income (loss) from continuing operations, the most directly comparable GAAP measure, is provided in the Appendix hereto and Appendix A in the accompanying earnings press release.

Appendix



Differentiated, Tech-Centric Model Focused on Improving Clinical Care Outcomes via Software

	Clover's Approach	Traditional MA Approaches
Technology	<i>Clinical, physician enablement, AI-Powered technology</i>	<i>InsurTech, back-office & administrative</i>
Care Strategy	<u><i>Earlier disease identification & management</i></u> <i>& subsequent care treatment</i>	<u><i>Delayed / reactive healthcare,</i></u> <i>and/or downstream risk delegation</i>
Network Construct	<i>Wide network PPO;</i> <i>Focused on affordability / accessibility</i>	<i>Majority HMO approach;</i> <i>Narrow choice</i>
Risk Delegation / Capitation	<i>Not focused on Risk Delegation</i>	<i>Large focus / reliance</i>
Home Care	<i>Longitudinal care to most at-risk;</i> <i>via CA-powered Physician-led pods</i>	<i>Outsourced one-time visits;</i> <i>Primarily rely on nurses & nursing assistants</i>
Full-Year 2024 Performance ⁽¹⁾	<i>Industry-leading loss ratios;</i> <i>MCR: 75.1% BER: 81.2%⁽²⁾</i>	<i>Mid 80% to low 90% loss ratios</i>

(1) Represents full year 2024 MCR and BER ratios for Clover Health, as well as most recent results of other public companies with "Traditional MA Plan" approaches that have reported results as of the time of this slide deck publication.

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Having Supported Clinical Decision-Making for Thousands of Practitioners

Captures & synthesizes data from 100+ sources

Generating millions of clinically oriented and personalized insights

Allison Smith
MBI 6DNST54PV50 DOB 01/01/1945 DOS 06/24/2024

← Back to Visits View patient data

Flagged for you

- ED/hospital discharge 5 days ago
Discharged on 06/20/2024 with hospital diagnosis Hip Fracture [Details](#)
- Prescription not filled as of 5/16/2024: Atorvastatin
2 fills remaining, 30 day supply [Details](#)

Reassess previously confirmed

Condition	Treatment plan / details	Last assessed by	Reason for review	
Obesity and Overweight BMI 35-39.9 with hypertension • BMI 35-39.9 with hyperlipidemia	Monitor condition, follow-up visit planned • Education provided on weight management, importance of balanced calorie proportioned diet, and the impact on associated comorbid conditions. Daily tolerated exercise encouraged. • notes	Demo Team Nurse 06/17/2023	Annual reassessment	Update Reconfirm

Review new suspected diagnoses

- Diabetes
- Chronic Kidney Disease

Review medication changes

Metformin 1000mg tablet is eligible for conversion to 90 day script

Review care gaps

- Eye exam for diabetic retinopathy
- Colorectal cancer screening

Diabetes

Labs
HbA1c/Total Hgb, Blood
7.6% High
04/25/2024

Conditions
Type 2 Diabetes Mellitus With Diabetic Nephropathy 06/25/2024
Melinda Olson, MD, Nephrology
[View document](#)

Type 2 diabetes mellitus with diabetic peripheral angpopathy without gangrene 04/22/2024
Jason Roth, NP, Primary Care
[View document](#)

Medications
ACTIVE Metformin 1000mg twice a day 04/25/2024
Jason Roth, NP, Primary Care

ACTIVE Empagliflozin 25mg once a day 04/20/2024
Jason Roth, NP, Primary Care

Associated Disorders from Shared documents
Type 2 Diabetes Mellitus 06/06/2024
[View document](#)

Referral Note (September 31, 2013, 05:00AM - 08:00)
Patient: Jason Roth, MD, State of North Carolina, 1233
1234, Gender: Female, Patient ID: 44622222 (800)
Guardian: Jason Roth, MD, Physician, Primary of Address
Author: Patricia Marie FRENCH, M.D., Authored On: March 11, 2013

Directive	Description	Verification	Supporting Document(s)
Resuscitation status	Do not resuscitate	Dr. Patricia Mary, PA-C Feb 15, 2011	

ALLERGIES AND ADVERSE REACTIONS

Diabetes mellitus x1 1/4 matches

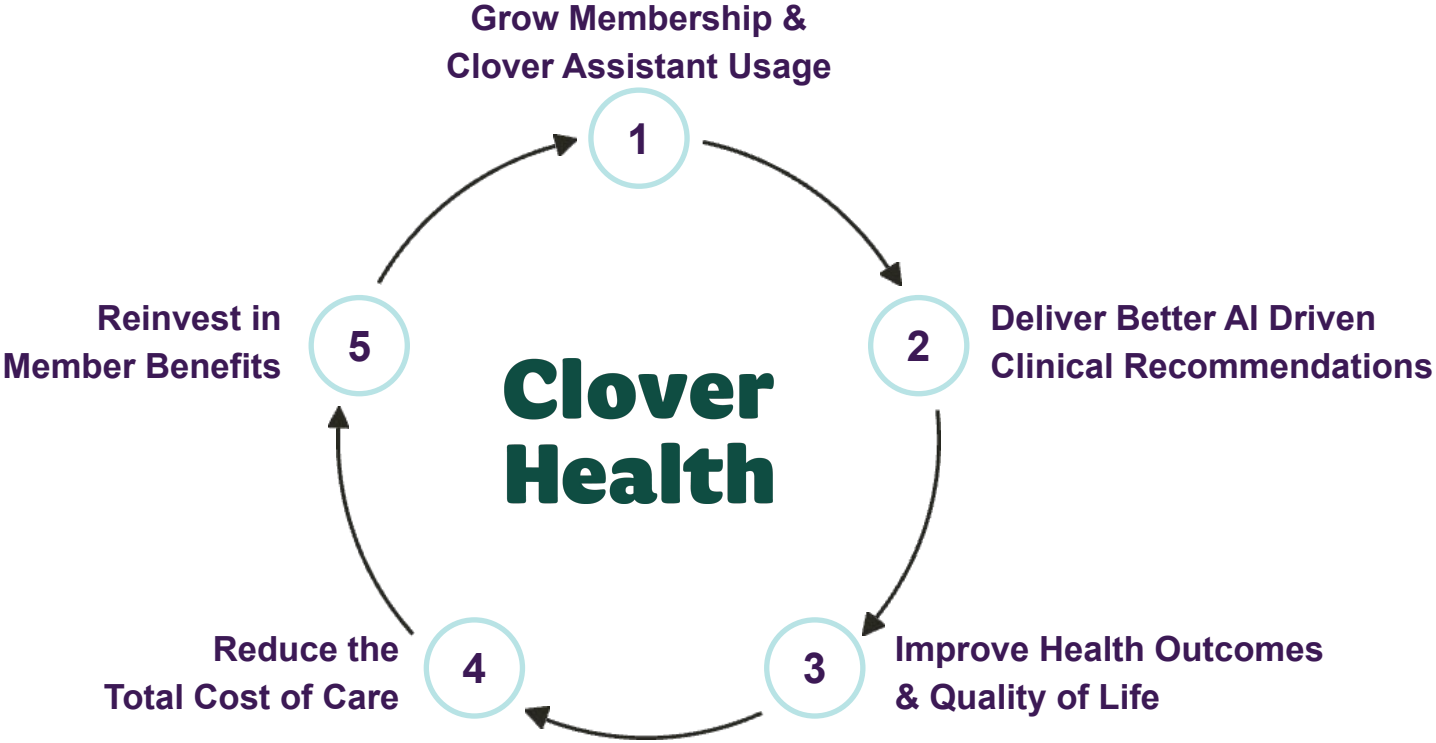
Novel clinical insights at point-of-care

Enhanced care coordination

100+ AI / ML models powering treatment recommendations

Designed to improve quality of care

Our Technology-Driven Approach is Working

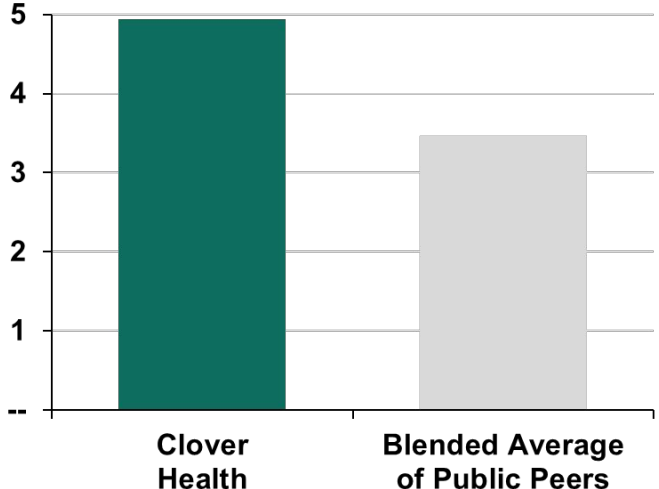


Quality: Clover Leads the Nation on HEDIS Measures⁽¹⁾

Top 10 HEDIS-Scoring Plans

Rank	Plan ⁽²⁾	Contract	Plan Type	HEDIS Weighted Raw Score
1.)	Clover Health	H5141	Local PPO	4.941
2.)	Clover Health	H8010	HMO	4.938
3.)	Peer A	H5496	HMO	4.938
4.)	Peer B	H5296	HMO	4.750
5.)	Peer C	H2960	HMO	4.647
6.)	Peer D	H2172	HMO	4.647
7.)	Peer E	H3815	HMO	4.588
8.)	Peer F	H4004	HMO	4.588
9.)	Peer G	H0524	HMO	4.588
10.)	Peer H	H9003	HMO	4.529

Life-Weighted Average HEDIS Raw Score⁽³⁾



Clover Health rated 4.94 / 5 Stars on HEDIS Measures for Star Rating Year 2025⁽¹⁾

(1) Clover Health's Medicare Advantage PPO plans received a score of 4.94 on HEDIS for the Plan Year 2025, Payment Year 2026 Star ratings. For plans with over 2,000 members, Clover's PPO received the highest score in the entire country on core HEDIS measures. The Company achieved an overall 4.0 Star Rating for financial Payment Year 2026 for its PPO plans.
 (2) Including plans with publicly available reported data on at least 10 HEDIS measures.
 (3) Combined HEDIS rates alone are not an official CMS domain score. Calculations for overall number use MY23 HEDIS measure rates and assigned measure Star and weight. [Data and Methodology](#). Represents weighted average of HEDIS Weighted Raw Score across all PPO/HMO plans under parent company of public peers.

Financial Statements

Consolidated Balance Sheets

(Dollars in thousands, except share amounts)
(unaudited)

	December 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 194,543	\$ 116,407
Short-term investments	—	12,218
Investment securities, available-for-sale (Amortized cost: 2024: \$27,153; 2023: \$101,412)	26,997	100,702
Investment securities, held-to-maturity (Fair value: 2024: \$15; 2023: \$6,778)	15	6,902
Accrued retrospective premiums	41,253	22,076
Healthcare receivables	51,539	64,164
Prepaid expenses	13,174	14,418
Other assets, current	15,603	18,612
Assets related to discontinued operations	—	72,471
Total current assets	<u>343,124</u>	<u>427,970</u>
Investment securities, available-for-sale (Amortized cost: 2024: \$203,147; 2023: \$121,868)	201,719	120,208
Investment securities, held-to-maturity (Fair value: 2024: \$13,913; 2023: \$692)	14,343	793
Property and equipment, net	5,307	5,082
Other intangible assets	2,990	2,990
Other assets, non-current	13,259	13,628
Total assets	<u>\$ 580,742</u>	<u>\$ 570,671</u>

	December 31, 2024	December 31, 2023
Liabilities and Stockholders' Equity		
Current liabilities		
Unpaid claims	\$ 156,396	\$ 137,100
Accounts payable and accrued expenses	34,564	37,184
Accrued salaries and benefits	19,090	20,951
Other liabilities, current	3,466	5,781
Liabilities related to discontinued operations	—	60,099
Total current liabilities	<u>\$ 213,516</u>	<u>\$ 261,115</u>
Other liabilities, non-current	26,083	23,162
Total liabilities	<u>\$ 239,599</u>	<u>\$ 284,277</u>
Commitments and Contingencies		
Stockholders' equity		
Class A Common Stock, \$0.0001 par value; 2,500,000,000 shares authorized at December 31, 2024 and December 31, 2023; 414,493,051 and 401,183,882 issued and outstanding at December 31, 2024 and December 31, 2023, respectively	41	40
Class B Common Stock, \$0.0001 par value; 500,000,000 shares authorized at December 31, 2024 and December 31, 2023; 89,032,305 and 87,867,732 issued and outstanding at December 31, 2024 and December 31, 2023, respectively	9	9
Additional paid-in capital	2,576,471	2,461,238
Accumulated other comprehensive loss	(1,584)	(2,370)
Accumulated deficit	(2,202,803)	(2,159,794)
Less: Treasury stock, at cost; 18,752,947 and 7,912,750 shares held at December 31, 2024 and December 31, 2023, respectively	(30,991)	(12,729)
Total stockholders' equity	<u>341,143</u>	<u>286,394</u>
Total liabilities and stockholders' equity	<u>\$ 580,742</u>	<u>\$ 570,671</u>

Financial Statements

Consolidated Statements of Operations and Comprehensive Loss

(Dollars in thousands, except per share and share amounts)
(unaudited)

	Three Months Ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Revenues:				
Premiums earned, net (Net of ceded premiums of \$98 and \$103 for the three months ended December 31, 2024 and 2023, respectively; net of ceded premiums of \$399 and \$444 for the years ended December 31, 2024 and 2023, respectively)	\$ 330,680	\$ 303,070	\$ 1,344,881	\$ 1,235,769
Other income	6,283	9,315	26,250	24,774
Total revenues	<u>336,963</u>	<u>312,385</u>	<u>1,371,131</u>	<u>1,260,543</u>
Operating expenses:				
Net medical claims incurred	243,044	249,754	1,006,327	1,004,590
Salaries and benefits	62,737	65,172	232,454	257,157
General and administrative expenses	52,286	42,705	176,480	183,089
Impairment of goodwill and other intangible assets	—	15,945	—	15,945
Premium deficiency reserve benefit	—	(683)	—	(7,239)
Depreciation and amortization	344	674	1,331	2,509
Restructuring costs	—	1,951	288	9,821
Total operating expenses	<u>358,411</u>	<u>375,518</u>	<u>1,416,880</u>	<u>1,465,872</u>
Loss from continuing operations	(21,448)	(63,133)	(45,749)	(205,329)
Change in fair value of warrants	33	86	50	86
Interest expense	—	—	—	7
Loss on investment	—	4,726	467	4,726
Net loss from continuing operations	(21,481)	(67,945)	(46,266)	(210,148)
Net (loss) income from discontinued operations	(611)	(2,527)	3,257	(3,213)
Net loss	<u>\$ (22,092)</u>	<u>\$ (70,472)</u>	<u>\$ (43,009)</u>	<u>\$ (213,361)</u>
Per share data:				
Basic and diluted weighted average number of class A and class B common shares and common share equivalents outstanding	491,871,177	481,607,777	490,018,730	482,176,127
Continuing operations:				
Basic and diluted loss per share	\$ (0.04)	\$ (0.14)	\$ (0.09)	\$ (0.44)
Discontinued operations:				
Basic and diluted (loss) earnings per share	\$ —	\$ (0.01)	\$ 0.01	\$ (0.01)
Net unrealized (loss) gain on available-for-sale investments	(2,436)	2,702	786	7,004
Comprehensive loss	<u>\$ (24,528)</u>	<u>\$ (67,770)</u>	<u>\$ (42,223)</u>	<u>\$ (206,357)</u>

Financial Statements

Consolidated Statements of Cash Flows

(Dollars in thousands)
(unaudited)

	Year ended December 31,		
	2024	2023	2022
Cash flows from operating activities:			
Net loss	\$ (43,009)	\$ (213,361)	\$ (339,567)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization expense	1,331	2,509	1,187
Amortization of notes and securities discounts and debt issuance costs	—	—	30
Stock-based compensation	114,331	140,931	164,305
Change in fair value of warrants and amortization of warrants	50	86	(900)
Accretion, net of amortization	(2,524)	(4,014)	(1,503)
Accrued interest earned	(571)	—	—
Net realized (losses) gains on investment securities	(480)	(20)	267
Gain on extinguishment of note payable	—	—	(23,326)
Loss (gain) on investment	467	4,726	(9,217)
Impairment of goodwill and other intangible assets	—	15,945	—
Premium deficiency reserve	—	(7,239)	(93,517)
Changes in operating assets and liabilities:			
Accrued retrospective premiums	(19,177)	(1,689)	14,536
Prepaid expenses	1,244	3,728	(3,415)
Other assets	2,852	8,859	(8,208)
Healthcare receivables	12,625	6,443	(22,565)
Unpaid claims	19,296	(294)	1,077
Accounts payable and accrued expenses	(2,620)	4,739	7,635
Accrued salaries and benefits	(1,971)	(2,901)	8,784
Other liabilities	606	6,404	(203)
Net cash provided by (used in) operating activities from continuing operations	82,450	(35,148)	(304,600)
Net cash (used in) provided by operating activities from discontinued operations	(47,605)	(109,514)	100,674
Net cash provided by (used in) operating activities	34,845	(144,662)	(203,926)

	Year ended December 31,		
	2024	2023	2022
Cash flows from investing activities:			
Purchases of short-term investments, available-for-sale, and held-to-maturity securities	(201,241)	(175,567)	(369,396)
Proceeds from sales of short-term investments and available-for-sale securities	83,673	60,436	13,348
Proceeds from maturities of short-term investments and available-for-sale securities	119,689	255,728	472,098
Acquisition of business, net of cash acquired	—	—	(16,200)
Purchases of property and equipment	(1,556)	(584)	(4,467)
Acquisition of Clover Therapeutics Series A preferred shares	—	—	(250)
Net cash provided by investing activities	565	140,013	95,133
Cash flows from financing activities:			
Issuance of common stock, net of early exercise liability	709	34	1,400
Issuance of common stock under employee stock purchase plan, net of stock issuance costs	193	1,116	—
Treasury stock acquired	(16,491)	(6,220)	(6,362)
Repurchases of common stock	(1,772)	—	—
Net cash used in financing activities	(17,361)	(5,070)	(4,962)
Net increase (decrease) in cash and cash equivalents	18,049	(9,719)	(113,755)
Cash and cash equivalents, beginning of period	176,494	186,213	299,968
Cash and cash equivalents, end of period	\$ 194,543	\$ 176,494	\$ 186,213
Reconciliation of cash and cash equivalents and restricted cash			
Cash and cash equivalents ⁽¹⁾	\$ 194,543	\$ 122,863	\$ 103,791
Restricted cash ⁽¹⁾	—	53,631	82,422
Total cash, cash equivalents, and restricted cash ⁽¹⁾	\$ 194,543	\$ 176,494	\$ 186,213
Supplemental disclosure of non-cash investing and financing activities			
Activities from Seek Dissolution	\$ —	\$ —	\$ 735
Right-of-use assets obtained in exchange for lease liabilities	—	—	642
Recognition of equity method investments and preferred stock	—	—	8,644
Derecognition of non-controlling interest	—	—	3,903
Conversion of Clover Therapeutics convertible note to preferred stock	—	—	250

⁽¹⁾ Includes all applicable amounts for both continuing and discontinued operations.

Financial Statements

Operating Segments

(Dollars in thousands)
(unaudited)

Insurance Segment	Three Months Ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
	(in thousands)			
Premiums earned, net (net of ceded premiums)	\$ 330,680	\$ 303,070	\$ 1,344,881	\$ 1,235,769
Less:				
Net medical claims incurred	243,164	249,790	1,010,289	1,003,683
Salaries and benefits	61,567	63,229	228,004	252,103
General and administrative expenses	51,311	41,432	173,101	179,491
Segment net loss	\$ (25,362)	\$ (51,381)	\$ (66,513)	\$ (199,508)

Non-GAAP Financial Measures

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

	Three Months Ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Salaries and benefits	\$ 62,737	\$ 65,172	\$ 232,454	\$ 257,157
General and administrative expenses	52,286	42,705	176,480	183,089
Total SG&A (GAAP)	115,023	107,877	408,934	440,246
Adjustments				
Stock-based compensation	(29,645)	(33,136)	(114,331)	(140,931)
Non-recurring legal expenses and settlements	717	4,565	110	(1,807)
Adjusted SG&A (Non-GAAP)	\$ 86,095	\$ 79,306	\$ 294,713	\$ 297,508
Total revenues (GAAP)	336,962	312,385	1,371,131	1,260,543
Adjusted SG&A (Non-GAAP) as a percentage of Total revenues	26 %	25 %	21 %	24 %

(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)⁽¹⁾
(unaudited)

	Three Months Ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Net loss from continuing operations (GAAP):	\$ (21,481)	\$ (67,945)	\$ (46,266)	\$ (210,148)
Adjustments				
Interest expense	—	—	—	7
Depreciation and amortization	344	674	1,331	2,509
Change in fair value of warrants	33	86	50	86
Loss on investment	—	4,726	467	4,726
Stock-based compensation	29,645	33,136	114,331	140,931
Premium deficiency reserve benefit	—	(683)	—	(7,239)
Restructuring costs	—	1,951	288	9,821
Non-recurring legal expenses and settlements	(717)	(4,566)	(110)	1,807
Impairment of goodwill and other intangible assets	—	15,945	—	15,945
Adjusted EBITDA (non-GAAP)	\$ 7,824	\$ (16,676)	\$ 70,091	\$ (41,555)

(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 NET INCOME (LOSS) FROM CONTINUING OPERATIONS (NON-GAAP) RECONCILIATION
(in thousands)⁽¹⁾
(unaudited)

	Three Months Ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Net loss from continuing operations (GAAP)	\$ (21,481)	\$ (67,945)	\$ (46,266)	\$ (210,148)
Adjustments				
Stock-based compensation	29,645	33,136	114,331	140,931
Premium deficiency reserve benefit	—	(683)	—	(7,239)
Restructuring costs	—	1,951	288	9,821
Non-recurring legal expenses and settlements	(717)	(4,566)	(110)	1,807
Impairment of goodwill and other intangible assets	—	15,945	—	15,945
Adjusted Net income (loss) from continuing operations (non-GAAP)	\$ 7,447	\$ (22,162)	\$ 68,243	\$ (48,883)

(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
INSURANCE BENEFITS EXPENSE RATIO (NON-GAAP) RECONCILIATION
(in thousands)⁽¹⁾
(unaudited)

	Three Months Ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Net medical claims incurred, net (GAAP):	243,164	249,754	1,010,289	1,003,683
Adjustments				
Quality improvements	30,762	15,061	81,144	64,943
Insurance benefits expense, net (Non-GAAP)	273,926	264,815	1,091,433	1,068,626
Premiums earned, net (GAAP)	330,680	303,070	1,344,881	1,235,769
Insurance BER, net (Non-GAAP)	82.8 %	87.4 %	81.2 %	86.5 %

(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 in this presentation, including Adjusted EBITDA, Adjusted Net income (loss) from continuing operations, Adjusted SG&A, and Insurance BER. 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.

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."