



# Clover Health

Second Quarter 2024  
Earnings Conference Call

August 5, 2024

# 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, Adjusted SG&A, 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, 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"), 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 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.

# Today's Speakers



**Andrew Toy**  
*Chief Executive Officer*



**Peter Kuipers**  
*Chief Financial Officer*

# Clover Health's Three Pillar Strategy

## Better Chronic Disease Management



Exclusively focused on **Medicare Advantage**



**Clinical outcomes improved** while reducing total cost of care

## Differentiated Care Platform



**Physician enablement technology**, powered by AI



**Home-based** clinical practice for most complex

## Physician Choice



Members select doctor of **their choice**



Can enable value based improvement with **any physician**, in **any market**

# Second Quarter 2024 Business Update

## Meaningfully Profitable

First-ever GAAP Net Income as public company  
Increasing Adjusted EBITDA  
Meaningfully Improved full-year 2024 guidance<sup>(1)</sup>

## Solid Core Fundamentals

Profitable Insurance offering  
Continued top-line revenue growth  
Industry-leading loss ratios

## Strong Balance Sheet

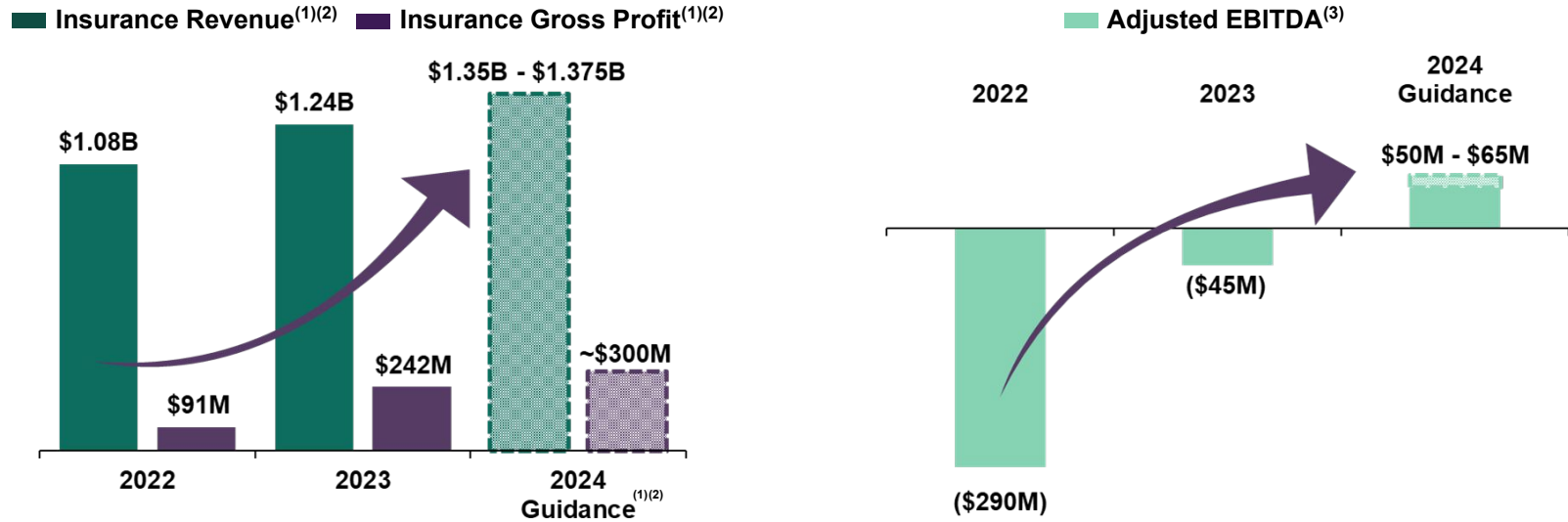
Results build on already healthy liquidity profile  
Ability to self-fund future membership growth

## Anchored on PPO Chassis

Leading with physician-choice for our members  
PPO approach generating strong returns  
Positioned for long-term MA success

(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 Income (Loss) from continuing operations, the most directly comparable GAAP measure. 2024 Guidance is based on guidance provided in the Company's August 5, 2024 earnings press release.

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



**Clover leads with superior Medicare Advantage performance amidst dynamic industry backdrop**

(1) 2024 Guidance is based on guidance provided in the Company's August 5, 2024 earnings press release. Insurance Gross Profit for 2024 is calculated by taking the midpoint of the guidance provided in the Company's August 5, 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 Income (Loss) from continuing operations before depreciation and amortization, loss (gain) on investment, stock-based compensation, 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 Income (Loss) from continuing operations, the most directly comparable GAAP measure. Reconciliation of projected Adjusted EBITDA to Net Income (Loss) from continuing operations, the most directly comparable GAAP measure, is not provided because Stock-based compensation, 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

*Manages Low-to-High Disease Burden*

- **Cloud-Based, AI-Powered Platform**  
*Aggregates & synthesizes disparate data streams to generate clinical insights*
- **Platform-Agnostic, Technology at Scale**  
*Designed to improve care management for wide and diverse network of clinicians and existing HCIT infrastructure*
- **Closed Feedback Loop**  
*Proprietary data access allows for rapid technology iteration & feature enhancement*



## Clover Home Care

*Manages High Disease Burden*

- **Home-Based, Care Coordination**  
*Annual in-home assessments and post-discharge visits coordinate care for a rising risk population*
- **In-Home, High-Touch Primary Care**  
*Fully accountable, high-touch primary & supportive care program for members most at-risk*
- **Interdisciplinary Care**  
*Powered by CA to deliver the right care at the right time via diverse care team of **MDs, DOs, and NPs***


**Clover's care platform equips physicians to improve clinical outcomes & better manage total cost of care, regardless of disease burden**

# Meeting Consumer Preference Positions Clover for Long Term Growth in Medicare Advantage

## Why is this Important?


**HMO:**

*People who are happy to let an insurance plan select their doctor*

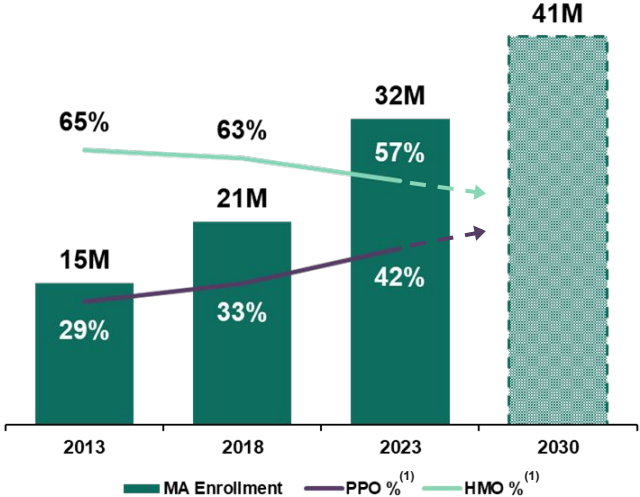


**PPO:**

*People who prefer to select their own doctor*



## National Market Data Confirms that Consumers Prefer PPO Plans<sup>(1)</sup>



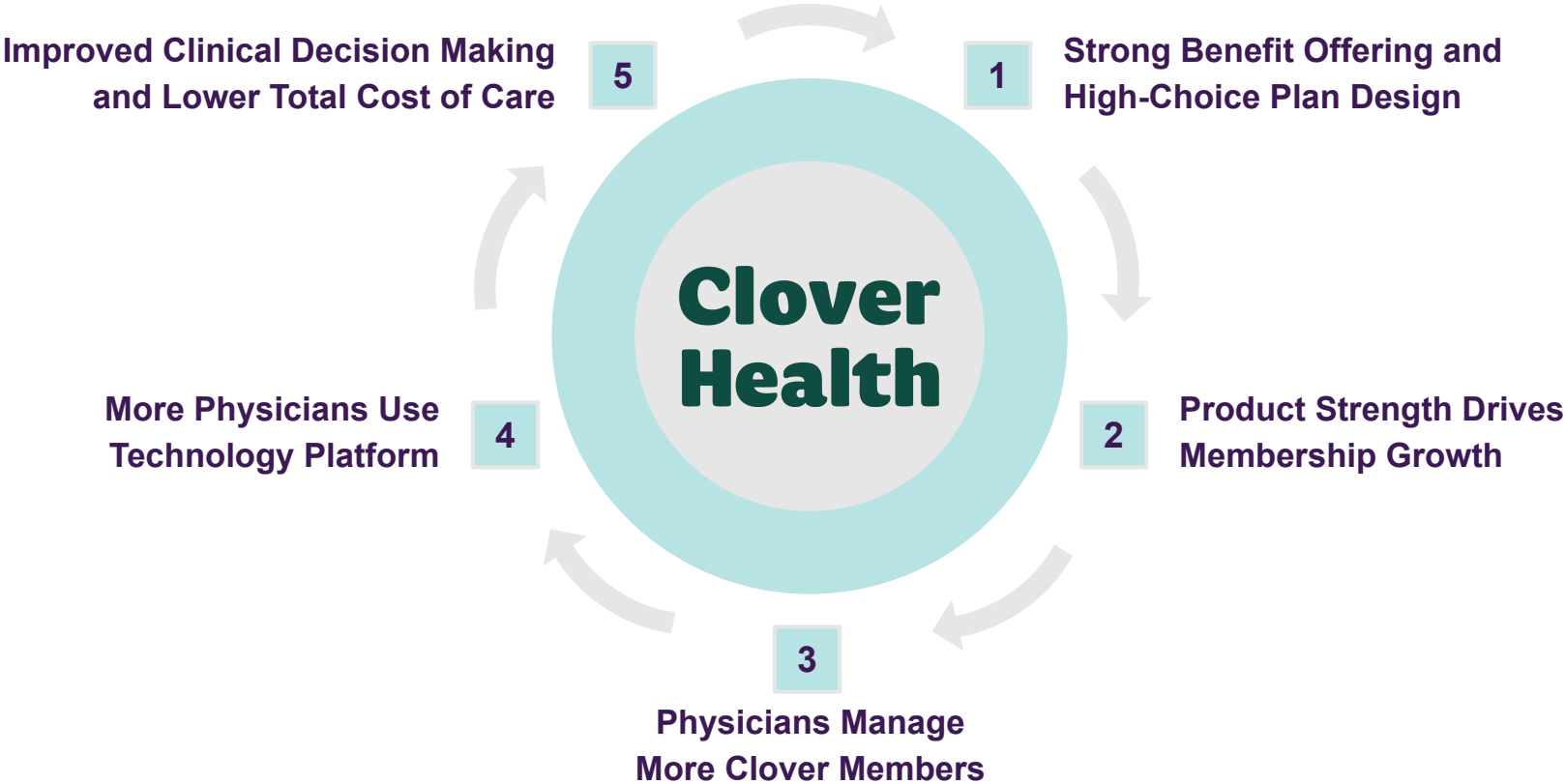
**Consumers Love Clover for its PPOs**  
 Clover Health has ~95% of Insurance members in a PPO plan<sup>(1)(2)</sup>

Source: CMS, Kaiser Family Foundation.  
 Note: MA Enrollment in millions.

(1) CMS CPSC data from December 2018 – December 2023: Within Medicare Advantage, PPO plans grew 2.3x the rate of HMO plans. Penetration percentages excludes other plan types, such as National PACE and PFFS.  
 (2) PPO vs. HMO breakdown based on 2024 year-to-date Insurance membership.



# Technology-Driven Flywheel Powering Clover's Growth Model



# Counterpart Health's Compelling Value Proposition: Bring Clover's Care Model to Other Plans & Providers

## For External Payors & Providers

- ➔ Cloud-based, AI-powered technology & support platform **already built** with proven results
- ➔ Access to **clinician-centric**, EHR integrated, & AI-powered care management platform
- ➔ Ability to **improve health outcomes** via earlier identification and management of disease
- ➔ Via **better care management**, can help facilitate:
  - ★ *Earlier Diagnosis*
  - ★ *Lower Total Cost of Care*
  - ★ *Improved Quality Performance*

## For Clover Health

- ➔ Deploy existing technology asset for **growth & profitability**
- ➔ New **SaaS (PMPM) & Tech-Enabled Services** (Value Based Care) revenue streams with low startup costs
- ➔ **Expand offering** with low CAC & high margin potential business; equipping more clinicians with differentiated & proven technology
- ➔ Strong market fit with **rich deal pipeline**

**Second Quarter 2024  
Financial Overview**



# Financial Summary

## Profitability

- **\$7.2mm of Net Income from continuing operations** in 2Q24, improved by \$36.1mm, as compared to (\$28.9mm) in 2Q23
- **\$36.2mm of Adjusted EBITDA<sup>(1)</sup>** in 2Q24, improved by \$26.3mm, as compared to \$9.9mm in 2Q23

## Operations

- 2Q24 Insurance **MCR of 71.3%** and **BER<sup>(2)</sup> of 76.1%**, on 11% revenue growth as compared to 2Q23
- 2Q24 SG&A decreased 4% to \$99.9mm, and Adjusted SG&A<sup>(3)</sup> increased 9% to \$71.7mm as compared to 2Q23

## Capital & Liquidity at 2Q24

- **\$482.8mm of consolidated** restricted and unrestricted cash, cash equivalents, and investments
- **\$201.0mm of parent entity and unregulated subsidiaries'** restricted and unrestricted cash, cash equivalents, and investments

## Business Update

- Targeting meaningful Adjusted EBITDA profitability for full-year 2024
- Payment year **2025 PPO Star Rating upgraded to 3.5 Stars** from CMS recalculation
- Positioned well to **self-fund future business growth**

(1) Adjusted EBITDA is a non-GAAP financial measure. We define Adjusted EBITDA as Net Income (Loss) from continuing operations before depreciation and amortization, loss (gain) on investment, stock-based compensation, 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 Income (Loss) from continuing operations, the most directly comparable GAAP measure.

(2) 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.

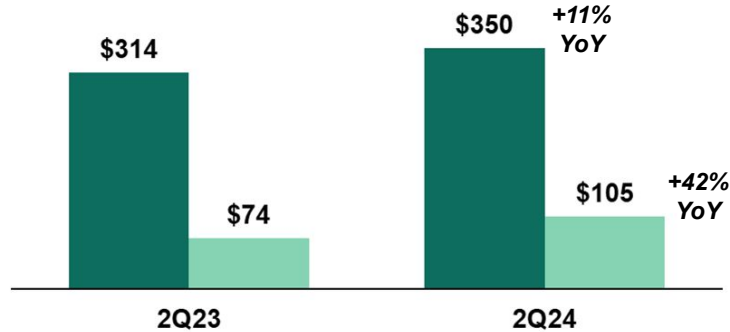
(3) Adjusted SG&A is a non-GAAP financial measure. We define Adjusted SG&A as total SG&A less stock-based compensation and non-recurring legal expenses and settlements. A reconciliation of Adjusted SG&A to the sum of Salaries and benefits plus General and administrative expenses, the most directly comparable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

# 2Q24 Financial Performance: Insurance

In millions, except MCR

■ Revenue  
■ Gross Profit

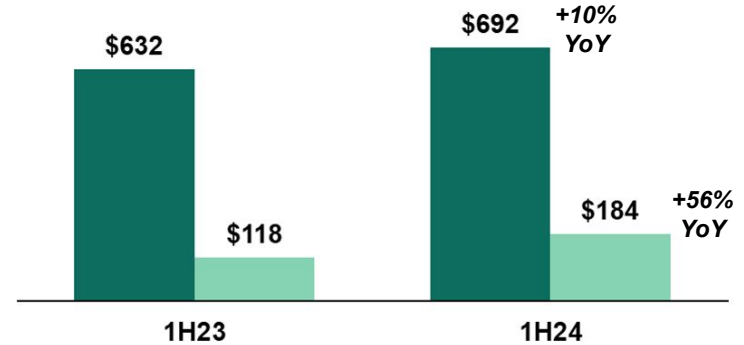
## Second Quarter



MCR: 77.2%

71.3%

## Year-to-Date



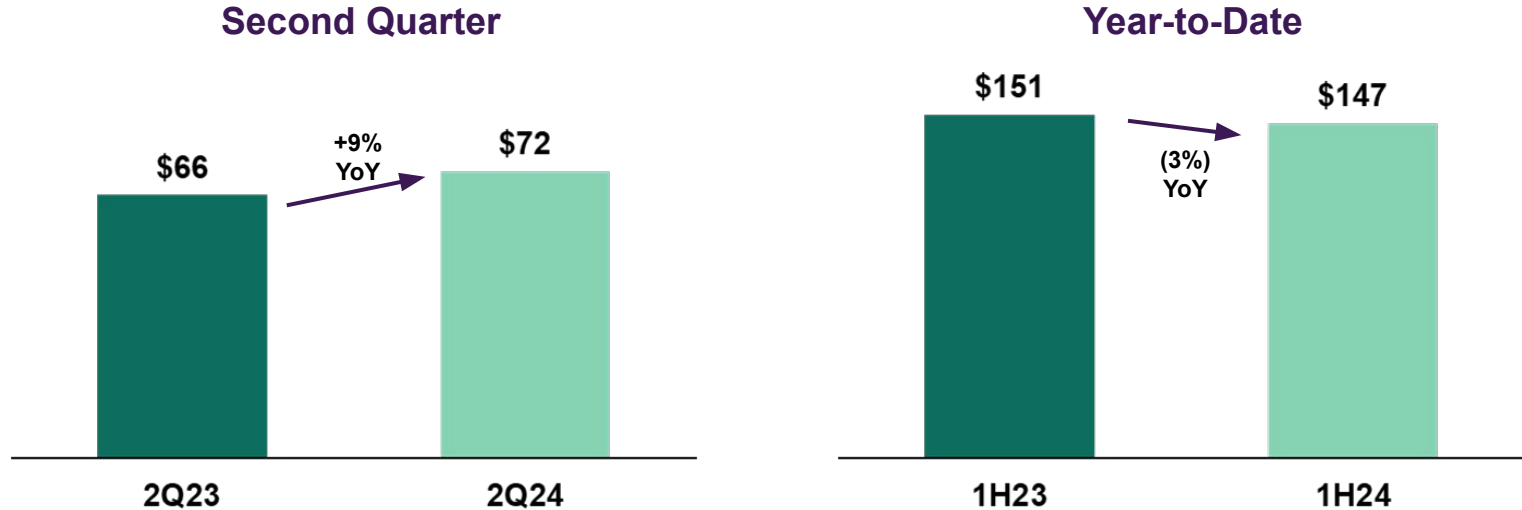
81.9%

74.5%

- 2Q and 1H 2024 revenue and MCR performance driven continued operational enhancements, returning member retention, clinical initiatives, and the impact of Clover Assistant and Clover Home Care.

# 2Q24 Financial Performance: Adjusted SG&A<sup>(1)</sup>

*In millions*



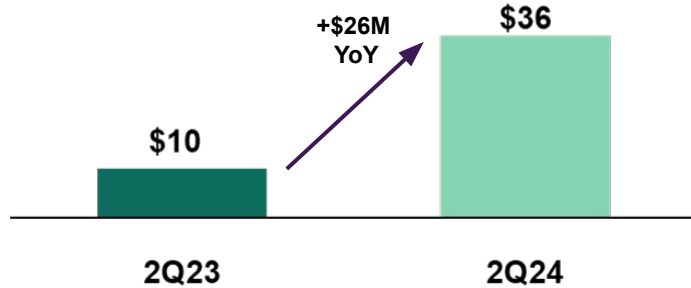
- 1H24 Adjusted SG&A improvement a result of new MA operational ecosystem and year-over-year workforce optimization, partially offset by increased growth costs, driven by strong OEP and SEP growth.

(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.

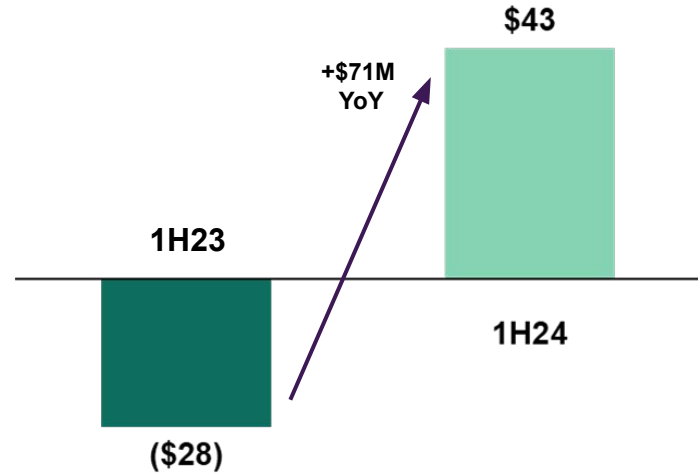
# 2Q24 Financial Performance: Adjusted EBITDA<sup>(1)</sup>

In millions

## Second Quarter



## Year-to-Date



- Significantly improved Adjusted EBITDA as the result of strong business fundamentals and continued focus on SG&A optimization.

(1) Adjusted EBITDA is a non-GAAP financial measure. A reconciliation of Adjusted EBITDA 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. 15

# Guidance

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





# Full-Year 2024 Guidance

	Updated Guidance (8/5/24)	Prior Guidance (5/7/24)
Insurance Revenue	\$1.35 billion - \$1.375 billion	\$1.30 billion - \$1.35 billion
Insurance MCR	77% - 79%	79% - 81%
Insurance BER <sup>(1)</sup>	81% - 83%	NA
Adjusted SG&A <sup>(1)</sup>	\$270 million - \$280 million	\$270 million - \$280 million
Adjusted EBITDA <sup>(1)</sup>	\$50 million - \$65 million	\$10 million - \$30 million

(1) Insurance BER, Adjusted EBITDA, and Adjusted SG&A are non-GAAP financial measures. As outlined in the Company's August 5, 2024 press release, Clover Health does not provide a reconciliation of the forward-looking Adjusted SG&A, Adjusted EBITDA, 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 2024 Financial Guidance, including Projected Adjusted EBITDA, constitutes forward-looking statements and is subject to the risks and uncertainties described in the Company's August 5, 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.

# Appendix



# Financial Statements

## Condensed Consolidated Balance Sheet

(Unaudited)

(Dollars in thousands, except share amounts)

	June 30, 2024 (Unaudited)	December 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 254,771	\$ 116,407
Short-term investments	9,661	12,218
Investment securities, available-for-sale (Amortized cost: 2024: \$112,328; 2023: \$101,412)	111,325	100,702
Investment securities, held-to-maturity (Fair value: 2024: \$3,281; 2023: \$6,778)	3,295	6,902
Accrued retrospective premiums	53,892	22,076
Other receivables	21,231	16,666
Healthcare receivables	66,739	64,164
Surety bonds and deposits	542	542
Prepaid expenses	14,517	14,418
Other assets, current	3,539	1,404
Assets related to discontinued operations	10,064	72,471
Total current assets	<u>549,576</u>	<u>427,970</u>
Investment securities, available-for-sale (Amortized cost: 2024: \$104,229; 2023: \$121,868)	102,973	120,208
Investment securities, held-to-maturity (Fair value: 2024: \$694; 2023: \$692)	791	793
Property and equipment, net	5,276	5,082
Operating lease right-of-use assets	2,858	3,382
Other intangible assets	2,990	2,990
Other assets, non-current	9,746	10,246
Total assets	<u>\$ 674,210</u>	<u>\$ 570,671</u>

	June 30, 2024 (Unaudited)	December 31, 2023
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities</b>		
Unpaid claims	\$ 199,266	\$ 135,737
Due to related parties, net	1,284	1,363
Accounts payable and accrued expenses	40,441	37,184
Accrued salaries and benefits	32,400	20,951
Deferred revenue	13	3,099
Operating lease liabilities	1,491	1,665
Other liabilities, current	843	1,017
Liabilities related to discontinued operations	48,773	60,099
Total current liabilities	<u>324,511</u>	<u>261,115</u>
Long-term operating lease liabilities	2,519	2,998
Other liabilities, non-current	22,292	20,164
Total liabilities	<u>349,322</u>	<u>284,277</u>
<b>Commitments and contingencies</b>		
<b>Stockholders' equity</b>		
Class A Common Stock, \$0.0001 par value; 2,500,000,000 shares authorized at June 30, 2024 and December 31, 2023; 406,486,444 and 401,183,882 issued and outstanding at June 30, 2024 and December 31, 2023, respectively	41	40
Class B Common Stock, \$0.0001 par value; 500,000,000 shares authorized at June 30, 2024 and December 31, 2023; 89,649,365 and 87,867,732 issued and outstanding at June 30, 2024 and December 31, 2023, respectively	9	9
Additional paid-in capital	2,517,959	2,461,238
Accumulated other comprehensive loss	(2,259)	(2,370)
Accumulated deficit	(2,171,556)	(2,159,794)
Less: Treasury stock, at cost; 14,574,401 and 7,912,750 shares held at June 30, 2024 and December 31, 2023, respectively	(19,306)	(12,729)
Total stockholders' equity	<u>324,888</u>	<u>286,394</u>
Total liabilities and stockholders' equity	<u>\$ 674,210</u>	<u>\$ 570,671</u>

# Financial Statements

## Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

(Unaudited)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Revenues:</b>				
Premiums earned, net (Net of ceded premiums of \$102 and \$113 for the three months ended June 30, 2024 and 2023, respectively; net of ceded premiums of \$203 and \$235 for the six months ended June 30, 2024 and 2023, respectively)	\$ 349,900	\$ 314,383	\$ 691,622	\$ 631,469
Other income	6,360	5,755	11,560	10,661
<b>Total revenues</b>	<b>356,260</b>	<b>320,138</b>	<b>703,182</b>	<b>642,130</b>
<b>Operating expenses:</b>				
Net medical claims incurred	248,347	244,262	513,509	519,051
Salaries and benefits	55,499	62,437	114,722	131,418
General and administrative expenses	44,424	41,710	88,993	99,354
Premium deficiency reserve benefit	—	(5,138)	—	(6,948)
Depreciation and amortization	330	999	648	1,278
Restructuring costs	473	4,750	826	6,557
<b>Total operating expenses</b>	<b>349,073</b>	<b>349,020</b>	<b>718,698</b>	<b>750,710</b>
Income (loss) from continuing operations	7,187	(28,882)	(15,516)	(108,580)
Change in fair value of warrants	17	—	17	—
Interest expense	—	7	—	7
Loss on investment	—	—	467	—
<b>Net income (loss) from continuing operations</b>	<b>7,170</b>	<b>(28,889)</b>	<b>(16,000)</b>	<b>(108,587)</b>
Net income from discontinued operations	238	75	4,238	7,167
<b>Net income (loss)</b>	<b>\$ 7,408</b>	<b>\$ (28,814)</b>	<b>\$ (11,762)</b>	<b>\$ (101,420)</b>
<b>Per share data:</b>				
Basic weighted average number of Class A and Class B common shares and common share equivalents outstanding	487,483,087	479,163,752	487,575,520	479,819,237
Diluted weighted average number of Class A and Class B common shares and common share equivalents outstanding	495,179,955	479,163,752	487,575,520	479,819,237
<b>Continuing operations:</b>				
Basic earnings (loss) per share	\$ 0.01	\$ (0.06)	\$ (0.03)	\$ (0.23)
Diluted earnings (loss) per share	0.01	(0.06)	(0.03)	(0.23)
<b>Discontinued operations:</b>				
Basic earnings per share	0.00	0.00	0.01	0.01
Diluted earnings per share	0.00	0.00	0.01	0.01
<b>Net unrealized gain on available-for-sale investments</b>	<b>301</b>	<b>316</b>	<b>111</b>	<b>2,659</b>
<b>Comprehensive income (loss)</b>	<b>\$ 7,709</b>	<b>\$ (28,498)</b>	<b>\$ (11,651)</b>	<b>\$ (98,761)</b>

# Financial Statements

## Condensed Consolidated Statement of Cash Flows

(Unaudited)

(Dollars in thousands)

	Six Months Ended June 30,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Net loss	\$ (11,762)	\$ (101,420)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	648	1,278
Stock-based compensation	56,698	74,725
Change in fair value of warrants and amortization of warrants	17	—
Accretion, net of amortization	(1,618)	(1,853)
Accrued interest earned	(463)	(289)
Net realized gains on investment securities	(5)	(19)
Loss on investment	467	—
Premium deficiency reserve	—	(6,948)
Changes in operating assets and liabilities:		
Accrued retrospective premiums	(31,816)	18,324
Other receivables	(4,565)	6,960
Surety bonds and deposits	—	—
Prepaid expenses	(99)	2,901
Other assets	(2,125)	2,861
Healthcare receivables	(2,575)	19,341
Operating lease right-of-use assets	524	157
Unpaid claims	63,450	(20,814)
Accounts payable and accrued expenses	3,257	7,474
Accrued salaries and benefits	11,449	(4,311)
Deferred revenue	(3,086)	113,537
Other liabilities	1,954	281
Operating lease liabilities	(653)	(508)
Net cash provided by operating activities from continuing operations	79,697	111,677
Net cash (used in) provided by operating activities from discontinued operations	(9,005)	20,528
Net cash provided by operating activities	70,692	132,205

	Six Months Ended June 30,	
	2024	2023
<b>Cash flows from investing activities:</b>		
Purchases of short-term investments, available-for-sale, and held-to-maturity securities	(51,670)	(74,156)
Proceeds from sales of short-term investments and available-for-sale securities	—	60,436
Proceeds from maturities of short-term investments, available-for-sale, and held-to-maturity securities	66,651	90,997
Purchases of property and equipment	(842)	(605)
Net cash provided by investing activities	14,139	76,672
<b>Cash flows from financing activities:</b>		
Issuance of common stock, net of early exercise liability	23	1,118
Repurchases of common stock	(1,772)	—
Treasury stock acquired	(4,805)	(3,399)
Net cash used in financing activities	(6,554)	(2,281)
Net increase in cash, cash equivalents, and restricted cash for discontinued and continuing operations	78,277	206,596
Cash, cash equivalents, and restricted cash, beginning of period for discontinued and continuing operations	176,494	186,213
Cash, cash equivalents, and restricted cash, end of period for discontinued and continuing operations	\$ 254,771	\$ 392,809
<b>Reconciliation of cash and cash equivalents and restricted cash for discontinued and continuing operations</b>		
Cash and cash equivalents	\$ 254,771	\$ 310,079
Restricted cash	—	82,730
Total cash, cash equivalents, and restricted cash for discontinued and continuing operations	\$ 254,771	\$ 392,809
<b>Supplemental disclosure of non-cash activities</b>		
Performance year receivable	\$ —	\$ (377,239)
Performance year obligation	—	377,239

# Non-GAAP Financial Measures

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

	<b>Three Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
Net income (loss) from continuing operations (GAAP):	\$ 7,170	\$ (28,889)
Adjustments		
Interest expense	—	7
Depreciation and amortization	330	999
Stock-based compensation	27,900	36,108
Premium deficiency reserve benefit	—	(5,138)
Restructuring costs	473	4,750
Non-recurring legal expenses and settlements	319	2,108
Adjusted EBITDA (Non-GAAP)	<b>\$ 36,192</b>	<b>\$ 9,945</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 SG&A (NON-GAAP) RECONCILIATION  
(in thousands)<sup>(1)</sup>

	<b>Three Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
Salaries and benefits	\$ 55,499	\$ 62,437
General and administrative expenses	44,424	41,710
<b>Total SG&amp;A (GAAP)</b>	<b>99,923</b>	<b>104,147</b>
Adjustments		
Stock-based compensation	(27,900)	(36,108)
Non-recurring legal expenses and settlements	(319)	(2,108)
<b>Adjusted SG&amp;A (Non-GAAP)</b>	<b>\$ 71,704</b>	<b>\$ 65,931</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  
INSURANCE BENEFITS EXPENSE RATIO, NET (NON-GAAP) RECONCILIATION  
(in thousands)<sup>(1)</sup>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net medical claims incurred, net (GAAP):	\$ 249,406	\$ 242,839	\$ 515,482	\$ 517,343
Adjustments				
Quality improvements	16,733	15,132	34,938	35,520
Insurance benefits expense, net (Non-GAAP)	\$ 266,139	\$ 257,971	\$ 550,420	\$ 552,863
Premiums earned, net (GAAP)	\$ 349,900	\$ 314,383	\$ 691,622	\$ 631,469
Insurance benefits expense ratio, net (Non-GAAP)	76.1 %	82.1 %	79.6 %	87.6 %

(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 and August 5, 2024 earnings press releases.

# About Non-GAAP Financial Measures

We use non-GAAP measures in this presentation, including Adjusted EBITDA, 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](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."