

# Clover Health

Fourth Quarter and Full Year 2023 -  
Earnings Results



## Disclaimer

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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 targeted revenue and MCRs, 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 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

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**Andrew Toy**  
*Chief Executive Officer*



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

# Q4 & Full Year 2023 and Recent Highlights

## Business Update

- Progressing well on path to profitability with significantly improved 2023 performance
- Strong financial results continue to highlight maturing operations of core Medicare Advantage business on differentiated PPO chassis, and increasing impacts from Clover Assistant and Clover Home Care
- Company issues initial 2024 guidance, targeting full-year Adjusted EBITDA<sup>(1)</sup> profitability at high end of the range

## Continued Improvement in Performance

- Insurance MCR of 82.4% for Q4 on 12% revenue growth; FY'23 MCR of 81.2% on 14% revenue growth
- Net Loss improved year-over-year by \$13.8mm to (\$70.5mm) in Q4, and by \$126.2mm to (\$213.4mm) for FY'23
- Adjusted EBITDA<sup>(1)</sup> of (\$19.1mm) in Q4, as compared to (\$80.0mm) in Q4'22; FY'23 Adjusted EBITDA of (\$44.7mm), as compared to (\$290.4mm) for FY'22
- Adjusted SG&A<sup>(2)</sup> of \$81.4mm in Q4, a reduction of 4% compared to Q4'22; FY'23 Adjusted SG&A of \$302.0mm, a reduction of 3% compared to FY'22

## Capital & Liquidity

- Consolidated restricted and unrestricted cash, cash equivalents, and investments was \$417mm at December 31, 2023
- Parent entity and unregulated subsidiaries' restricted and unrestricted cash, cash equivalents, and investments was \$137mm at December 31, 2023
- Targeting Adjusted EBITDA profitability for full-year 2024 at high end of the range without the need for additional capital

(1) Adjusted EBITDA is a non-GAAP financial measure. We define Adjusted EBITDA as net loss before interest expense, amortization of notes and securities discount, depreciation and amortization, change in fair value of warrants, gain on investment, stock-based compensation expense, premium deficiency reserve benefit, restructuring costs, non-recurring legal expenses and settlements, impairment of goodwill and other intangible assets, expenses attributable to Seek Insurances Services, Inc. and Character Biosciences, Inc., and gain on extinguishment of note payable. 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, 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, less non-recurring legal expenses and settlements, less expenses attributable to Seek Insurance Services, Inc., and 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 hereto and Appendix A in the accompanying earnings press release.

# Financial Overview



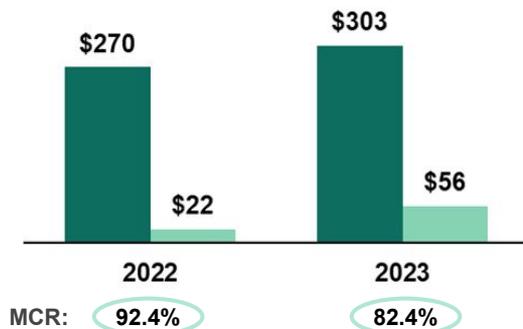
## Q4 & Full-Year 2023 Financial Performance: Insurance

In millions, except MCR

■ Revenue  
■ Gross Profit

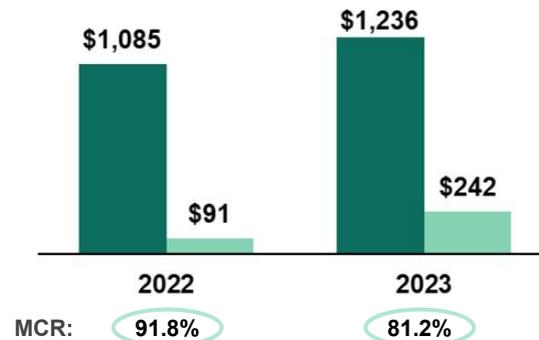
### Fourth Quarter

Revenue +12%  
MCR -1,000 bps



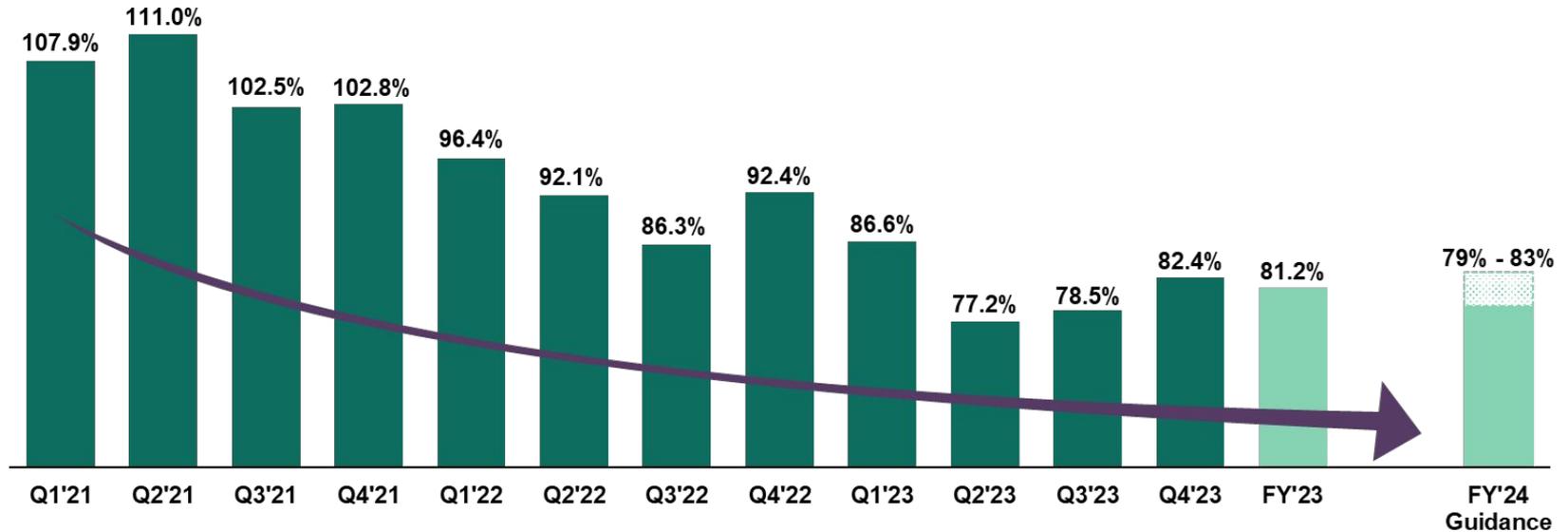
### Full-Year

Revenue +14%  
MCR -1,060 bps



- Q4 2023 revenue and MCR performance driven by continued operational enhancements, clinical initiatives, Clover Assistant and Clover Home Care impact, and improved PPO Star rating

## Favorable Trend in Insurance MCR



## Q4 & Full-Year 2023 Financial Performance: Non-Insurance

In millions, except MCR

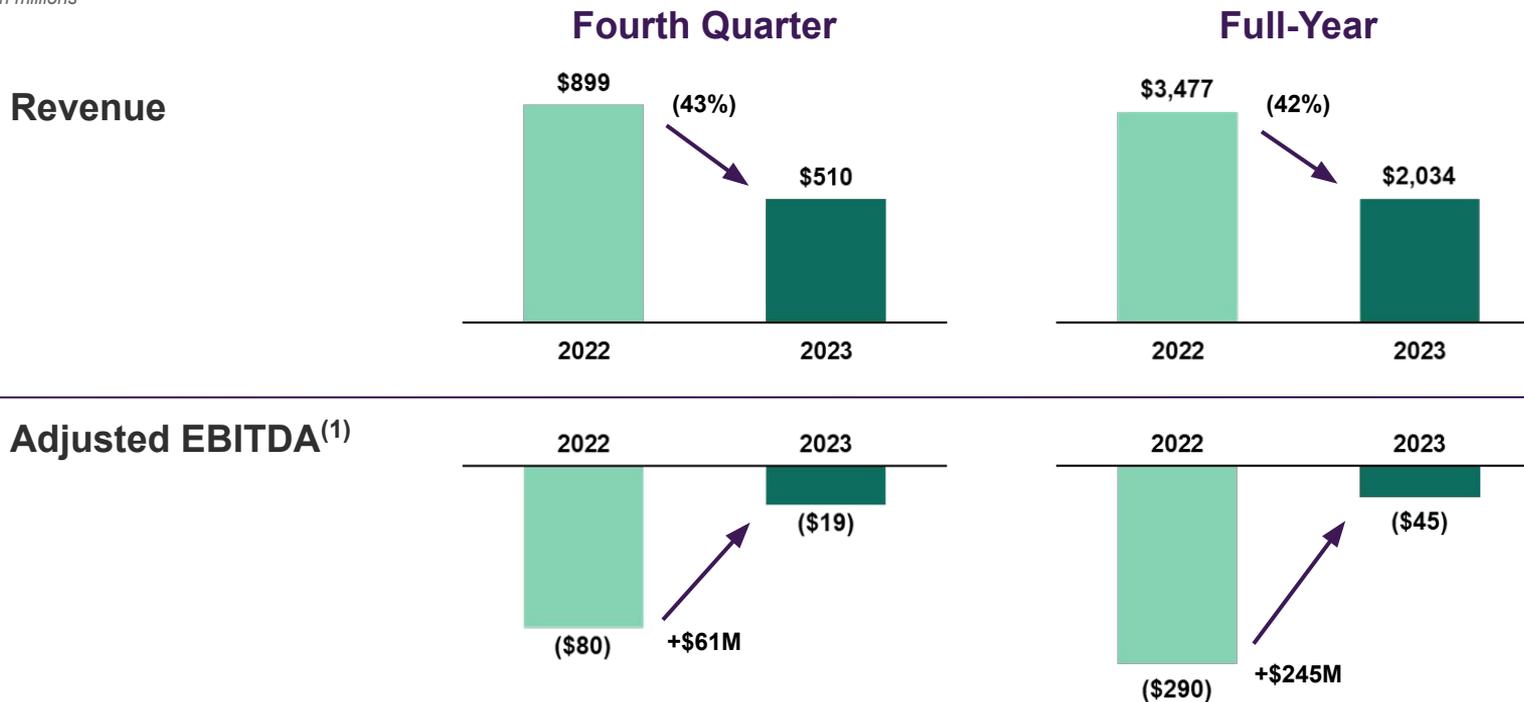
■ Revenue  
■ Gross Profit



- Q4 2023 revenue decrease driven by a narrower group of aligned beneficiaries as a result of our strategic focus on fewer participant providers

# Q4 & Full-Year 2023 Financial Performance: Consolidated

*In millions*



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

# 2024 Outlook

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

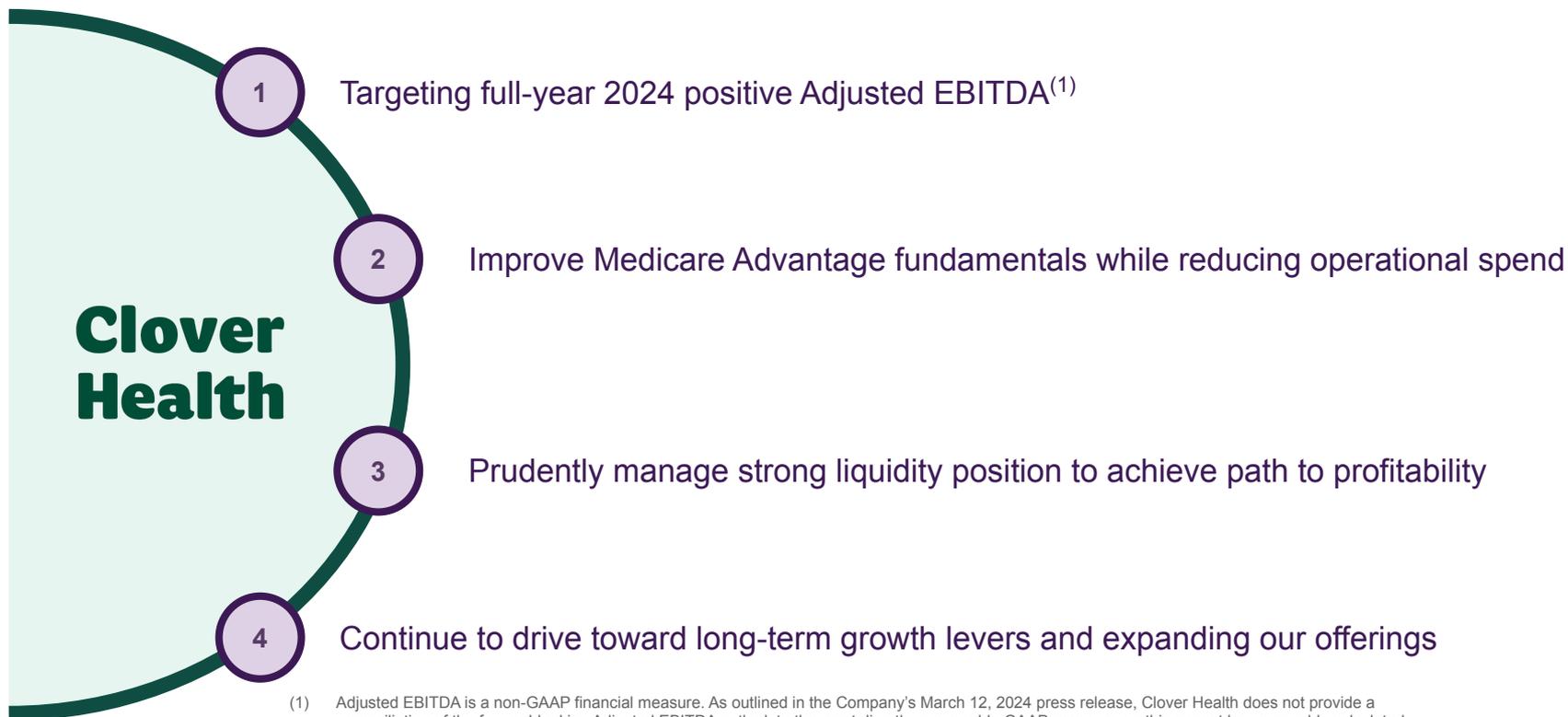


# Full-Year 2024 Outlook

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

(1) Adjusted EBITDA and Adjusted SG&A are non-GAAP financial measures. As outlined in the Company's March 12, 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.

## Strong 2023 Momentum Continues into 2024



(1) Adjusted EBITDA is a non-GAAP financial measure. As outlined in the Company's March 12, 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.

# 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 December 31,		Years Ended December 31,	
	2023	2022	2023	2022
Net loss:	\$ (70,472)	\$ (84,226)	\$ (213,361)	\$ (339,567)
Adjustments				
Interest expense	—	136	7	1,333
Amortization of notes and securities discount	—	3	—	30
Depreciation and amortization	674	(841)	2,509	1,187
Change in fair value of warrants	86	(900)	86	(900)
Loss (gain) on investment	4,726	970	4,726	(9,217)
Stock-based compensation expense	33,136	39,097	140,931	164,305
Premium deficiency reserve benefit	(683)	(11,089)	(7,239)	(93,517)
Restructuring costs	2,061	—	9,931	—
Non-recurring legal expenses and settlements	(4,565)	1,088	1,807	8,266
Impairment of goodwill and other intangible assets	15,945	—	15,945	—
Expenses attributable to Seek Insurance Services, Inc.	—	(949)	—	655
Expenses attributable to Character Biosciences, Inc.	—	—	—	357
Gain on extinguishment of note payable	\$ —	\$ (23,326)	\$ —	\$ (23,326)
Adjusted EBITDA (non-GAAP)	\$ (19,092)	\$ (80,037)	\$ (44,658)	\$ (290,394)

(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>

	Three Months Ended December 31,		Years Ended December 31,	
	2023	2022	2023	2022
Salaries and benefits	\$ 63,946	\$ 69,001	\$ 257,157	\$ 278,725
General and administrative expenses	45,983	55,348	187,571	207,917
Total SG&A	109,929	124,349	444,728	486,642
Adjustments				
Stock-based compensation expense	(33,136)	(39,097)	(140,931)	(164,305)
Non-recurring legal expenses and settlements	4,565	(1,088)	(1,807)	(8,266)
Expenses attributable to Seek Insurance Services, Inc.	—	364	—	(1,240)
Expenses attributable to Character Biosciences, Inc.	—	—	—	(357)
Adjusted SG&A (non-GAAP)	\$ 81,358	\$ 84,528	\$ 301,990	\$ 312,474

(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

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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."