Bright Health Group

Bright Health Group

First Quarter 2023 – Earnings Presentation

May 9, 2023

Disclaimer

Statements made in this release that are not statements of historical fact, including statements about our beliefs and expectations, are forward-looking statements and should be evaluated as such. Forward-looking statements include information concerning possible or assumed future results of operations, including descriptions of our business plan and strategies. These statements often include words such as “anticipate,” “expect,” “plan,” “believe,” “intend,” “project,” “forecast,” “estimates,” “projections,” “outlook,” “ensure,” and other similar expressions. These forward-looking statements include any statements regarding our plans and expectations with respect to Bright Health Group, Inc. Such forward-looking statements are subject to various risks, uncertainties and assumptions. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Factors that might materially affect such forward-looking statements include: our ability to continue as a going concern; our ability to comply with the terms of our credit facility, including financial covenants, both during and after any waiver period, and/or obtain any additional waivers of any terms of our credit facility to the extent required; our ability to sell our Medicare Advantage business in California on acceptable terms, including our ability to receive the proceeds thereof in a manner that would alleviate our current financial position; our ability to quickly and efficiently wind down our IFP businesses and MA businesses outside of California; potential disruptions to our business due to our corporate restructuring and resulting headcount reduction; our ability to accurately estimate and effectively manage the costs relating to changes in our businesses offerings and models; a delay or inability to withdraw regulated capital from our subsidiaries; a lack of acceptance or slow adoption of our business model; our ability to retain existing consumers and expand consumer enrollment; our and our Care Partner’s abilities to obtain and accurately assess, code, and report risk adjustment factor scores; our ability to contract with care providers and arrange for the provision of quality care; our ability to accurately estimate our medical expenses, effectively manage our costs and claims liabilities or appropriately price our products and charge premiums; our ability to obtain claims information timely and accurately; the impact of the ongoing COVID-19 pandemic on our business and results of operations; the risks associated with our reliance on third-party providers to operate our business; the impact of modifications or changes to the U.S. health insurance markets; our ability to manage the growth of our business; our ability to operate, update or implement our technology platform and other information technology systems; our ability to retain key executives; our ability to successfully pursue acquisitions and integrate acquired businesses; the occurrence of severe weather events, catastrophic health events, natural or man-made disasters, and social and political conditions or civil unrest; our ability to prevent and contain data security incidents and the impact of data security incidents on our members, patients, employees and financial results; our ability to comply with requirements to maintain effective internal controls; our ability to adapt to the new risks associated with our expansion into ACO Reach; and the other factors set forth under the heading “Risk Factors” in the Company’s reports on Form 10-K, Form 10-Q, and Form 8-K (including all amendments to those reports) and our other filings with the SEC. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this release to conform these statements to actual results or changes in our expectations.

Bright Health Group: A Technology Enabled, Value-Driven Healthcare Company

Focused on Serving Aging and Underserved Consumers by Investing in the Value Layer of Healthcare

Aging and Underserved Consumers • Fully Aligned Care Model • Integrated Technology Platform

Consumer Care

Value-Driven Care Delivery partnering with leading health plans and government programs to deliver improved care to consumers

2023 Forecasts:

$1.1 Billion +	335-355k
Value-Based Revenue	Value-Based Consumers[(1)]

centrum HEALTH · NeueHealth · PREMIER MEDICAL ASSOCIATES · ASSOCIATES MD

Bright HealthCare

Delegated Medicare Advantage health plans partnering with high-performing providers serving aging and underserved consumers in California

2023 Forecasts:

$1.8 Billion +	>125k
Health Plan Premium Revenue	Medicare Advantage Consumers

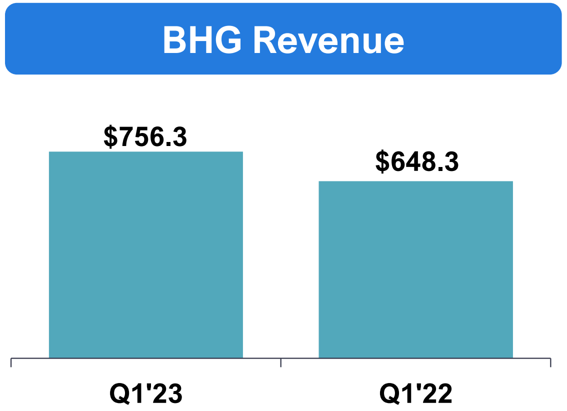
brand new day HEALTHCARE YOU CAN FEEL GOOD ABOUT · CENTRAL HEALTH MEDICARE PLAN

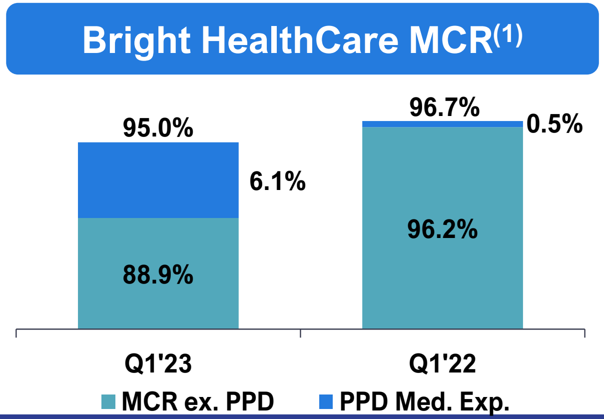
(1) End of year 2023, inclusive of Medicare Advantage, Medicare ACO Reach, Medicaid and Commercial ACA consumers.

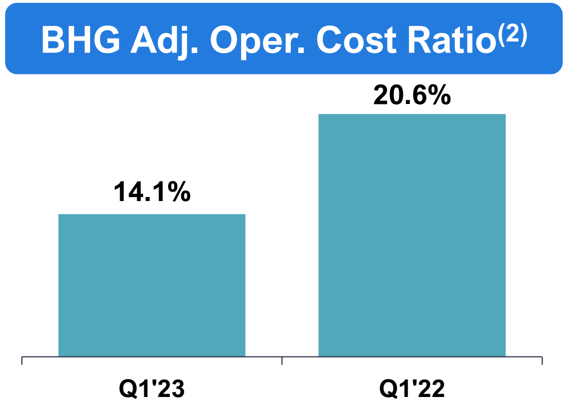
Overview of Q1 2023 Results for Continuing Business

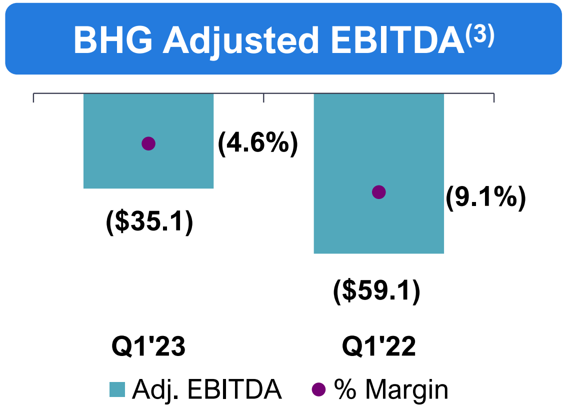
Strong In-Year Enterprise Performance Through Q1, Led by Consumer Care Growth and Operating Profit

Enterprise Metrics ($M)









Key Considerations

- Bright Health Group Adjusted EBITDA on track excluding prior period Medical Expense in Bright HealthCare
- Consumer Care strong Q1’23 performance and ahead of expectations; Revenue ahead on value-based consumers, Operating Income positive for Q1’23
- Bright HealthCare Q1’23 Medicare Advantage MCR impacted by unfavorable legacy MA and California MA prior-period Medical Expenses (608bps combined)
  - Higher prior period Medical Expense in California MA due to increased overall Medical trend forecast to 2.5% for 2022 vs. 2021; utilization stable at 157 admits / 1000 for 2022
  - Q1’23 California MA MCR was 94.6%, and excluding prior-period Medical Expense California MA MCR was 89.0%
  - Q1’22 prior-period Medical Expenses were unfavorable to MCR by 49bps

(1) Bright HealthCare MCR includes the impact of legacy Medicare Advantage markets outside of California
(2) GAAP Operating Cost Ratio for Q1’23 was 18.6%, and for Q1’22 was 25.9%. A reconciliation of Adjusted Operating Cost Ratio to Operating Costs for applicable periods is contained in the appendix to this presentation
(3) GAAP Net Loss for Q1’23 was ($169.5) million, and for Q1’22 was ($180.6) million. A reconciliation of Adjusted EBITDA to Net Loss for applicable periods is contained in the appendix to this presentation

Bright Health 2023 Outlook

Maintaining Forecast for Adjusted EBITDA Profitability in 2023

Bright Health Group

- Revenue of $2.9 – $3.1 Billion
- Adjusted Operating Cost Ratio ~14%(1)(2)
- Adjusted EBITDA Profitable(1)

Bright HealthCare

- >125,000 Year-End 2023 Consumers
- Revenue of $1.8+ Billion
- Medical Cost Ratio 87% - 89%

Consumer Care

- 270,000 to 290,000 Year-End 2023 Value-Based Consumers
- ~65,000 Year-End REACH ACO Consumers
- Revenue of $1.1 – $1.3 Billion

(1) Adjusted Operating Cost Ratio and Adjusted EBITDA are forward-looking non-GAAP financial measures. Reconciliations of Adjusted Operating Cost Ratio and Adjusted EBITDA to the most directly comparable GAAP financial measures are not provided because the company is unable to provide such reconciliations without unreasonable effort. Please see the appendix to this presentation for important information about the use of these non-GAAP financial measures and the absence of such reconciliations.
(2) Adjusted Operating Cost Ratio excludes stock-based compensation expense, changes in the fair value of contingent consideration, and depreciation and amortization, and may exclude other items in the future. Adjusted OCR includes transaction related costs related to ongoing financing initiatives

Balance Sheet and Liquidity Highlights

Focused on Building a Strong Foundation for Long-Term Sustainable Growth

Summary Balance Sheet

($ in thousands)	March 31, 2023	December 31, 2022
Assets		
Cash and Cash Equivalents	$382,506	$466,325
Current Assets of Discontinued Operations	$2,225,739	$2,783,474
Other Current Assets	1,163,169	320,835
Total Current Assets	$3,771,414	$3,570,634
Long-Term Investments	$3,816	$5,401
Goodwill and Intangibles, Net	1,002,364	1,009,161
Other Non-Current Assets	70,411	79,856
Total Other Assets	$1,076,591	$1,094,418
Total Assets	**$4,848,005**	**$4,665,052**
Liabilities and Other		
Current Liabilities Discontinued Operations	$2,225,739	$2,783,474
Total Liabilities Continuing Operations	$1,818,333	$941,893
Redeemable Noncontrolling Interests	$223,503	$219,758
Redeemable Preferred Stock	920,417	920,417
Total Shareholders' (Deficit) Equity	(339,987)	(200,490)
Total Liabilities and Other	**$4,848,005**	**$4,665,052**

Q1’23 Key Considerations

- ~$2.5 billion in total cash and investments, including $142 million of non-regulated cash and short-term investments
- Continuing operations total cash and investments of $398 million, and non-regulated cash and short-term investments of $142 million
- $350 million credit facility fully drawn as of March 31, including the $46 million committed through a letter of credit to support NeueHealth’s participation in CMS’s REACH ACO program
- Announced on April 28, 2023 that the company is exploring strategic alternatives for its Medicare Advantage business
- Credit Agreement covenant waiver extended to June 30, 2023

Bright Health Group

Appendix

Non-GAAP Reconciliation: Adjusted EBITDA

Adjusted EBITDA

($ in thousands)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net Loss	**($169,462)**	**($180,629)**
Loss from discontinued operations	74,669	17,115
Interest expense	7,787	1,193
Income tax expense (benefit)	1,259	3,242
Depreciation and amortization	9,891	12,897
Transaction costs	1,849	852
Share-based compensation expense	33,320	32,921
Change in fair value of equity securities	--	40,968
Change in fair value of contingent consideration	(1,827)	--
Termination and other exit costs	4,157	5,488
Restructuring costs	3,303	6,864
Adjusted EBITDA – continuing operations	**($35,054)**	**($59,089)**

Non-GAAP Reconciliation: Adjusted Operating Cost Ratio

Adjusted Operating Cost Ratio

($ in thousands)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
GAAP Operating Cost Ratio	**18.6%**	**25.9%**
Impact of Share-based compensation expense	(4.4%)	(5.4%)
Adjusted Operating Cost Ratio	**14.1%**	**20.6%**

Forward-Looking Non-GAAP Measures

This presentation contains Adjusted EBITDA and Adjusted Operating Cost Ratio, which are non-GAAP financial measures. These non-GAAP financial measures are additions, and not substitutes for or superior to the most directly comparable GAAP financial measures, Net Income (Loss) and Operating Costs, respectively. Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow available for management's discretionary use as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. The presentation of these measures has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Because not all companies use identical calculations, the presentation of these measures may not be comparable to other similarly titled measures of other companies and can differ significantly from company to company.

Reconciliations of projected Adjusted EBITDA and projected Adjusted Operating Cost Ratio to the most directly comparable GAAP financial measures are not provided because the Company is unable to provide such reconciliations without unreasonable effort. The inability to provide a reconciliation is due to the uncertainty and inherent difficulty predicting the occurrence, the financial impact and the periods in which the non-GAAP adjustments may be recognized. With respect to Adjusted EBITDA, these GAAP measures may include the impact of such items as interest expense, income tax expense, depreciation and amortization, impairment of goodwill or intangible assets, transaction costs, share-based compensation expense, changes in the fair value of equity securities, changes in the fair value of contingent consideration, contract termination costs, restructuring costs; and the tax effect of all such items. Historically, the Company has excluded these items from non-GAAP financial measures. With respect to Adjusted Operating Cost Ratio, these GAAP measures may include the impact of such items as stock-based compensation, changes in the fair value of contingent consideration, contract termination costs, and depreciation and amortization. The Company currently expects to continue to exclude these items in future disclosures of non-GAAP financial measures and may also exclude other items that may arise (collectively, "non-GAAP adjustments"). The decisions and events that typically lead to the recognition of non-GAAP adjustments, such as a decision to exit part of the business, are inherently unpredictable as to if or when they may occur. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.