

The background features a collage of four images showing people in professional or healthcare settings. Top left: A man with a mustache sits in a blue chair, looking at a tablet. Top right: A man and a woman are looking at a tablet together. Bottom left: A woman is sitting in a chair, smiling. Bottom right: A man is standing with his hands on his hips, smiling. The entire background is overlaid with a semi-transparent purple color.

Clover Health

**Third Quarter 2024
Earnings Conference Call**

November 6, 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 highest acuity patients

Physician Choice



Members select doctor of **their choice**



Can enable value based improvement on a **wide-network** of fee-for-service physicians

Third Quarter 2024 Business Update

Meaningfully Improved Profitability

Increasing Adjusted EBITDA⁽¹⁾

Improved full-year 2024 guidance⁽¹⁾

Increasing cash flow from operations

Strong Insurance Results

Industry-leading loss ratios

Continued top-line revenue growth

Differentiated via Clover Assistant technology

Achieved 4.0 Stars PY2026 PPO Plan⁽²⁾

~95% of members in 4+ Star Plans in Payment Year 2026⁽³⁾

Market leading HEDIS performance on core measures⁽⁴⁾

Leading with physician-choice for our members

Opportunity for Membership Growth

Strong financial position & momentum

Ability to self-fund future membership growth

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 Loss from continuing operations, the most directly comparable GAAP measure. 2024 Guidance is based on updated guidance provided in the Company's November 6, 2024 earnings press release.

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

(3) Based on September 2024 year-to-date 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.

**Third Quarter 2024
Financial Overview**



Financial Summary

Profitability

- (\$8.8M) Net loss from continuing operations in 3Q24, **improved by \$24.8M**, as compared to (\$33.6M) in 3Q23
- **\$19.3M of Adjusted EBITDA⁽¹⁾** in 3Q24, improved by \$16.5M, as compared to \$2.7M in 3Q23

Operations

- 3Q24 Insurance **MCR of 78.0%** and **BER⁽²⁾ of 82.8%**, on 7% revenue growth as compared to 3Q23
- 3Q24 SG&A decreased 11% to \$90.2M, and **Adjusted SG&A⁽³⁾ decreased 8% to \$61.9M**, as compared to 3Q23

Cash & Liquidity at 3Q24

- **\$531.4M of consolidated** restricted and unrestricted cash, cash equivalents, and investments
- **\$205.5M of parent entity and unregulated subsidiaries'** restricted and unrestricted cash, cash equivalents, and investments

Business Update

- **Increased Adjusted EBITDA profitability guidance midpoint** for full-year 2024
- **Flagship PPO plan Achieved 4.0 Star Rating** for Payment Year 2026
- **Positioned well to invest in membership growth opportunity for 2025**

(1) Adjusted EBITDA is a non-GAAP financial measure. We define Adjusted EBITDA as Net Loss from continuing operations before depreciation and amortization, loss on investment, stock-based compensation, premium deficiency reserve expense (benefit), restructuring (recoveries) 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) 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.

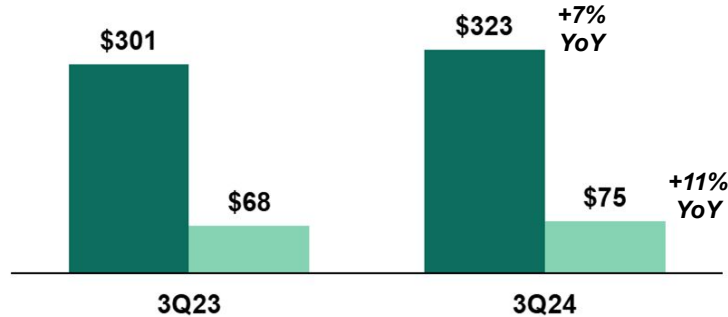
(3) Adjusted SG&A is a non-GAAP financial measure. We define Adjusted SG&A as total SG&A less stock-based compensation and non-recurring legal expenses and settlements. A reconciliation of Adjusted SG&A to the sum of Salaries and benefits plus General and administrative expenses, the most directly comparable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

3Q24 Financial Performance: Insurance

In millions, except MCR

■ Revenue
■ Gross Profit

Third Quarter

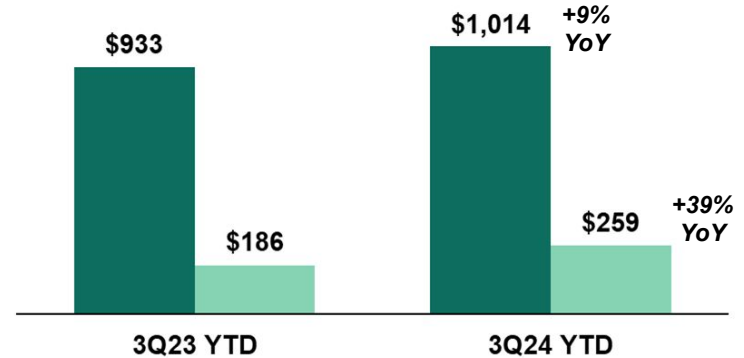


MCR:

78.5%

78.0%

Year-to-Date



80.8%

75.6%

- 3Q and YTD 2024 revenue and MCR performance driven by operational enhancements, returning member retention, clinical initiatives, and the impact of Clover Assistant powered care platform.

3Q24 Financial Performance: Adjusted SG&A⁽¹⁾

In millions

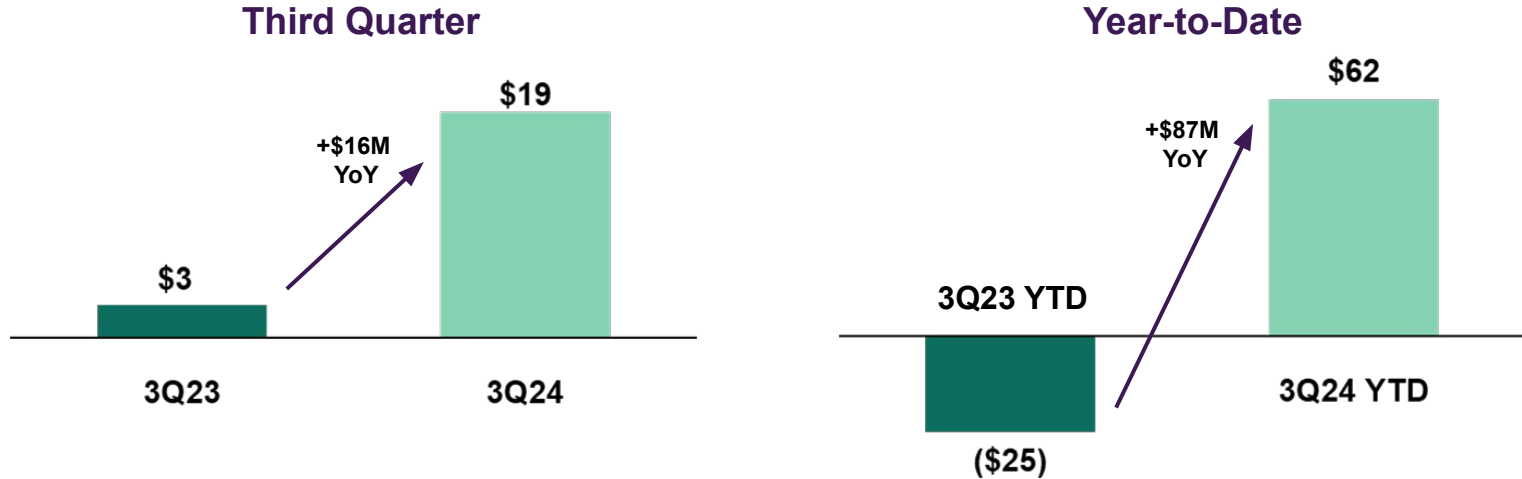


- 3Q and YTD 2024 Adjusted SG&A improvement a result of new MA operational ecosystem and year-over-year workforce optimization, partially offset by increased intra-year growth costs.

(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.

3Q24 Financial Performance: Adjusted EBITDA⁽¹⁾

In millions



- 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 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.

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 (11/6/24)	Prior Guidance (8/5/24)
Insurance Revenue	\$1.35 billion - \$1.375 billion	\$1.35 billion - \$1.375 billion
Insurance MCR	76% - 77%	77% - 79%
Insurance BER ⁽¹⁾	81% - 82%	81% - 83%
Adjusted SG&A ⁽¹⁾	\$290 million - \$295 million	\$270 million - \$280 million
Adjusted EBITDA ⁽¹⁾	\$55 million - \$65 million	\$50 million - \$65 million

(1) Insurance BER, Adjusted EBITDA, and Adjusted SG&A are non-GAAP financial measures. As outlined in the Company's November 6, 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 November 6, 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 Sheets

(Unaudited)

(Dollars in thousands, except share amounts)

	September 30, 2024 (Unaudited)	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 287,956	\$ 116,407
Short term investments	1,779	12,218
Investment securities, available-for-sale (Amortized cost: 2024: \$43,695; 2023: \$101,412)	43,302	100,702
Investment securities, held-to-maturity (Fair value: 2024: \$15; 2023: \$6,778)	15	6,902
Accrued retrospective premiums	20,963	22,076
Other receivables	14,962	16,666
Healthcare receivables	37,314	64,164
Surety bonds and deposits	596	542
Prepaid expenses	12,949	14,418
Other assets, current	2,804	1,404
Assets related to discontinued operations	10,087	72,471
Total current assets	432,727	427,970
Investment securities, available-for-sale (Amortized cost: 2024: \$182,840; 2023: \$121,868)	184,085	120,208
Investment securities, held-to-maturity (Fair value: 2024: \$14,178; 2023: \$692)	14,294	793
Property and equipment, net	5,336	5,082
Operating lease right-of-use assets	2,585	3,382
Other intangible assets	2,990	2,990
Other assets, non-current	10,996	10,246
Total assets	\$ 653,013	\$ 570,671

	September 30, 2024 (Unaudited)	December 31, 2023
Liabilities and Stockholders' Equity		
Current liabilities		
Unpaid claims	\$ 166,070	\$ 135,737
Due to related parties, net	1,340	1,363
Accounts payable and accrued expenses	25,746	37,184
Accrued salaries and benefits	35,340	20,951
Deferred revenue	17	3,099
Operating lease liabilities	1,345	1,665
Other liabilities, current	836	1,017
Liabilities related to discontinued operations	48,941	60,099
Total current liabilities	279,635	261,115
Long-term operating lease liabilities	2,321	2,998
Other liabilities, non-current	28,891	20,164
Total liabilities	310,847	284,277
Commitments and contingencies		
Stockholders' equity		
Class A Common Stock, \$0.0001 par value; 2,500,000,000 shares authorized at September 30, 2024 and December 31, 2023; 411,256,965 and 401,183,882 issued and outstanding at September 30, 2024 and December 31, 2023, respectively	41	40
Class B Common Stock, \$0.0001 par value; 500,000,000 shares authorized at September 30, 2024 and December 31, 2023; 89,032,305 and 87,867,732 issued and outstanding at September 30, 2024 and December 31, 2023, respectively	9	9
Additional paid-in capital	2,546,167	2,461,238
Accumulated other comprehensive loss	852	(2,370)
Accumulated deficit	(2,180,711)	(2,159,794)
Less: Treasury stock, at cost; 16,817,010 and 7,912,750 shares held at September 30, 2024 and December 31, 2023, respectively	(24,192)	(12,729)
Total stockholders' equity	342,166	286,394
Total liabilities and stockholders' equity	\$ 653,013	\$ 570,671

Financial Statements

Condensed Consolidated Statements of Operations and Comprehensive Loss

(Unaudited)

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenues:				
Premiums earned, net (Net of ceded premiums of \$97 and \$106 for the three months ended September 30, 2024 and 2023, respectively; net of ceded premiums of \$301 and \$341 for the nine months ended September 30, 2024 and 2023, respectively)	\$ 322,579	\$ 301,230	\$ 1,014,201	\$ 932,699
Other income	8,407	4,798	19,967	15,459
Total revenues	330,986	306,028	1,034,168	948,158
Operating expenses:				
Net medical claims incurred	249,774	235,785	763,283	754,836
Salaries and benefits	54,995	60,567	169,717	191,985
General and administrative expenses	35,201	41,030	124,194	140,384
Premium deficiency reserve expense (benefit)	—	392	—	(6,556)
Depreciation and amortization	339	557	987	1,835
Restructuring (recoveries) costs	(538)	1,313	288	7,870
Total operating expenses	339,771	339,644	1,058,469	1,090,354
Loss from continuing operations	(8,785)	(33,616)	(24,301)	(142,196)
Change in fair value of warrants	—	—	17	—
Interest expense	—	—	—	7
Loss on investment	—	—	467	—
Net loss from continuing operations	(8,785)	(33,616)	(24,785)	(142,203)
Net (loss) income from discontinued operations	(370)	(7,853)	3,868	(686)
Net loss	\$ (9,155)	\$ (41,469)	\$ (20,917)	\$ (142,889)
Per share data:				
Basic weighted average number of Class A and Class B common shares and common share equivalents outstanding	490,180,103	480,770,283	488,501,812	480,921,520
Diluted weighted average number of Class A and Class B common shares and common share equivalents outstanding	490,180,103	480,770,283	488,501,812	480,921,520
Continuing operations:				
Basic loss per share	\$ (0.02)	\$ (0.07)	\$ (0.05)	\$ (0.30)
Diluted loss per share	(0.02)	(0.07)	(0.05)	(0.30)
Discontinued operations:				
Basic earnings (loss) per share	0.00	(0.02)	0.01	0.00
Diluted earnings (loss) per share	0.00	(0.02)	0.01	0.00
Net unrealized gain on available-for-sale investments	3,111	1,643	3,222	4,302
Comprehensive loss	\$ (6,044)	\$ (39,826)	\$ (17,695)	\$ (138,587)

Financial Statements

Condensed Consolidated Statements of Cash Flows

(Unaudited)

(Dollars in thousands)

	Nine Months Ended September 30,	
	2024	2023
Cash flows from operating activities:		
Net loss	\$ (20,917)	\$ (142,889)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	987	1,835
Stock-based compensation	84,686	107,795
Change in fair value of warrants and amortization of warrants	17	—
Accretion, net of amortization	(2,140)	(3,096)
Accrued interest earned	(354)	—
Net realized gains on investment securities	(174)	(20)
Loss on investment	467	—
Premium deficiency reserve	—	(6,556)
Changes in operating assets and liabilities:		
Accrued retrospective premiums	1,113	4,741
Other receivables	1,704	8,836
Surety bonds and deposits	(54)	(17)
Prepaid expenses	1,469	2,920
Other assets	(2,640)	5,244
Healthcare receivables	26,850	18,534
Operating lease right-of-use assets	797	405
Unpaid claims	30,310	(24,164)
Accounts payable and accrued expenses	(11,438)	2,851
Accrued salaries and benefits	14,389	371
Deferred revenue	(3,082)	103,295
Other liabilities	8,546	179
Operating lease liabilities	(997)	(900)
Net cash provided by operating activities from continuing operations	129,539	79,364
Net cash (used in) provided by operating activities from discontinued operations	(8,861)	34,060
Net cash provided by operating activities	120,678	113,424

	Nine Months Ended September 30,	
	2024	2023
Cash flows from investing activities:		
Purchases of short-term investments, available-for-sale, and held-to-maturity securities	(153,347)	(142,359)
Proceeds from sales of short-term investments and available-for-sale securities	47,804	60,436
Proceeds from maturities of short-term investments, available-for-sale, and held-to-maturity securities	108,788	139,122
Purchases of property and equipment	(1,241)	(848)
Net cash provided by investing activities	2,004	56,351
Cash flows from financing activities:		
Issuance of common stock, net of early exercise liability	243	1,149
Repurchases of common stock	(1,772)	—
Treasury stock acquired	(9,691)	(5,393)
Net cash used in financing activities	(11,220)	(4,244)
Net increase in cash, cash equivalents, and restricted cash for discontinued and continuing operations	111,462	165,531
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	\$ 287,956	\$ 351,744
Reconciliation of cash and cash equivalents and restricted cash for discontinued and continuing operations		
Cash and cash equivalents	\$ 287,956	\$ 299,014
Restricted cash	—	52,730
Total cash, cash equivalents, and restricted cash for discontinued and continuing operations	\$ 287,956	\$ 351,744
Supplemental disclosure of non-cash activities		
Performance year receivable	\$ —	\$ (185,404)
Performance year obligation	—	185,404

Non-GAAP Financial Measures

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands)			
Net loss from continuing operations (GAAP):	\$ (8,785)	\$ (33,616)	\$ (24,785)	\$ (142,203)
Adjustments				
Interest expense	—	—	—	7
Depreciation and amortization	339	557	987	1,835
Loss on investment	—	—	467	—
Stock-based compensation	27,988	33,070	84,686	107,795
Premium deficiency reserve expense (benefit)	—	392	—	(6,556)
Restructuring (recoveries) costs	(538)	1,313	288	7,870
Non-recurring legal expenses and settlements	259	1,007	632	6,373
Adjusted EBITDA (Non-GAAP)	\$ 19,263	\$ 2,723	\$ 62,275	\$ (24,879)

(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)⁽¹⁾

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands)			
Salaries and benefits	\$ 54,995	\$ 60,567	169,717	191,985
General and administrative expenses	35,201	41,030	124,194	140,384
Total SG&A (GAAP)	90,196	101,597	293,911	332,369
Adjustments				
Stock-based compensation	(27,988)	(33,070)	(84,686)	(107,795)
Non-recurring legal expenses and settlements	(259)	(1,007)	(632)	(6,373)
Adjusted SG&A (Non-GAAP)	\$ 61,949	\$ 67,520	\$ 208,593	\$ 218,201

(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)⁽¹⁾

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands)			
Net medical claims incurred, net (GAAP):	\$ 251,643	\$ 236,533	767,125	\$ 753,877
Adjustments				
Quality improvements	15,445	14,363	50,383	49,883
Benefits expense, net (non-GAAP)	\$ 267,088	\$ 250,896	\$ 817,508	\$ 803,760
Premiums earned, net (GAAP)	\$ 322,579	\$ 301,230	\$ 1,014,201	\$ 932,699
Benefits expense ratio, net (non-GAAP)	82.8 %	83.3 %	80.6 %	86.2 %

(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 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."