Bright Health Group

Fourth Quarter 2022 – Earnings Presentation

March 1, 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 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 +	275-300k
Value-Based Revenue	Value-Based Consumers(1)

Centrum Health • NeueHealth • Premier Medical Associates • AssociatesMD

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

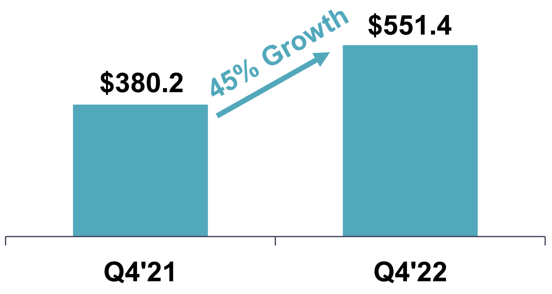
(1) End of year 2023, inclusive of Medicare Advantage, Medicare ACO Reach, Medicaid and Commercial ACA consumers.

Overview of Q4 2022 Results for Continuing Business

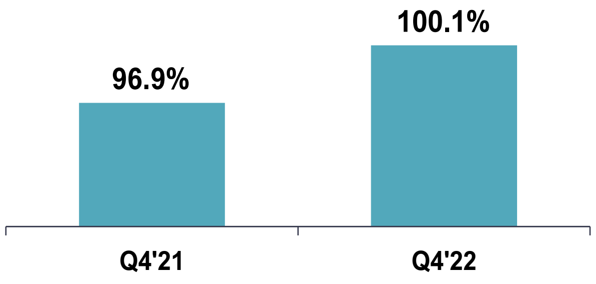
Bright Health Group Performed Well in Continuing Businesses

Enterprise Metrics ($M)

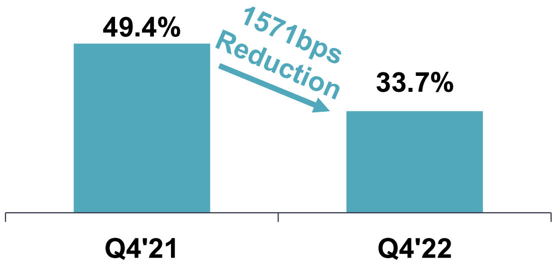
BHG Revenue



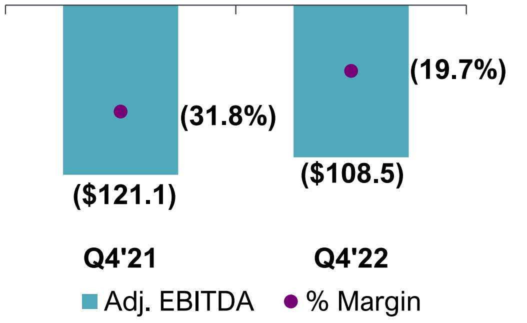
Bright HealthCare MCR[(1)]



BHG Operating Cost Ratio



BHG Adjusted EBITDA[(2)]



Key Considerations

- Bright Health Group Consumer Care segment includes financial impacts of all members served, including Bright HealthCare IFP members
- Bright Health Group Revenue and Adjusted EBITDA therefore reflect the impact of Marketplace risk adjustment true-ups, partially offset by lower prior period medical costs for Bright HealthCare lives served in Consumer Care clinics

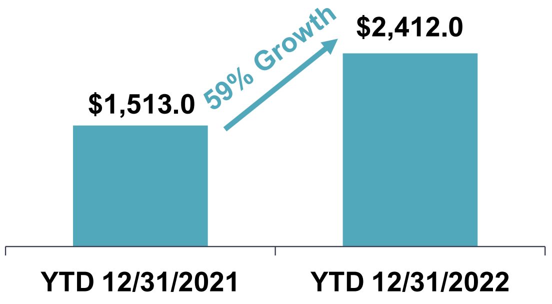
(1) Bright HealthCare MCR includes the impact of legacy Medicare Advantage markets outside of California
(2) A reconciliation of Adjusted EBITDA to Net Loss for applicable periods is contained in the appendix to this presentation

Overview of Full Year 2022 Results

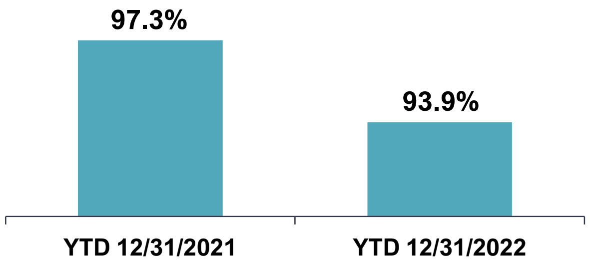
Bright Health Group Demonstrated Solid Progress Toward 2023 Adjusted EBITDA profitability target in 2022

Enterprise Metrics ($M)

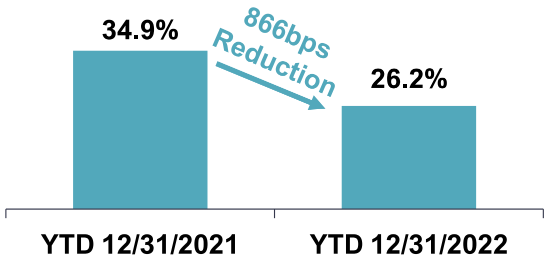
BHG Revenue



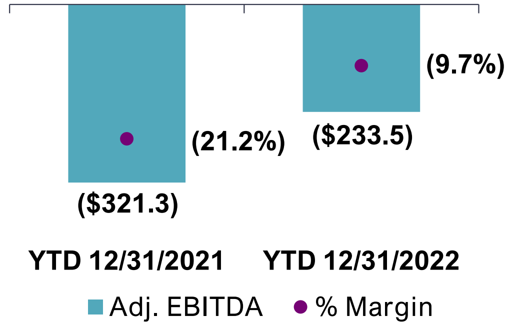
Bright HealthCare MCR[1]



BHG Operating Cost Ratio



BHG Adjusted EBITDA[2]



Key Considerations

- Bright Health Group Consumer Care segment includes financial impacts of all members served, including Bright HealthCare IFP members
- Bright Health Group Revenue and Adjusted EBITDA therefore reflect the impact of 2021 Marketplace risk adjustment true-ups recognized during the year, partially offset by lower prior period medical costs for Bright HealthCare lives served in Consumer Care clinics
- Bright Health Group $638.0 million Net Loss from Continuing Operations
- Bright Health Group $721.9 million Loss from Discontinued Operations, Net of Tax
- Full Year Net Loss from Continuing Operations and Loss from Discontinued Operations, Net of Tax includes $274 million of non-cash charges for stock-based comp, asset impairments and depreciation/amortization, as well as $216 million in exit related costs, restructuring charges, and investment impairment charges.

(1) Bright HealthCare MCR includes the impact of legacy Medicare Advantage markets outside of California, excluding these markets MCR would have been 93.0% for Full Year 2022
(2) 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 13% – 14%(1)(2)
- Adjusted EBITDA Profitable(1)

Bright HealthCare

- >125,000 Year-End 2023 Consumers
- Revenue of $1.8+ Billion
- Medical Cost Ratio 86% - 88%

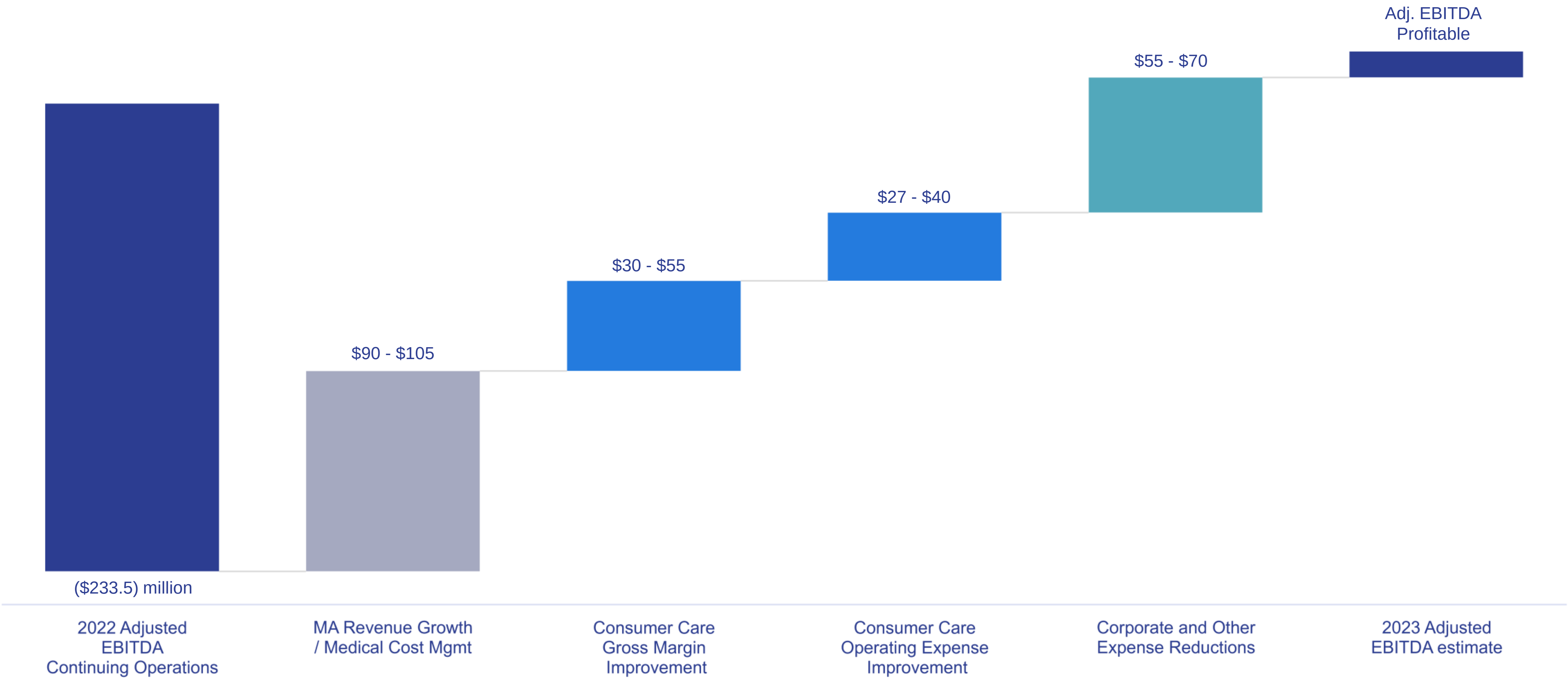
Consumer Care

- 210,000 to 235,000 Year-End 2023 Value-Based Consumers
- ~65,000 Year-End ACO Reach 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, contract termination costs, and depreciation and amortization, and may exclude other items in the future.

Bright Health Bridge to 2023 Adjusted EBITDA Outlook[(1)]

Gross Margin and Operating Expense Improvements Drive Better Adjusted EBITDA Performance



(1) Adjusted EBITDA is a forward-looking non-GAAP financial measure. Reconciliations of 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 this non-GAAP financial measure and the absence of such reconciliations.

Balance Sheet and Liquidity Highlights

Working on a More Permanent Solution for Capital

Summary Balance Sheet

($ in thousands)	December 31, 2021	December 21, 2022
Assets		
Cash and Cash Equivalents	$289,283	$466,325
Current Assets of Discontinued Operations	$1,027,345	$2,783,474
Other Current Assets	343,572	320,835
Total Current Assets	$1,660,200	$3,570,634
Long-Term Investments	$18,608	$5,401
Goodwill and Intangibles, Net	1,167,987	1,009,161
Other Non-Current Assets	751,544	79,856
Total Other Assets	$1,938,139	$1,094,418
Total Assets	**$3,598,339**	**$4,665,052**
Liabilities and Other		
Current Liabilities Discontinued Operations	$1,696,040	$2,783,474
Total Liabilities Continuing Operations	$628,772	$941,893
Redeemable Noncontrolling Interests	$128,407	$219,758
Redeemable Preferred Stock	-	920,417
Total Shareholders' (Deficit) Equity	1,145,120	(200,490)
Total Liabilities and Other	**$3,598,339**	**$4,665,052**

Q4’22 Key Considerations

- ~$3.1 billion in total cash and investments, including $277 million of non-regulated cash and short-term investments
- Continuing operations total cash and investments of $485 million, and non-regulated cash and short-term investments of $277 million
- $350 million credit facility fully drawn as of year end, including the $46 million committed through a letter of credit to support NeueHealth’s participation in CMS’s ACO Reach program

Appendix

Non-GAAP Reconciliation: Adjusted EBITDA

Adjusted EBITDA

($ in thousands)	Three Months Ended		Year Ended	
	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022
Net Loss from continuing operations	**($813,375)**	**($668,561)**	**($1,178,365)**	**($1,359,880)**
Loss from discontinued operations	646,762	480,327	855,255	721,915
Interest expense	948	6,386	7,230	12,821
Income tax expense (benefit)	(8,296)	(4,228)	(26,521)	3,680
Depreciation and amortization	9,358	10,402	35,049	50,430
Impairment of Goodwill	--	1,208	--	71,225
Impairment of intangible assets	--	--	--	42,611
Transaction costs	(4,854)	1,407	2,064	1,661
Share-based compensation expense	25,190	32,450	68,423	109,713
Change in fair value of equity securities	28,780	10,892	(80,231)	80,231
Change in fair value of contingent consideration	(5,584)	332	(4,221)	332
Contract termination costs	--	--	--	1,241
Restructuring costs	--	20,869	--	30,531
Adjusted EBITDA – continuing operations	**($121,071)**	**($108,516)**	**($321,317)**	**($233,489)**

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.