Risk Factors Comparison 2024-03-28 to 2023-03-16 Form: 10-K

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Investing in our securities involves a high degree of risk. You should carefully consider the following risk factors together with other information in this Annual Report, including our consolidated financial statements and related notes included elsewhere in this Annual Report, before deciding whether to invest in shares of our common stock. The occurrence of any of the events described below could harm our business, financial condition, results of operations and growth prospects. In such an event, the trading price of our common stock may decline and you may lose all or part of your investment. Risks Related to Our Business Although we raised capital in ~~2022~~ **2023** , **based on our projected cash flows and absent any other action,** we ~~may~~ **will** require additional capital, which might not be available on acceptable terms, if at all. If capital is not available to us, our business and financial condition may be impaired, and we may not be able to continue as a going concern. We have invested heavily in our business. We expect to make additional investments to support our business growth and may require additional capital to respond to business needs, requirements and opportunities, including to develop and enhance new and existing ~~products and~~ services, enter new markets, further develop our infrastructure, and comply with any statutory capital and risk-based capital requirements. In addition, we may ~~continue to~~ make strategic acquisitions as the opportunities arise, some of which may be material to our operations. Accordingly, although we raised capital in ~~2022~~ **2023** , we may make future commitments of capital resources and may need to engage in additional equity or debt financings to secure additional funds. Whether we issue debt or equity securities will, in part, depend on contractual, legal and other restrictions that may limit our ability to raise additional capital. For example, our **New** Credit Agreement **(as defined in the Indebtedness section of the Results of Operations within Item 7 of this Annual Report)** contains, and any agreements governing our future indebtedness ~~could~~ **may** contain, restrictive covenants relating to our financial and operational matters, including covenants that limit the amount of debt we may incur. In addition, we may not be able to obtain additional or sufficient financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited or impaired. **The Company has** ~~As previously disclosed, we have~~ a history of operating losses, and we generated a net loss ~~from continuing operations~~ of $ ~~638~~ **1. 3** ~~million~~ **billion** for the year ended December 31, ~~2022~~ **2023** . ~~These losses, as well as significant additional~~ **Additionally** ~~expenses and future projected~~ **, the Company experienced negative operating** cash ~~outflows~~ ~~---~~ **flows** ~~in~~ **primarily related to** our discontinued Bright HealthCare – Commercial segment **for the year ended December 31** , **2023, requiring** ~~which has required us to infuse~~ additional cash **to be infused** to satisfy statutory capital requirements **. The Company paid $ 1. 5 billion of 2022 related risk adjustment obligations in September 2023** , ~~have reduced~~ **and certain of its insurance subsidiaries entered into repayment agreements for an aggregate amount of $ 380. 2 million with** the **Centers for Medicare & Medicaid Services' (" CMS ") with respect to the unpaid amount of risk adjustment obligations. The amount owing under the repayment agreements is due March 15, 2025 and bears interest at a rate of 11. 5 % per annum. As further described in Note 18, Deconsolidation of Bright Healthcare Insurance Company of Texas, on November 29, 2023, Bright Healthcare Insurance Company of Texas was placed into liquidation and the Texas Department of Insurance was appointed as receiver. Of the $ 380. 8 million of risk adjustment repayment liabilities, $ 89. 6 million of this relates to Bright Healthcare Insurance Company of Texas, leaving $ 291. 1 million as a risk adjustment obligation of the Company and is due within one year following the date the consolidated financial statements are issued. The Company' s IFP discontinued operations also continue to experience negative** cash **flows through the fourth quarter of 2023** ~~available to fund operations. In addition,~~ as ~~noted earlier~~ **it continues to pay out the remaining inventory of medical claims. We closed on the sale of our California Medicare Advantage business effective as of January 1** , ~~we breached~~ **2024, resulting in net proceeds of $ 31. 6 million after debt repayment of $ 274. 6 million, cash collateralization of existing letters of credit of $ 24. 1 million, contingent consideration of $ 110. 0 million, estimated net equity adjustment of $ 57. 3 million and** ~~the~~ **other** ~~minimum liquidity covenant of our~~ **transaction related fees. See Note 5, Short- Term Borrowings for further details around the debt repayment. Further, as described in Note 6, Long- Term Borrowings and Common Stock Warrants, the Company entered into the New** Credit Agreement in **2023 and borrowed a total of $ 66. 4 million as of December 31, 2023. While payment isn' t due for more than 12 months,** ~~the~~ **there** ~~first quarter of fiscal~~ **are no additional amounts currently available for borrowing in these agreements. Cash and investment balances held at regulated insurance entities are subject to regulatory restrictions and can only be accessed through dividends declared to the non-regulated parent company or through reimbursements from administrative services agreements with the parent company. The Company declared no dividends from the regulated insurance entities to the parent company during the** year **ended December 31,** 2023. ~~We entered into a limited waiver~~ **The regulated legal entities are required to hold certain minimum levels of risk- based capital** and ~~consent (the " Waiver ") under our Credit Agreement~~ **surplus to meet regulatory requirements. As noted further in Note 19** , ~~which~~ **Discontinued Operations** , **we are out** ~~among other matters, provides for a temporary waiver for the period from January 25, 2023 through April 30, 2023~~ of compliance with the minimum **levels** ~~liquidity covenant set forth~~ ~~--~~ **for certain** ~~in Section 11. 12. 2~~ of **our regulated insurance legal entities. In certain of our** ~~the~~ **other** ~~Credit Agreement.~~ **regulated insurance legal entities, we hold surplus levels of risk-** ~~Based~~ **based capital, and as wecomplete the wind- down exercise related to these entities over the next two years, we expect to recapture through dividends and final liquidation actions approximately $ 110. 0 million of cash held in other regulated insurance legal entities as of December 31, 2023. We believe that the existing cash** on **hand and investments will not be sufficient to**

satisfy our ~~projected~~ **anticipated** cash **requirements** ~~flows and absent any other action, the Company may not meet certain covenants under the Credit Agreement or~~ **for** ~~the Waiver, which may result in the obligations under the Credit Agreement being accelerated. Based on our projected cash flows and absent any other action, we will require additional liquidity to meet our obligations as they~~ **the next twelve** ~~come due in the 12~~ months following the date ~~of~~ **the consolidated financial statements contained in** this ~~annual~~ **Annual report Report** ~~on Form 10- K~~ **are issued, for items such as IFP risk adjustment payables, medical costs payable, remaining obligation to the deconsolidated entity, and other liabilities** . ~~While we have~~ **These conditions raise substantial doubt about the Company' s ability to continue as a going concern. In response to these conditions, management has implemented a restructuring plan to reduce capital needs and our operating expenses in the future to drive positive operating cash flow and increase liquidity. Additionally, the Company is** actively engaged with ~~our~~ **the** Board **of Directors** and outside advisors to evaluate **additional** financing ~~opportunities~~ **. However** , ~~we~~ **the Company** may not **fully collect the contingent consideration associated with the sale of the California Medicare Advantage business or** be able to obtain ~~required~~ financing on acceptable terms, as ~~any potential financing~~ **both of these matters** will be subject to market conditions that are not **fully** within ~~our~~ **the Company' s** control. In the event ~~we are~~ **the Company is** unable to **receive the contingent consideration from the sale of our California Medicare Advantage business to** obtain **additional** financing or take other management actions ~~to alleviate these concerns~~ , among other potential consequences, **the Company forecasts** we ~~may~~ **will** be unable to satisfy our ~~financial~~ obligations ~~as~~ **. As a result,** ~~they~~ **the** ~~become due or~~ **Company has concluded that management' s plans do not alleviate substantial doubt about the Company' s ability to** continue as a going concern. Our **revised business model and associated** corporate restructuring ~~and the associated headcount reduction~~ could disrupt our business, may not result in anticipated savings **,** and could result in total costs and expenses that are greater than expected. ~~In October~~ **We exited the commercial health care business and Medicare Advantage business outside of California at the end of** 2022, **and** we **ceased conducting our Medicare Advantage business in California** ~~announced, among other things, that we will focus~~ on **January 1** ~~delivering affordable healthcare to aging and underserved populations through our fully aligned care model in Florida~~ , ~~Texas and California, and that we will no longer offer IFP products through Bright HealthCare in 2023~~ **2024** ~~, or MA products outside of California~~ . As a result of these strategic changes, **we have significantly** ~~on November 4, 2022, our Board approved a plan to restructure~~ **restructured** our workforce and ~~reduce~~ **reduced** expenses based on our updated business model **. This** ~~(the " Restructuring~~ **restructuring** "). ~~The Restructuring~~ has resulted in the loss of institutional knowledge and expertise, as well as the reallocation and combination of certain roles and responsibilities across the Company, all of which could adversely affect our operations. These effects could have a material adverse effect on our ability to execute on our updated business model **and** ~~. There can be no assurance that we will be successful in implementing the Restructuring. The Restructuring~~ may ~~also~~ be disruptive to our operations. ~~For example, our headcount~~ **Headcount** reductions could **cause** ~~yield unanticipated consequences, such as increased~~ difficulties in implementing our business strategy **and** ~~, including retention of our remaining employees. Future~~ **future** growth would impose significant added responsibilities on members of management, including the need to identify, recruit, maintain and integrate additional employees. Due to our limited resources, we may not be able to effectively manage our operations or recruit and retain qualified personnel, which may result in weaknesses in our infrastructure and operations, risks that we may not be able to comply with legal and regulatory requirements, and loss of employees and reduced productivity among remaining employees. Our future financial performance will depend, in part, on our ability to effectively manage any future growth or restructuring, as applicable. In addition, we may not realize, in full or in part, the anticipated benefits, savings and improvements in our cost structure from ~~the~~ **this** ~~Restructuring~~ **restructuring** due to unforeseen difficulties, delays or unexpected costs. If we are unable to realize the expected operational efficiencies and cost savings ~~from the Restructuring~~ , our operating results and financial condition would be adversely affected. Furthermore, we may incur unanticipated charges or make cash payments as a result of ~~the~~ **this** ~~Restructuring~~ **restructuring** initiative that were not previously contemplated which could result in an adverse effect on our business or results of operations. Management action plans in place may not fully alleviate doubt about our ability to continue as a going concern **.** We have a history of operating losses. These losses, as well as significant growth in consumers in the Bright HealthCare – Commercial segment over the last few years, which required us to set aside additional cash for equity contributions to maintain minimum regulatory amounts, have reduced the cash available to fund operations. These factors raised significant doubt about our ability to meet future obligations and continue as a going concern **. See "- Although we raised capital** in ~~the second quarter of 2022~~ **2023 , based on our projected cash flows** and ~~caused~~ **absent any other action, we will require additional capital, which might not be available on acceptable terms, if at all. If capital is not available to** us ~~to seek additional~~ **, our business and** ~~financing~~ **financial condition may be impaired, and we may not be able to continue as a going concern** . **"** In response ~~to these conditions~~ , ~~management is~~ **we have revised our business model and** ~~implementing~~ **implemented** a restructuring plan to reduce our capital needs and our operating expenses in the future ~~to drive positive operating cash flow and increase liquidity~~ . **We have,** ~~The Company' s Bright HealthCare business has exited the Commercial marketplace beginning with the 2023 plan year~~ and **continue** ~~is focusing on its Medicare Advantage business in California. In addition~~ to **,** ~~our market exits~~ - **exit** ~~, management is implementing additional restructuring activities, which include reducing our workforce, exiting~~ excess office space, and ~~terminating~~ **terminate** or ~~restructuring~~ **restructure** contracts ~~. The Company also raised $ 925. 0 million in 2022 to capitalize our continuing operations as further described in Note 12~~ . While the Company believes its restructuring initiatives, along with existing cash and investments, will provide sufficient liquidity to meet its obligations as they come due in the 12 months following the date **of this Annual Report** ~~the consolidated financial statements are issued~~ , there can be no assurance that such actions will be sufficient or that such actions will fully alleviate the fears of investors and creditors that we may be unable to continue as a going concern. In addition, there can be no assurance that we will not face conditions in the future that raise doubts about our ability to continue as a going concern. If our new business model is not accepted or is slow to be adopted by the healthcare industry, our growth could be impacted and our business and results of operations could be adversely affected. ~~Key to~~

~~the growth of our Bright HealthCare business is our ability to drive provider adoption of value- based care arrangements that give our Care Partners a stake in the financial and quality outcomes of our health plans. We cannot assure you that our contracting approach will achieve and sustain acceptance by care providers, consumers or the healthcare industry generally. Additionally, in some locations, provider risk- sharing and value- based compensation models are less prevalent among parties serving the MA population. Acceptance of our business model may be affected by a variety of factors, including but not limited to the lack of willingness of certain care providers to embrace value- based care payment arrangements with payors, and the entrenchment of historical fee- for- service models of compensation. For the year ended December 31, 2022, 52 % of our total revenue was generated by our Consumer Care business (including affiliate revenue).~~ The growth of our ~~Consumer Care~~ business will depend on our ability to attract ~~high~~ **new consumers, third** ~~- performing care delivery~~ **party payors, and other** partners ~~and new patients~~. If we are unable to attract and successfully develop relationships with **these participants** ~~such provider organizations~~, we may not be successful in building and growing our ~~Consumer Care~~ business. Also, if we are unable to provide adequate tools and capabilities to support value- based care, to directly manage risk, and to deliver care under value-based arrangements, we may not be able to enter and rapidly scale our **NeueCare** ~~Consumer Care~~ business across and within markets, or to deliver superior outcomes for consumers ~~nationally~~. If we are unable to convince new patients of the benefits of our offerings or if potential or existing patients prefer the care provider model of one of our competitors, we may not be able to effectively implement our growth strategy, which depends on our ability to grow organically and attract new patients. In addition, our growth strategy is dependent on patients selecting our ~~Consumer Care~~ business as their primary care provider. Our inability to recruit new patients and retain existing patients would harm our ability to execute our growth strategy and may have a material adverse effect on our business operations and financial position. ~~If we~~ **We may not be able to contract with third-party payors and other partners on favorable terms or at all, or to arrange for the provision of the quality** ~~are~~ **care** ~~unable~~ **necessary to attract consumers. Our strategy requires that we successfully contract with third- party payors and other partners, to manage medical costs and utilization, and to better monitor and ensure the quality of care being delivered. Our ability** to retain existing **payors,** consumers, **and other partners, and diversify and** expand ~~consumer enrollment, or diversify and expand~~ our portfolio of ~~products and services, our business and results of operations may be adversely affected. We generate, and expect to continue to generate, a substantial portion of our revenue from consumers enrolled in our MA health plans. As a result, the continued enrollment of individuals into and adoption of our health plans, through our platform, our broker network, employers, or other third parties, is paramount to our future growth and success. If we fail to retain existing consumers, grow consumer enrollment, or diversify and expand our portfolio of products and services, our business and results of operations may be negatively impacted. In addition, if we do not grow our membership, we could find it difficult to retain or increase the number of contracted Care Partners and other network providers at favorable rates or at all, which could jeopardize our ability to provide health plan products in our current markets and our ability to expand into new markets in a cost- efficient manner. Our ability to retain existing consumers, expand consumer enrollment and diversify and expand our portfolio of products and~~ services depends on a number of factors, some of which are beyond our direct control. Some of these factors include: • ~~our ability to provide low~~ **the ease of third party** ~~-~~ **payors,** ~~cost and high- value plans which meet a broad range of consumer needs; • the ease of our~~ consumers **and other partners** ' adoption of, and enrollment into, our ~~products and~~ services; • our ability to seamlessly onboard our **third- party payors,** consumers **and other partners** and create a positive overall experience with our ~~products and~~ services; • our consumers' ability to easily use our technology ~~; • our consumers' ability to receive convenient and ready access to quality medical care and treatment through our Care Partner networks; • our ability to grow our provider networks and contract with Care Partners that support our model of care on competitive terms~~ ; • our ability to safeguard our consumers' data; • our ability to anticipate and respond to **regulatory changes and** shifting consumer preferences for healthcare products and services in a timely manner; • our ability to retain licenses required to conduct our existing business and obtain licensing in new geographies into which we intend to expand; **and** • our ability to effectively compete against our competitors, who ~~may offer products containing fewer restrictions on the network of care providers available to consumers,~~ may provide higher quality levels of care, or may be priced more competitively than our offerings ~~; • our ability to market and sell our plans effectively in our target markets, including our ability to retain and incentivize our broker network at reasonable commission rates; and • regulatory changes pertaining to the marketing and / or enrollment of our consumers, which might negatively impact the overall pool of eligible beneficiaries across our health plans. In addition, our ability to retain our existing consumers and expand consumer enrollment could be adversely impacted by delays in, or increased difficulty or cost associated with, the implementation of our growth strategies, strategic initiatives and operating plans, and the incurrence of unexpected costs associated with operating our business. The growth in our membership is also highly dependent upon our success in attracting new consumers during annual and open enrollment periods. If our ability or the ability of our partners, including our broker network, to market and sell our products and services is constrained during an enrollment period for any reason, such as technology failures, reduced allocation of resources, commission costs, any inability on the part of our sales partners to timely employ, license, train, certify and retain employees and contractors and their agents to sell plans, interruptions in the operation of our website or systems, disruptions caused by other external factors, such as the ongoing COVID- 19 pandemic, cyber- attacks, or security breaches or incidents or other computer- related penetrations, we could acquire fewer new consumers than expected or suffer existing consumer attrition and our business, operating results and financial condition could be adversely affected. We may not be able to contract with care providers on favorable terms or at all, or to arrange for the provision of the quality care necessary to attract consumers~~. Our ~~strategy across both our Bright HealthCare and Consumer Care businesses requires that we successfully contract with care providers to ensure access to quality healthcare services for our consumers, to manage medical costs and utilization, and to better monitor and ensure the quality of care being delivered. We compete with other health plans and networks to contract with healthcare providers based on reimbursement rates, timeliness and accuracy of claims payments, the potential to deliver new patient volume and / or support the retention of existing patients, the effectiveness of resolution of~~

calls and complaints, and other factors. We cannot assure you that we will be able to continue to attract and retain the right Care Partners necessary to deliver healthcare through high- performing networks in the geographic areas we serve, while providing high- quality care to our consumers. In addition, certain care providers, particularly hospitals, physician / hospital organizations and specialists, or their related care provider networks, may have significant negotiating power due to their size or market positions and could demand higher payment rates or otherwise negotiate contracts on terms that are less favorable to us. With respect to our Bright HealthCare business, if our health plans are unable to contract with care providers or if we contract with care providers on unfavorable terms, care provider access for our consumers could be restricted or limited, and we may not be able to deliver the high- quality healthcare that our consumers expect, which could drive consumer attrition or make it more difficult for us to attract new consumers. In addition, we could be exposed to higher medical costs and our health plans may not meet regulatory or accreditation requirements, which could restrict us from offering such plans and could lead to lower revenues. Our Consumer Care business also **involves** contracts with physicians and other healthcare providers to create high-performing networks on behalf of its own risk- bearing organizations , or **(“** RBOs **”)** , and on behalf of its third- party payor or IPA clients. Our Consumer Care business is subject to the same risks described above relating to its ability to contract with healthcare providers on favorable terms, or at all. If **we** our Consumer Care **are** business is unable to contract with physicians and other healthcare providers at all due to regulatory or other restrictions, or at affordable rates and / or in a manner that leads to high- performing networks, it may yield poor financial and quality results for its own RBOs and may result in dissatisfaction amongst its **our** third- party payor clients. Further, our RBOs rely on a limited number of physician and other provider groups to assume a certain amount of risk, and we depend on the creditworthiness of these groups. These groups are subject to a number of risks including reductions in payment rates from governmental programs, higher than expected health care costs, fewer than expected patients, and lack of predictability of financial results when entering new lines of business, particularly with high- risk populations. If the financial condition of our partners declines, our credit risk could increase. **In 2023, Babylon, one of our ACO REACH partners, declared bankruptcy, resulting in the Company recording $ 22. 4 million in bad debt.** Should **any** one or more of our significant partners declare bankruptcy, be declared insolvent or otherwise be restricted by state or federal laws or regulation from continuing in some or all of their operations, this could adversely affect our ongoing revenues, the collectability of our accounts receivable, our bad debt reserves and our net income. In addition, although we have long- term contracts with many such provider groups, these contracts may be terminated before their term expires for various reasons, such as changes in the regulatory landscape and poor performance by us, subject to certain conditions. Certain of our contracts are terminable immediately upon the occurrence of certain events. Certain of our contracts may be terminated immediately by the partner if we lose **loss** applicable **of required** licenses, go bankrupt **bankruptcy** , lose our **or** liability insurance or receive an exclusion, suspension or debarment from state or federal government authorities. Additionally, if such a group were to lose applicable licenses, go bankrupt, lose liability insurance, become insolvent, file for bankruptcy or receive an exclusion, suspension or debarment from state or federal government authorities, our contract with such group could in effect be terminated. In addition, certain of our contracts may be terminated immediately if we become insolvent or file for bankruptcy . If any of our contracts with these groups is terminated, we may not be able to recover all fees due under the terminated contract, which may adversely affect our operating results. We may be required to work with care providers who are not contracted with our health plans or in our networks, which may result in costly out- of- network claims. We may, from time to time, be required to work with care providers who are not contracted with our health plans. In those cases, there is no pre- established understanding between the provider or provider network and our health plan regarding the amount of compensation that is due to the provider or provider network for rendering healthcare services. This can result in high levels of out- of- network claims, which can be significantly more costly than claims based on rates that have been pre- negotiated with our provider network Care Partners. In some states, the amount of compensation for out- of- network claims is defined by law or regulation, but in most instances it is either not defined or it is established by a standard that makes the financial implications unclear. In such instances, care providers may claim that they are underpaid for their services and may either litigate or arbitrate their dispute with our health plan, and any subsequent adjustment of the payment made to such care providers could adversely affect our results of operations. Furthermore, under the No Surprises Act provisions of the Consolidated Appropriations Act, 2021 (“ Appropriations Act ”), payor and provider parties are precluded from referencing government reimbursement rates as a benchmark for out- of-network disputes. As a result, providers may be incentivized to collectively set high rates for high- volume out- of- network services, which could result in ongoing price inflation for critical services. This is a particular risk for elective health care service types (i. e., not emergency or urgent care) in geographic service areas where there are shortages of available and accessible providers of the health plans who are willing to contract with us and / or our competitors. Any uncertainty in the amount that a consumer may pay as a co- pay or otherwise when visiting a provider who is not a contracted Care Partner may also hurt consumer satisfaction with our plan, which could adversely impact our ability to retain our existing consumers or grow the size of our membership base. Failure to appropriately set premiums **our rates** or effectively manage our costs could negatively affect our profitability, results of operations and cash flows. The premiums we set for our health plans are a material source of our revenue. We set our premiums using actuarial estimates and our failure to set appropriate premiums, including as a result of inaccuracies in our actuarial estimates, could adversely affect our profitability and cash flows. We use a substantial portion of our health plan revenue to pay the costs of healthcare services delivered to our consumers. As such, our profitability depends in large part on our ability to accurately estimate and manage such costs. Relatively small differences between estimated and actual medical costs as a percentage of revenue can result in significant changes in our financial results. Our use of actuarial methods to determine premiums and estimate other healthcare costs involves a significant degree of judgment and is subject to a number of inherent uncertainties and assumptions. Such actuarial methods are consistently applied, centrally controlled, and are based upon various data points, including our historical submissions and payment data, cost trends, patient and product mix, seasonality, utilization of healthcare services, contracted service rates and other factors for our consumers. Our

~~ability to accurately estimate such costs depends on various factors, many of which are not within our control, including: • the utilization rates of medical facilities and services; • the cost of medical services (including as a result of labor market constraints); • the use or cost of prescription drugs, in particular the increased use of specialty prescription drugs; • the introduction or widespread adoption of new or costly treatments, including new technologies; • our membership mix; • variances in actual versus estimated levels of cost associated with new products, benefits, lines of business, product changes or benefit level changes; • changes in the demographic characteristics of an account or market; • changes in economic conditions (including as a result of the ongoing COVID- 19 pandemic); • changes or reductions related to our utilization management functions such as preauthorization of services, concurrent review, or requirements for physician referrals; • changes in our pharmacy volume rebates received from drug manufacturers; • catastrophes, including acts of terrorism, pandemics (such as the ongoing COVID- 19 pandemic and other similar unforeseen cost drivers), epidemics or severe weather (e. g., hurricanes, wildfires or earthquakes, including those as a result of climate change); • medical cost inflation; and • potential changes in legislation or other rules and regulations, such as changes in government mandated benefits or consumer eligibility criteria. The impact of many of these items on the ultimate costs for claims is difficult to estimate, and they could have a material impact on our business. In addition, the historical data on which our assumptions are based may not necessarily be indicative of the actual costs of claims due to our rapid growth in consumer enrollment and our recent expansion into new businesses and markets. If we were to commence operations in a new state, region, or other market, or introduce a new product line, we would have limited information from which to estimate our potential medical claims liability. For a period of time after such entry, our inception of a new business, or our acquisition of an existing business, we base our estimates on government- provided and third- party historical actuarial data and limited actual incurred and received claims and inpatient acuity information. The addition of new categories of eligible individuals or coverage requirements for certain items or services, as well as new plan designs we may offer, may make it difficult for us to estimate our medical claims liability and may result in the actual cost of claims being higher than we anticipate. We set our premiums for twelve- month periods several months prior to the commencement of the premium period and do not change our premiums during such period, consistent with industry practice. Our inability to implement changes in premium rates within a given period is also governed by federal and state regulatory agencies. For example, we are required to submit data on all proposed rate increases to The U. S. Department of Health and Human Services (HHS) on many of our products, and under the ACA, we are prohibited from implementing unreasonable rate increases. If our medical costs exceed our estimates, we will not be able to recover the difference through higher premiums, and our results of operations and financial condition could be adversely affected. Conversely, if we set our premium rates too high, our existing membership may decline or we may not grow our membership. We operate in a competitive industry, and while health plans compete on the basis of many factors, including service, breadth of benefits, and the quality and depth of provider networks, we believe that price is and will continue to be the most significant driver in our and our competitors' ability to attract consumers. If we do not appropriately price our products, our results of operations and financial condition could be materially and adversely affected. Furthermore, in order for our health plan premium revenue to adequately cover our losses and expenses and enable us to profitably grow our business, we must effectively manage our costs, including healthcare spend. To do so, we must negotiate appropriate unit rates for each healthcare service provided by our Care Partners to our consumers. If we are unable to negotiate new Care Partner contracts or renew existing Care Partner contracts with favorable provisions relating to unit costs, we may not be able to contain our medical costs at a level that would be adequately covered by the premium levels we set, and our profitability could be adversely impacted. In addition, we must drive effective utilization management to control our costs by evaluating the necessity, appropriateness, and efficiency of the use of healthcare services, procedures, and facilities, while successfully educating our health plan consumers and directing them to the most appropriate and cost- effective healthcare treatments, Care Partners, and sites of care. Our Consumer Care~~ managed and affiliated medical groups and ~~managed service organizations (~~MSOs ~~)~~ negotiate agreements with third- party payors for which ~~the Consumer Care~~ **some of our** entities serve as RBOs. Our RBOs manage the medical costs and quality metrics on behalf of such payors and are at financial risk for the performance of those payors' medical costs for consumers attributed to our RBOs. Our ability to manage the financial risk depends on our ability to achieve quality targets and to accurately estimate and manage medical costs, and these estimates contain inherent uncertainties and assumptions ~~similar to those facing our health plan business~~, which depend on various factors outside of our control, as described above. Additionally, third- party payors may modify their product mix, benefit designs, or member mix in ways that could limit the ability of **our** ~~Consumer Care~~ RBOs to effectively manage the financial performance under our risk arrangements. Our failure to effectively drive quality outcomes, optimize financial performance, or manage medical cost spend could negatively impact the profitability and marketability of our ~~Consumer Care~~ business. **We have incurred net losses each year since** ~~Further, and as discussed more below, the MA markets we serve employ risk adjustment programs that impact the revenue we recognize for~~ our **inception** ~~enrolled membership. If our Care Partners do not accurately record our consumers' " risk scores "~~, **and** we may not be able to **achieve** ~~accurately estimate our~~ **or maintain profitability in the future. We have incurred net losses on an annual basis since our inception, and our net losses have grown as we have invested heavily in our business. We must generate and sustain higher** revenue **levels** ~~and medical costs. In the past, we have had difficulties accurately capturing consumers' risk scores~~ in **future periods** ~~a timely manner, which has resulted in higher than expected liabilities and lower than expected revenue. Although we have and continue~~ to **become profitable** ~~make operational changes to address these challenges~~, **and** ~~we may not be successful~~, **even if** ~~which may materially adversely impact our financial results. If~~ we **do** ~~grow rapidly~~, we may not be able to ~~manage~~ **maintain** ~~our~~ **or increase our profitability. If we continue to invest to grow our consumer base, diversify our service offerings, and invest in additional assets related to the delivery of healthcare, we expect our operating costs will increase and therefore expect to incur net losses in the near to medium term. We may not achieve the benefits anticipated from these investments, which could be more costly than we currently anticipate, or the realization of these benefits could be delayed. These investments may not result in**

increased revenue or growth **in our** business and,accordingly,we may not be able to generate sufficient revenue to offset these cost increases and achieve and sustain profitability. ~~Our recent and historical~~ **Historical** growth should also not be considered indicative of our future performance.If we fail to achieve and sustain growth and profitability,the market price of our common stock could decline.Our limited operating history makes it difficult to evaluate our business and assess our future prospects.We have encountered and will continue to encounter significant risks and uncertainties frequently experienced by new and growing companies in heavily regulated industries,such as difficulties determining appropriate investments given limited resources **,** effectively **managing** ~~. From our inception through 2022, we experienced rapid~~ growth ~~,~~ **and efficiently navigating and complying** with **evolving regulations** ~~total revenue having grown from $ 130~~ . **Although** ~~6 million in 2018 to $ 2. 4 billion in 2022. This growth placed and, notwithstanding~~ our updated business model **resulted in a reduction of the scale of our business** , we ~~Blue Shield licensees~~ **still operate multiple businesses in different markets** , ~~Kaiser Permanente and other provider~~ **as well as managing run** ~~- sponsored health~~ **out of our insurance** ~~plan~~ **plans** ~~organizations~~ .Our **growth,strategy and ability to achieve and sustain profitability could be negatively impacted if we are unable to effectively manage this complexity.Any inability to manage our business effectively could result in slowing demand for our services,increased competition,a failure to capitalize on growth opportunities or the need to dispose of underperforming business units.We operate in competitive markets within a highly competitive industry.The care delivery markets are highly competitive.Competitors across the markets in which we compete are subject to dynamic regulatory requirements and industry expectations,emerging new product and service offerings,and constantly evolving** ~~Consumer~~ **consumer** ~~Care~~ **preferences and demands.Our principal competitors for consumers and payor contracts vary considerably in type and identity by market.Our** business currently operates medical groups and competes with other medical groups in the same localities. **We** ~~Our Consumer Care business~~ also ~~competes~~ - **compete** with MSOs,IPAs and other organizational entities aggregating and enabling providers to deliver primary care services under value- based care arrangements.These competitors include companies such as Agilon Health, **Cano Health,** ChenMed,Iora Health, ~~Oak Street Health,~~ OptumHealth **,** and VillageMD.In addition,our ~~Consumer Care~~ business participates in the Medicare Shared Savings Program and other government programs designed to bring value- based care to fee- for- service Medicare beneficiaries,and our ~~Consumer Care~~ business competes with other participants in such programs.Many of our competitors have longer operating histories;greater brand recognition;stronger,more developed,and more extensive networks of physicians and other care providers;significantly greater financial,technical,marketing,and other resources;lower labor and development costs due to economies of scale;greater access to healthcare data;and larger membership bases,than we do.These competitors may engage in more extensive research and development efforts;undertake broader,more expensive,and more powerful marketing campaigns;and adopt more aggressive pricing or payment policies,each of which may enable them to build membership faster than us and to establish a larger patient base more quickly than us.Our competitors may also provide more differentiated products or services to their clients.Furthermore,the healthcare industry in the United States has experienced a substantial amount of consolidation.If our competitors were to be acquired by third parties with greater resources, **such as,for example,Oak Street Health' s acquisition by CVS Health,** these competitive risks could intensify,and we may face significant challenges in markets that have experienced significant competitor consolidation.In addition,other companies may enter our markets in the future, ~~including emerging competitors targeting MA and other populations,~~ or other markets **,services** or products we choose to enter or be in at the time.We do not believe the barriers to enter our markets are substantial,and new competitors with comparable,better,or differentiated healthcare products ~~and plans~~ **or services** may emerge,or competitors may develop new approaches to value- based care,which could put us at a competitive disadvantage. ~~In addition,because health plans are generally renewed annually,consumers enjoy significant flexibility in moving between health plans.~~ One of the key factors on which we compete for our consumers,especially in uncertain economic environments,is overall cost ~~.We are therefore under pressure to contain premium price increases despite being faced with increasing healthcare and other benefit costs,as well as increasing operating costs.If,as a result of the competition we face,we are unable to increase our premium rates or our prices commensurate with increasing costs,our profitability could be adversely affected.To the contrary,if we do not limit our price increases,we may lose consumers to our competitors offering more favorable pricing.In response to rising prices,our consumers may also purchase different types of products from us that are less profitable~~ .If we are unable to compete effectively with our current and potential competitors for market share,we may also see a reduction in the demand for our ~~products and~~ services.Any of the foregoing could materially and adversely affect our business,results of operations and financial condition.The failure to enter into value- based care agreements with health plans or the renegotiation,non- renewal or termination of such agreements could materially negatively impact our business,results of operations,financial condition and cash flows.The success of our ~~Consumer Care~~ business is dependent on our ability to enter into value- based care agreements with third- party payors.Even if we are successful at entering into these agreements,such agreements may be subject to renegotiation,and the renegotiated terms may not be as favorable to us.Additionally,under certain of our existing value- based care agreements with third- party payors,the health plan is permitted to modify their benefit designs,their pricing parameters,and the specific terms and conditions governing the value- based arrangement from time to time during the terms of the agreements.If a health plan makes such changes during the term of our agreement,or if we enter into contracts with unfavorable economic terms,we could suffer losses with ~~respect expect~~ **respect** ~~it will continue~~ to **such contract** ~~period that coverage is effective,there can be no assurance that we will receive premiums within a relevant coverage period~~ .In ~~addition~~ **particular** , **if we enter into capitation or** ~~the~~ **other** ~~implementation of certain policies by the state and federal governments~~ **value- based care contracts with unfavorable terms,or such contracts are amended to include unfavorable terms,we** could ~~result in increased delays in~~ **experience significant losses.Depending on** the ~~receipt of~~ health plan ~~premiums~~ **at issue and the amount of revenue associated with the agreement with the health plan,if the contract permits a renegotiation of the terms triggered by health plan changes,the renegotiated terms or termination could materially negatively impact our business,results of operations,financial condition and cash flows** .Our

~~membership is~~ **consumers are** concentrated in certain geographic areas and amongst certain populations,exposing us to unfavorable changes in local benefit costs,reimbursement rates,competition and economic conditions in those areas or affecting those populations. ~~Our membership is~~ **The lives served by NeueHealth are** concentrated in ~~certain states in the United States.As of December 31,2022,approximately 92 % of our consumers were residents of California,~~ Florida ~~,~~ and Texas ~~.In particular,our MA business in California made up 43 % of total revenue for the year ended December 31,2022,and as of January 1,2023,99 % of our membership was in California~~ .Unfavorable changes in the regulatory environment for healthcare,unforeseen changes affecting the cost of living,other benefit costs,inflation (including wage inflation),reimbursement rates or increased competition in these states or any other geographic area where our membership becomes concentrated in the future could therefore have a disproportionately adverse effect on our operating results.If we decide to enter new markets,they may not be as economical to serve as our existing markets.Due to a variety of factors,such as novel local market dynamics and increased administrative costs relating to compliance with state laws and regulations,we may have difficulty providing the same level and types of healthcare in any new markets as we and our ~~Care Partners~~ **partners** currently provide in our established markets for the same cost.If we are unable to adequately price our new ~~products~~ **services** in these markets,if the medical expenses of new consumers are higher than we anticipate,if the market is saturated with significant competition or if the rates of adoption for our business model or the demand for our ~~product~~ **service** offerings in such new geographies are lower than we anticipate,we may not be able to serve those regions while realizing economic results as favorable as those results realized in the markets we currently serve.If we are unable to profitably grow and diversify our membership geographically,our results of operations may be materially and adversely affected. ~~We~~ **If we grow rapidly,we may not be able to manage our growth effectively.Rapid growth would** place ~~,~~ significant demands on our management team and our operational and financial resources. Sustaining growth will require additional resources to improve our operational, management, and financial controls, which can take time and may require new capabilities in mission- critical areas, to support growth. We have experienced, and may continue to experience, significant personnel changes ~~related to acquisition- related integration efforts. Our organizational structure may also become more complex as we add these additional resources, making it more difficult to manage~~ . Further, as a result of ~~our Restructuring~~ **recent headcount reductions** , we have fewer resources available to manage the multiple aspects of any growth or expansion of our business. Furthermore, in order to effectively operate our business, we rely heavily on third- party vendors. Any growth could outpace the capacity of our third- party service providers to effectively support our business ~~needs. Certain of our third- party service providers have in the past been unable to effectively scale their operations to meet our increased demands resulting from our rapid expansion at any time. Any rapid growth in membership similar to what we have seen in recent years could significantly impact our ability to pay claims on a timely basis, provide effective utilization management and have sufficient operational resources in these and other areas in order to keep pace with our members'~~ needs. In the event that our existing third- party service providers are unable to meet our needs as our business grows, we may need to find alternative service providers. If we are unable to do so in a timely manner or if we are unable to contract with new service providers on terms that are acceptable to us or at all, our ability to operate our business may be disrupted, which may adversely affect our business, financial condition, results of operations, and cash flows. See " — We rely on various third- party service providers to support the operation of our business. If these service providers fail to meet their contractual obligations to us or comply with applicable laws or regulations, or if we are unable to renew our contracts with them, our business may be adversely affected. " **Any future epidemics** ~~If we grow in a new market or expanded territory, the risks associated with new market entry can exacerbate the strains on our~~ **or pandemics may adversely affect** ~~operational capabilities, including provider contract fee schedule loading in claims systems, provider credentialing, prompt pay claims adjudication, customer service capacity, and utilization management. Continued growth in~~ our business ~~may exacerbate certain of the risks described elsewhere in this section, including our ability to accurately estimate costs, price our products, and charge appropriate premiums, as well as our ability to accurately assess, code and report MA risk adjustment factor (" RAF ") scores for our consumers. If we are not able to manage growth effectively while maintaining the quality of our services and consumer satisfaction, our business, financial condition~~ and results of operations may be materially adversely affected. We..... need to dispose of underperforming business units . The ~~ongoing~~ COVID- 19 pandemic ~~has~~ adversely affected ~~, and may continue to adversely affect,~~ our business and results of operations. The ~~severity and magnitude~~ **extent to which any future epidemics or pandemics will impact our business, results** of **operations and financial condition are unknown. In addition,** the ~~ongoing~~ **long- term impact of the** COVID- 19 pandemic ~~has continued to evolve, and it has adversely affected our~~ **or any** ~~business and results of operations. The extent to which the COVID- 19 pandemic will continue to impact our business, results of operations and financial condition will depend on~~ future ~~developments, including whether COVID- 19 becomes endemic~~ **epidemics** ~~, are unknown at this time. Factors that could impact our~~ **or** ~~results include: the ultimate geographic spread, severity and duration of the COVID- 19 pandemic~~ **pandemics** ~~; the impact of business closures, travel restrictions, government actions taken to contain the spread of COVID- 19 and to address the related economic and financial impacts; the volume of canceled, delayed or rescheduled procedures or medical care and treatment; the effectiveness of actions taken to reduce transmission of the virus that causes COVID- 19 (including the ongoing administration of vaccines, the availability of effective medical treatments, tests, and vaccines for additional groups of individuals, such as children under age five, continued research into treatments, the virus, and the disease); the ongoing emergence of new variants of the virus that causes COVID- 19; the impact of the pandemic on economic activity and the labor market (particularly in the healthcare industry); and any impairment in value of our tangible or intangible assets which could be recorded as a result of weaker economic conditions caused by the pandemic. In addition, the long- term impact of the COVID- 19 pandemic~~ may not be fully understood or reflected in our results of operations and overall financial condition until future periods. ~~As a result of the ongoing COVID- 19 pandemic and the associated protective and preventative measures and economic impacts, we have experienced and may continue to experience disruptions to our business.~~ Risks presented by **future epidemics or pandemics** ~~the ongoing effects of COVID- 19~~ include, but may not be limited to, the following: • Cost of

Care ~~for Consumers~~. ~~The COVID- 19~~ **Underlying causes of epidemics and** ~~pandemic~~ **pandemics may** disproportionately ~~impacts~~ **impact** older adults, especially those with chronic illnesses, **which may result** ~~who constitute a significant portion of our MA consumer base, particularly~~ in ~~California. We have experienced~~ increased internal and third- party medical costs ~~attributable to the provision of care for consumers suffering from the virus, primarily attributable to inpatient hospitalizations~~. ~~Additionally~~ **In addition** , ~~those~~ -- **the** ~~of our consumers who have been infected by, and recovered from, the disease potentially face~~ long- term health consequences ~~which medical researchers continue to investigate. The total financial impact~~ of ~~the~~ COVID- 19 ~~pandemic is difficult to estimate~~ **and other new illnesses are uncertain, which may increase costs** . • Changes to Care ~~for Consumers and Patients~~. ~~Many individuals~~ **Individuals** ~~have been~~ **may be** prevented from seeking **or be** ~~, have been~~ reluctant to seek ~~, or have intentionally delayed or postponed, in- person~~ , non- life- threatening medical care and treatment, including elective procedures. Such reduction in healthcare services **may** ~~in our managed and affiliated medical groups has resulted~~ -- **result** in reduced ~~Consumer Care~~ fee- for- service revenue, while ~~concurrent COVID- 19~~ prevention protocols ~~have~~ **may** ~~increased~~ - **increase** costs ~~. If our medical groups and MSOs continue to experience losses, Consumer Care' s financial results may be adversely affected~~ . • Documentation of Health Conditions. **We** ~~Due to the COVID- 19 pandemic, we~~ may not be able to adequately document the health conditions of our consumers ~~and patients~~ , as **they** ~~many~~ - **may** ~~of them have avoided~~ -- **avoid** in- person medical visits. Our third- party clients for our ~~Consumer Care MSO~~ **MSOs** may similarly be unable to adequately document the health conditions of their members ~~. Inaccurate or inadequate documentation could result in an inaccurate RAF score, which could materially and adversely impact our Bright HealthCare revenue for future periods~~ . In addition, inaccurate documentation could impact the ability of our ~~Consumer Care~~ MSOs to manage medical costs and quality metrics on behalf of its clients, putting it at greater financial risk and potentially adversely affecting the profitability of our ~~Consumer Care~~ business. • Operational Disruptions and Heightened Cyber Security and Data Privacy Risks. **Future epidemics and** ~~The COVID- 19 pandemic~~ **pandemics** ~~has~~ **may** ~~resulted~~ -- **result** in **an increase in the number of** our employees and those of many of our vendors working from home and conducting work via the internet. If the infrastructure of internet providers required for such work becomes overburdened **,** ~~by increased usage or is otherwise~~ unreliable or unavailable, **it** ~~our employees', our consumers', and our vendors' employees' access to the internet could be limited. Such a disruption~~ could result in **disruptions,** work stoppages, delays, loss of productivity, and general business interruptions, all of which have the potential to harm our business operations, financial condition, and results of operations. These remote working arrangements can also result in significantly more external touchpoints into our network and lead to a heightened risk of cyber security attacks or data security incidents. As we have grown and continued to operate remotely, and similar to other public companies, we have experienced an increase in attempted cyber- attacks, targeted intrusion, ransomware and phishing campaigns, and the pandemic has created additional difficulties in managing risk in the work- from- home environment. In the last ~~eighteen months~~ **two years** , **more than** ~~one of our subsidiaries and~~ one of our third- party suppliers experienced cyber security incidents. See " — Security incidents or breaches, loss of data and other disruptions to our or our third- party service providers' systems, information technology infrastructure, and networks could compromise sensitive or legally protected information related to our business or consumers, disrupt our business operations, and expose us to liability, which could adversely affect our business and our reputation **.** " ~~for further information.~~ We have incurred and may continue to incur increased expenses to improve our security controls and remediate security vulnerabilities in response to these heightened cyber security risks. Over time, however, the sophistication of these threats continues to increase and the preventative actions we take to reduce the risk of cyber security incidents and protect our information may be insufficient. If such attempts are successful in the future or if PHI, or other proprietary, confidential, or personal data or information were to be exposed or compromised or our systems were shut down or became unavailable, our reputation, business and results of operations could be materially harmed. In addition, as mentioned above, our vendors have been, and may in the future be, subject to increased risks due to the current remote working environment, and any attempted cyber- attacks or other security incidents impacting our vendors could also disrupt our business and harm our reputation, business and results of operation. • ~~Changes in Regulatory Requirements. As a result of the COVID- 19 pandemic, regulatory agencies have made, and may continue to make, significant changes (temporary or otherwise) to benefit coverage requirements (including the provision of free in- home COVID- 19 test or other related products), enrollment standards or disenrollment standards, in each case, that could negatively impact our financial performance. For example, mandatory coverage of COVID- 19 testing in the workplace or coverage requirements related to surprise medical bills and new mandates for continuity of care for certain patients, price comparison tools, disclosure of broker compensation and reporting on pharmacy benefits and drug costs contained in the Appropriations Act could result in substantial expenses that are not contemplated by our current rates. Furthermore, mandatory termination deferrals due to nonpayment of insurance premiums could result in a situation where we incur significant medical expense without the ability to collect any associated premium revenue. •~~ Market Disruption. ~~If the~~ **Future epidemics and** ~~pandemic~~ **pandemics may** ~~continues to~~ create disruptions or turmoil in the credit or financial markets, ~~it~~ **which** could adversely affect the price of our common stock and our ability to access capital on favorable terms and continue to meet our liquidity and any acquisition financing needs. ~~To the extent the ongoing COVID- 19 pandemic continues to adversely affect our business and financial results, it may also have the effect of heightening many of the other risks described in this section of this Annual Report titled " Risk Factors. "~~ Large- scale medical emergencies in one or more states in which we operate our business could significantly increase utilization rates, medical costs or risk overwhelming and disrupting our systems. Large- scale medical emergencies can take many forms which may be associated with widespread illness, ~~such as the ongoing COVID- 19 pandemic,~~ medical conditions or general threats to wellness. Currently, our largest markets are in ~~California,~~ Florida ~~,~~ and Texas, which can from time to time be impacted by hurricanes, flooding, earthquakes, wildfires, winter storms and other similar natural events, including as a result of climate change. A significant event of this kind could impact one or more of our markets by affecting outsized portions of our consumer population and require increased medical care or intervention, which could result in an unexpected increase in our medical costs ~~. For example, we have experienced significant~~

~~increased costs attributable to the provision of care for consumers suffering from COVID- 19 and its related variants~~ . Other conditions that could impact our consumers include labor shortages in critical need areas, a particularly virulent influenza season, pandemics or epidemics, and other foreign or domestic viruses or new variants of existing viruses for which vaccines may not exist, are not effective, or have not been widely administered. The medical costs and operating costs associated with assisting our consumers in response to any of these large- scale medical emergencies is difficult to predict. However, if one of the states in which we operate were to experience a large- scale natural disaster, a viral epidemic or pandemic, or some other large- scale event affecting the health of a large number of our consumers, our consumer costs in that state could rise, which could have a material adverse effect on our business, financial condition, cash flows and results of operations. Large- scale medical emergencies may also adversely impact our ~~Consumer Care~~ managed and affiliated medical groups, causing disruption in patient scheduling; displacement of patients, employees and care management personnel; or force clinics to close entirely for periods of time. In addition, we may not be able to adequately maintain system functionality and business continuity due to any such events. This risk is further exacerbated by our reliance on third- party providers that perform critical operational functions for us. Any such disruption to our ability to conduct business could have a material adverse effect on our business, cash flows and results of operations. Delays in our receipt of health plan....., financial condition and cash flows. If we are not able to maintain required statutory capital levels, our balance sheet may be adversely affected. Our ~~MA~~ **discontinued insurance** plans ~~(and our IFP and employer plans that have been discontinued but~~ that are being run out ~~)~~ are operated through regulated insurance subsidiaries in various states. These subsidiaries are subject to state regulations that, among other things, require us to maintain minimum levels of statutory capital, or net worth, as defined by each applicable state. Such states may raise or lower the statutory capital level requirements at will. Our history of losses has generally meant that we have had to infuse more capital into our largest states ~~. Certain other states have adopted risk- based capital requirements based on guidelines adopted by the National Association of Insurance Commissioners, which tend to be, although are not necessarily, higher than existing statutory capital requirements~~ . The state departments of insurance, or applicable bodies regulating insurance, in any state could require our regulated insurance subsidiaries to maintain minimum levels of statutory capital in excess of amounts required under the applicable state laws if they determine that maintaining additional statutory capital is in the best interests of our consumers. As of December 31, ~~2022~~ **2023** , the amount of capital in certain of our insurance subsidiaries failed to meet or exceed applicable mandatory risk- based capital requirements, and as a result such subsidiaries are or may become subject to supervision orders under state insurance laws. Such supervision orders require additional reporting as well as approval of certain transactions by our regulators. ~~These~~ -- **The** scope of these orders may be expanded, we may become subject to additional orders, or both, any of which may harm our ability to execute our business strategy, invest in growth opportunities, and adversely affect our balance sheet and results of operations. ~~Further~~ **On November 29** , **2023, Bright Healthcare** ~~these agencies could require our regulated insurance~~ **Insurance Company** ~~subsidiaries to maintain minimum levels~~ of **Texas was placed into liquidation and** ~~statutory capital in excess of amounts required under the applicable state laws if they~~ - **the Texas Department** ~~determine that maintaining additional statutory capital is in the best interests~~ of ~~our consumers~~ **Insurance was appointed as receiver** . In addition, although we ~~will~~ no longer offer health plans ~~in certain states~~ , if we are unable to withdraw, or are subject to an unexpected delay in withdrawing, the statutory capital in these subsidiaries, this could reduce our available funds, which could harm our ability ~~to execute our business strategy, invest in growth opportunities, and adversely affect our balance sheet and results of operations. If we expand our plan offerings and grow our membership, we may be required to maintain higher levels of statutory capital. If higher level of statutory capital are required, this could reduce our available funds, which could harm our ability to execute our business strategy and invest in our growth opportunities. In addition, laws in many states require increasing degrees of regulatory oversight and intervention if a company' s risk- based capital declines below certain thresholds. If our levels of statutory capital were to decline below these thresholds, we may be subject to heightened supervision, examination, rehabilitation or liquidation.~~ Our **RBO** ~~Consumer Care business~~ **businesses** may be subject to state regulations that, among other things, require us to maintain minimum capital reserves, as defined by each applicable state in connection with the assumption of financial risk for the performance of ~~for~~ **attributed** consumers ~~attributed to our Consumer Care RBOs~~ . If we fail to achieve robust brand recognition or are unable to maintain or enhance our reputation, our business, financial condition and results of operations may be adversely affected. Developing strong brand recognition and maintaining and enhancing our reputation ~~in both our Bright HealthCare and Consumer Care businesses~~ is critical to maintaining our existing relationships and to our ability to attract new consumers, ~~Care Partners~~ **partners** and other constituents to our platform. **After exiting the health insurance business, we adopted NeueHealth as our corporate brand name.** Promoting our **new** brand requires substantial investments and we anticipate that, as our market remains increasingly competitive, our marketing initiatives may become increasingly expensive and challenging to successfully implement. Attempts to grow our brand and investments in marketing our platform ~~and plans~~ may not be successful or yield increased revenue as we expect, and even if these activities result in increased revenue, the increased revenue may not offset the expenses we incur to achieve such results. In addition, much of our marketing efforts to date have been limited to certain geographic regions and markets where our business operates to ensure an efficient use of resources. If we expand, we will need to spend additional resources to build strong national brand recognition and there can be no assurance that our efforts will be effective. If we do not successfully develop widespread brand recognition and maintain and enhance our reputation, our business may not grow and we could lose our existing relationships, which could harm our business, financial condition and results of operations. If we fail to offer high- quality customer support in our business, our reputation and our ability to maintain or expand membership or attract ~~Care~~ **care** ~~Partners~~ **partners** and third- party payors could suffer, which could adversely affect our results of operations. Providing high- quality operational support and service to our consumers, ~~Care~~ **care** ~~Partners~~ **partners** and third- party payors is an important part of our business. Our ability to attract and retain consumers is largely dependent upon our ability to offer an easy- to- navigate membership enrollment process as well as upon our ability to provide cost effective, quality customer service, including effective call center operations and claims processing support, that

meets or exceeds our consumers' expectations. Certain user support operations are supported by third- party vendors. If we or our vendors fail to provide services that meet our customers' expectations, we may have difficulty retaining or growing our membership as well as ~~Care~~ **care** ~~Partner~~ **partner** and third- party payor relationships, which could adversely affect our business, financial condition and results of operations. We expect that the importance of offering high- quality support to our consumers will increase if we grow or expand our business, add new **services or** products, and pursue new consumers, ~~Care~~ **care** ~~Partners~~ **partners** , and third- party payors. This has put, and will continue to put, pressure on our ability to maintain high- quality customer support, or a market perception that we do not maintain high- quality user support, could harm our reputation and negatively impact our ability to grow membership, build ~~Care~~ **care** ~~Partner~~ **partner** relationships, and attract third- party payors, which could adversely affect our business, results of operations, and financial condition. Additionally, as our number of consumers, ~~Care~~ **care** ~~Partners~~ **partners** and third- party payors grows, we will need to hire additional support personnel to provide efficient platform support at scale. If we are unable to provide such support, our business, results of operations, financial condition and reputation could be harmed ~~. Reductions in the quality ratings of our MA health plans could have a materially negative impact on our business, results of operations, financial condition and cash flows. Many of the government healthcare coverage programs in which we participate are subject to the prior satisfaction of certain conditions or performance standards or benchmarks. For example, a portion of each Medicare Advantage plan' s reimbursement is tied to the plan' s Star Rating. A plan' s Star Rating affects its image in the market, and plans that perform well are able to offer enhanced benefits and market more effectively. The Star Rating system considers various measures adopted by CMS, including, among others, quality of care, preventive services, chronic illness management and consumer satisfaction. Only plans with a rating of four (4. 0) stars or higher qualify for bonus payments. Medicare Advantage plans with Star Ratings of five (5. 0) stars are eligible for year- round open enrollment; conversely, plans with lower Star Ratings have more restricted times for enrollment of beneficiaries. Medicare Advantage plans with Star Ratings of less than three (3. 0) stars for three consecutive years are denoted as " low performing " plans on the CMS website and in the CMS " Medicare and You " handbook. In addition, in 2019, CMS had its authority reinstated to terminate Medicare Advantage contracts for plans rated below three (3. 0) stars for three consecutive years. As a result, Medicare Advantage plans that achieve higher Star Ratings may have a competitive advantage over plans with lower Star Ratings. To date, we have not been able to achieve a four (4. 0) Star Rating on our MA plans, which are therefore not currently eligible for quality bonuses. Furthermore, the Star Rating system is subject to change annually by CMS, which may make it more difficult to achieve and maintain three (3. 0) Star Ratings or greater in the future. We cannot assure you that we will be successful in maintaining or improving our Star Ratings in the future. In addition, audits of our performance for past or future periods may result in downgrades to our Star Ratings. Our health insurance subsidiaries' operating results, premium revenue, and benefit offerings will likely depend significantly on their Star Ratings, and there can be no assurances that we will be successful in achieving and maintaining favorable Star Ratings. If we do not achieve an acceptable level of Star Ratings, our plans will not be eligible for quality bonuses in the future and we may experience a negative impact on our revenue and the benefits that our plans can offer, which could materially and adversely affect the marketability of our plans, our membership levels, results of operations, financial position and cash flows. Any changes in standards or care delivery models that apply to government healthcare programs, including Medicare, or our inability to maintain or improve our quality scores and Star Ratings to meet government performance requirements or to match the performance of our competitors could result in limitations to our participation in or exclusion from these or other government programs, which in turn could materially negatively impact our results of operations, financial position and cash flows. We may be unsuccessful in identifying and acquiring suitable acquisition candidates or integrating acquired companies, which could impede our growth and ability to remain competitive. Over the course of the last several years, we have acquired several businesses. Maintaining acceptable growth may rely in part on our ability to successfully acquire and integrate companies that complement and accelerate the execution of our strategies in new and existing markets. However, we may not successfully identify suitable acquisition candidates or we may have difficulty in identifying prospective acquisition candidates. In addition, we may not be able to successfully complete an acquisition after identifying a candidate. We sometimes compete for acquisition and expansion opportunities with entities that have greater financial resources or are otherwise willing to pay more than us. Furthermore, pursuing an acquisition strategy is likely to require us to seek additional financing, which we may not be able to obtain on satisfactory terms and conditions, or at all. Furthermore, any additional financing would increase our level of indebtedness, exacerbating the risks described under " — Our ability to incur a substantial level of indebtedness may reduce our financial flexibility, affect our ability to operate our business, and divert cash flow from operations for debt service. " Even after the acquisition of a business, we may be unable to successfully integrate the acquired business with our existing business and operations or the business may not perform in accordance with the projections that informed the purchase price for such acquisition. The integration of an acquired business involves a number of factors that may negatively affect our operations, including, but not limited to: • distraction of management or lack of leadership within the acquired business to succeed retiring leaders; • significant costs and difficulties, including implementing or remediating controls, procedures, and policies at the acquired company; integrating the acquired company' s accounting, human resource and other administrative systems; integrating and / or remediating information security systems; coordinating product and sales and marketing functions; transitioning operations, consumers, clients, and other users onto our existing technology platforms; and retaining of key personnel; • tax and accounting issues, including the creation of significant future contingent liabilities relating to earn- outs for acquisitions or other financial liabilities; and • unanticipated problems or legal liabilities, or lack of adequate compliance or regulatory policies, processes, technologies and resources. Although we conduct due diligence with respect to the business and operations of each of the companies we acquire, we may not have identified all material facts concerning these companies. Unanticipated events or liabilities relating to these companies could have a material adverse effect on our results of operations, financial condition and cash flow. Furthermore, once we have integrated an acquired company, it may not achieve levels of~~

~~revenue, profitability, or productivity comparable to our existing business, or otherwise perform as expected, and we cannot assure you that past or future acquisitions will be accretive to earnings or otherwise meet our operational or strategic expectations. Our failure to successfully acquire and integrate businesses may cause us to fail to realize the anticipated benefits of such acquisitions or investments, cause us to incur unanticipated liabilities and / or harm our business generally, which may have an adverse effect on our revenue, results of operations, financial condition and cash flow~~ . Medical liability claims made against us in the future could cause us to incur significant expenses and pay significant damages if not covered by insurance. The risk of medical liability claims against our ~~Consumer Care business~~ managed and affiliated medical groups, as well as against the treating physicians and other medical practitioners, is an inherent part of our business. While we endeavor to carry appropriate levels of insurance covering medical malpractice claims, successful medical liability claims might exceed our insurance coverage or the coverage held by our provider partners, which could make us secondarily liable for such incidents. Furthermore, professional liability insurance, including medical malpractice insurance, is expensive and insurance premiums may increase significantly in the future, especially as we continue to expand our service offerings. As a result, adequate professional liability insurance may not be available to our physicians and other medical practitioners or to us in the future at acceptable costs or at all ~~. Additionally, our health plan business may be targeted for medical liability lawsuits based on vicarious liability or other legal theories by which plaintiffs seek to hold our health plans liable for medical results associated with care rendered by our managed and affiliated medical groups or other network providers~~ . Any claims made against us that are not fully covered by insurance could be costly to defend against, result in substantial damage awards against us and divert the attention of our management and our partners from our operations, which could have a material adverse effect on our business, reputation, financial condition and results of operations. Additionally, any claims made against us, whether meritorious or not, may increase the cost of our insurance premiums which could adversely impact our business. We rely on our talent, and the loss of any members of senior management or other key employees or an inability to hire, retain, motivate or develop other highly skilled employees could harm our business or impact our ability to grow effectively. We are led by a seasoned management team with decades of healthcare and public company operating experience. The success of our business relies, in part, on the continued services of our senior management team and other key employees. Competition for talent is intense in our industry. While we use various measures to attract and retain talent, including fair and reasonable market- based compensation plans and an equity incentive program for key executive officers and other employees, these measures may not be adequate to hire, retain, motivate and develop the personnel we require to successfully scale our business and to operate our business effectively. Furthermore, members of our senior management team are difficult to replace. In particular, the loss of the employment contributions of our Chief Executive Officer, Mr. Mikan, or other key members of the executive management team, could significantly delay or prevent the achievement of our strategic objectives. Global economic conditions and economic uncertainty or downturns, particularly as it impacts particular industries, could materially and adversely affect our business and operating results. In recent years, our business has been and may continue to be affected by various factors and events that are beyond our control. The United States has experienced economic downturns and market volatility, and domestic and worldwide economic conditions remain uncertain. ~~For example, Russia' s attack on Ukraine has had significant impacts on a wide variety of financial markets and supply chains around the world.~~ It may be extremely difficult for us, our ~~Care~~ **care** ~~Partners~~ **partners** and our other key constituents to accurately plan future business activities and execute on our business objectives as a result of economic uncertainty and other macroeconomic factors. In addition, global economic conditions and economic uncertainty may cause our consumers to slow spending ~~on our~~ **or** ~~health plans or Care~~ **care** ~~Partners~~ **partners** to cease partnering with our business, which could ultimately harm our business. Furthermore, during uncertain economic times our consumers may face challenges or delays in obtaining access to funds used to make ~~monthly premium~~ payments ~~, which could result in an impairment of their ability to make timely payments to us~~ . In addition, our business relies on third parties, and we are susceptible to risks related to the potential financial instability of such third parties, including vendors that provide services to us or to whom we delegate certain functions. If these third- party vendors cease to do business as a result of broader economic conditions or if they become unable to provide us with the level of service we expect, we may not be able to find an alternative service provider in a timely manner, or on acceptable financial terms, which could impact our ability to meet the expectations and needs of our consumers. We cannot predict the timing, severity or duration of any economic slowdown or the strength or speed of any subsequent recovery generally. If the conditions in the general economy and the markets in which we operate worsen from present levels, our business, financial condition and results of operations could be materially adversely affected. We compete for physicians and other healthcare personnel for our ~~Consumer Care~~ business, and shortages of qualified personnel or other factors could increase our labor costs and adversely affect our revenue, profitability and cash flows. Our ~~Consumer Care~~ business is dependent on the efforts, abilities and experience of employed and contracted physicians, nurse practitioners, registered nurses and other medical professionals. We compete with other healthcare providers, hospitals, clinics, networks and other facilities, in attracting physicians, nurses and medical staff required to support our business. Recruiting and retaining qualified management and support personnel responsible for the daily operations of our business is vital to the continued growth and success of our business, as well as our profitability. In many markets in which we operate, the lack of availability of clinical personnel, such as nurses and mental health professionals, has become a significant operating issue facing our business and all healthcare providers ~~exacerbated by increased worker attrition as a result of the ongoing COVID- 19 pandemic~~ . As a result of this competition, we may need to continue to enhance wages and benefits to recruit and retain qualified personnel or to contract for more expensive temporary personnel. We may not be able to attract new physicians and clinical personnel to replace the services of terminating personnel or to service our growing membership. We may not be able to raise rates or to grow our business to offset increased labor costs. Because a significant percentage of our revenue consists of fixed, prospective payments, our ability to pass along increased labor costs is limited. We have employment contracts with physicians and other health professionals in Florida, Texas, and other states. Some of these contracts include provisions preventing these

physicians and other health professionals from competing with us both during and after the term of our contract with them. The current laws governing non- compete agreements and other forms of restrictive covenants varies from state to state, and the Federal Trade Commission recently proposed a nationwide ban on non- competition covenants. California, Florida, and other states' laws and, if enacted, federal law, may prohibit us from enforcing our non- competition covenants with our professional staff particularly in rural locations or in specialty practice areas. Some states are reluctant to strictly enforce non- compete agreements and restrictive covenants applicable to physicians and other healthcare professionals. There can be no assurance that our non- compete agreements related to physicians and other health professionals will be found enforceable if challenged. In such event, we would be unable to prevent physicians and other health professionals formerly employed by us from competing with us, potentially resulting in the loss of some of our patients and other health professionals **.** Our ~~health plan products are subject to risk adjustment programs, which if not managed properly can result in risk adjustment payments that do not reflect our true risk profile, which could adversely impact our financial results and cash flows. The IFP and MA markets we serve (and previously served) employ risk adjustment programs that impact the revenue we recognize for our enrolled membership. These risk adjustment programs are designed to compensate us for the level of risk we take in providing healthcare services to our overall consumer population. In order to be reimbursed by government payors, for MA products, or by other market participating health plans, for IFP products, at a level commensurate with our consumer population risk, we must ensure that our Care Partners are identifying and properly inputting data to document all chronic and severe diagnoses to create an accurate health profile for each consumer. If our Care Partners do not accurately record this patient data, we may not be able to accurately estimate our revenue and medical costs. If we fail to obtain accurate claims or other related data in a timely manner, we may not be able obtain accurate risk scores during the time period in which we expected to, or at all. See " — We rely on various third- party service providers to support the operation of our business. If these service providers fail to meet their contractual obligations to us or comply with applicable laws or regulations, or if we are unable to renew our contracts with them, our business may be adversely affected. " If the data on our consumer population overstates the health risk of our consumer population, we may be obligated to return funds to government payors, for MA products, or to other market participating health plans, for IFP products, that we have received. Conversely, if we understate the health risk of our consumer population, we will not receive funds from government payors, for MA products, or other market participating health plans, for IFP products, that we would otherwise be entitled to receive. As a result of the variability of certain factors that go into the development of the risk adjustment we recognize, such as risk scores and other market- level factors where applicable, the actual amount of revenue could be materially more or less than our estimates. Consequently, our estimate of our health plans' risk scores for any period, and any resulting change in our accrual of revenue related thereto, could have a material adverse effect on our results of operations, financial condition, and cash flows. The data provided to CMS to determine risk scores is subject to audit by CMS even several years after the annual settlements occur. If the risk adjustment data we submit is found to incorrectly overstate the health risk of our consumers, we may be required to refund monies previously received by us and / or be subject to penalties or sanctions, including potential liability under the FCA, which could be significant and would reduce our revenue in the year that repayment or settlement is required. We have had in the past to take reserves against our premium revenue because of our difficulty to accurately estimate risk adjustment in our business. Furthermore, if the data we provide to CMS incorrectly understates or overstates the health risk of our consumers, we might be underpaid or overpaid for the care that we must provide to our consumers, which could have a negative impact on our results of operations and financial condition. It is possible that claims associated with consumers with higher RAF scores could be subject to more scrutiny in such an audit and that the findings of an audit could result in future adjustments to premiums or in adjustments to the payments made by CMS to us. CMS may also assess penalties for inaccurate or unsupportable RAF scores provided by us or our Care Partners. In addition, we could be liable for penalties to the government under the FCA that range from $ 5, 500 to $ 11, 000 (adjusted for inflation) for each false claim, plus up to three times the amount of damages caused by each false claim, which can be as much as the amounts received directly or indirectly from the government for each such false claim. In 2022, the Department of Justice increased the range of FCA penalties on a per claim basis from $ 12, 537 to $ 25, 076 per claim. Because CMS conducts its audits at random, there can be no assurance that we will not be randomly selected or targeted for review by CMS or that the outcome of such a review will not result in a material adjustment in our revenue and profitability, even if the information we submitted to CMS is accurate and supportable. Substantial changes to the risk adjustment mechanism, including changes that result from enforcement or audit actions, could materially affect our reimbursement. Our expansion into~~ ACO REACH **business** presents ~~new~~ **unique** risks ~~to our business~~. We expanded our business into CMS' **s** ACO REACH model (formally known as the Direct Contracting model) ~~(the " ACO REACH Model ")~~ in January 2022, enabling us to target a larger market opportunity, the Medicare **fee- for- service (" FFS ")** market, which is the largest segment of Medicare. As such, although we **have** completed **two** ~~our first year~~ **years** in the ACO REACH model, we are subject to the risks inherent to the launch of any new business, including the risks that we may not generate sufficient returns to justify our investment, it may take longer or be more costly to achieve the expected benefits from this new program, and that it may require us to, at least initially, divert management attention and other resources from our existing businesses. In connection with our expansion into ACO REACH, we have formed and continue to form relationships with a greater number of physicians, which may pose challenges to scaling quickly, influencing physician behavior and directly engaging beneficiaries, and we may face additional new risks and difficulties, many of which we may not be able to predict or foresee. Any potential future changes to the ACO REACH model may have a significant impact on our ability to carry out our business. Similarly, while ACO REACH is expected to continue through 2026, ~~Centers for Medicare & Medicaid Services Innovation Center (~~ CMMI ~~)~~ can determine to terminate the program at any time, and in some cases may be required to do so. If the program is terminated, we would need to reevaluate our Medicare FFS strategic options, which in turn could reduce the return on our investments and negatively impact our business, financial condition, results of operations and future prospects. Additionally, our ACO REACH participation agreements with CMS permit CMS to take certain actions if CMS determines that

any provision may have been violated, including requiring the ACO to provide additional information to CMS, placing the ACO on a monitoring and / or auditing plan developed by CMS, requiring the ACO to terminate its relationship with any other individual or entity performing functions or services related to certain ACO or marketing activities, amending the agreement without the consent of the ACO to take certain actions, including denying, terminating or amending the use of any capitation payment mechanism. CMS may also immediately or with advance notice terminate an ACO REACH participation agreement if CMS determined that the ACO has failed to comply with any term of the agreement or any other Medicare program requirement, rule or regulation or if CMS determines that the ACO has taken or failed to take certain other actions. If our ACO REACH participation agreements were terminated, our business, financial condition, results of operations and future prospects would be negatively impacted. Our executive officers, directors and holders of 5 % or more of our common stock collectively beneficially own **, on a fully diluted basis,** approximately ~~58~~ **59. 5** % of the outstanding shares of our common stock as of December 31, ~~2022~~ **2023** , and have substantial control over us, which may limit your ability to influence the outcome of important transactions. Our executive officers, directors and each of our stockholders who own 5 % or more of our outstanding common stock and their affiliates, in the aggregate, beneficially own **, on a fully diluted basis,** approximately ~~58~~ **59. 5** % of the outstanding shares of our common stock, as of December 31, ~~2022~~ **2023** . As a result, these stockholders, if acting together, may continue to exercise significant influence over or control matters requiring approval by our stockholders, including the election and removal of directors and the approval of mergers, acquisitions or other extraordinary transactions. They may also have interests that conflict or differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our company, and could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company or by discouraging others from making tender offers for our shares, which may ultimately affect the market price of our common stock. Risks Related to our Intellectual Property, Information Technology, and Data Privacy Protecting our intellectual property rights may be expensive and demand management' s attention, and failure to protect or enforce our intellectual property rights could harm our business and results of operations. We rely on a combination of trade secret, copyright and trademark laws and confidentiality agreements, along with other contractual provisions to protect our proprietary technology and intellectual property rights, including the content and design of our ~~brand~~ **brands** and ~~logo~~ **logos** , our website, our platform, our software code and our data. We believe that our intellectual property rights are an essential asset of our business and critical to our success. We endeavor to maintain and protect our intellectual property. Despite such efforts, unauthorized parties may attempt to copy aspects of our intellectual property or obtain and use information that we regard as proprietary and, if we do not adequately protect our intellectual property, our brand and reputation could be harmed and competitors may be able to erode or negate our competitive advantage, which could materially harm our business, negatively affect our position in the marketplace, limit our ability to commercialize our technology and delay or render impossible our achievement of profitability. We cannot guarantee that confidentiality agreements we have put into place will not be breached, that we will have adequate remedies in the event of a breach, or that such agreements will adequately protect our intellectual property rights, internally developed technology and other information that we consider proprietary. Moreover, there can be no assurance that our proprietary technology will not be independently developed by competitors or that the intellectual property rights we own or license will provide competitive advantages or will not be challenged or circumvented by our competitors. Obtaining, maintaining and defending our intellectual property rights can be expensive, and a failure to protect our intellectual property rights in a cost- effective and meaningful manner could have a material adverse effect on our ability to compete. In particular, we believe it is important to maintain, protect and enhance our brands. Accordingly, we pursue the registration of domain names and our trademarks and service marks in the United States. Third parties may challenge our use of our trademarks, oppose our trademark applications, or otherwise impede our efforts to protect our brand. In the event that we are unable to register our trademarks in certain jurisdictions, we could be forced to rebrand our ~~products~~ **services** , which could slow our growth in those jurisdictions, harm our brand recognition, or could require us to devote resources to advertising and marketing new brands. In addition, we may not always detect or protect against infringement of our intellectual property rights. Litigation may be necessary to enforce or defend our intellectual property rights or determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management attention and technical resources, any of which could adversely affect our business and results of operations. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, countersuits and adversarial proceedings that attack the validity and enforceability of our intellectual property rights. If we fail to maintain, protect and enhance our intellectual property rights, our business, results of operations and financial condition may be harmed and the market price of our common stock could decline. In the future, we may be subject to claims that we violated intellectual property rights, which can be costly to defend and could require us to pay significant damages and limit our ability to operate. We cannot be certain that the operation of our business does not and will not infringe the intellectual property rights of others, or that third parties will not claim, legitimately or otherwise, that our ~~products and~~ services infringe their intellectual property rights. Our future success could be affected by claims of intellectual property infringement, whether or not such claims have merit. There may be intellectual property rights held by others that cover important parts of our technologies, content, branding or business methods, and we may be unaware of such rights. We may be subject to legal proceedings and claims in the ordinary course of our business, including claims of alleged infringement of intellectual property rights of third parties by us or our consumers in connection with their use of our ~~products and~~ services. These claims also could subject us to significant liability for damages and could force us to stop using technology, content, branding or business methods found to be in violation of another party' s intellectual property rights. We might be required or may opt to seek a license for rights to intellectual property rights owned by others, which may be unavailable on commercially reasonable terms, or at all. We could be required to pay significant royalties to license products, increasing our operating expenses. We may also be required to

develop alternative non- infringing technology, content, branding or business methods, which could require significant effort and expense, be infeasible or make us less competitive in the market. Such disputes could also disrupt our business, which could adversely impact our consumer satisfaction and ability to attract consumers. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. If we cannot license or develop technology, content, branding or business methods for any allegedly infringing aspect of our business, we may be unable to execute our business strategy. Furthermore, we may be obligated to indemnify other parties as a result of litigation. In the case of infringement or misappropriation caused by technology that we obtain from third parties, the indemnification or other protections we receive from such third parties, if any, may be insufficient to cover the liabilities we incur as a result of such infringement or misappropriation. Any of these outcomes could have knock- on effects and harm our business and operating results. We may not be able to maintain the accuracy, integrity or availability of our data. Our ~~Bright HealthCare and Consumer Care~~ businesses are highly dependent on the accuracy, integrity and availability of the data we generate and use to serve our consumers, ~~Care~~ **care** ~~Partners~~ **partners** and other constituents, and to provide patient care. The volume of healthcare data generated, and the uses of data, including for electronic health records, are rapidly expanding. Our ability to implement new and innovative services, adequately price our ~~products and~~ services, provide timely and effective service to our consumers and clients and accurately report our results of operations depends on the accuracy and the integrity of the data in our information systems. If the data we rely upon to run our businesses is found to be inaccurate ~~or ,~~ unreliable **or unavailable** , we could experience adverse effects on our ability to effectively conduct our business, including our ability to: • accurately estimate revenue and medical costs; • ~~establish appropriate~~ **collect payments** and **confirm eligibility of** ~~timely pricing and accurately code~~ our consumers ~~' RAF scores~~ ; • prevent, detect and control fraud; • prevent disputes with consumers and network providers; • prevent errors in medical records; • manage value- based care contracts; • prevent regulatory sanctions, scrutiny or penalties; and • reduce the incurrence of increased operating expenses. Our ~~new~~ enterprise resource planning system may prove ineffective. **We have an** ~~In 2022, we implemented a new~~ enterprise resource planning (" ERP ") system, which includes a system for recording revenue and performing day- to- day business activities, such as accounting, procurement, and supply chain. Our ERP system is key to our ability to execute our strategy, provide important information to management, accurately maintain our books and records, prepare our financial statements in a timely and efficient manner and fulfill our contractual obligations. Our businesses may be disrupted if the system does not work as expected. Such disruptions could impact our ability to make payments timely or accurately to our service providers. This system may also discover or create data integrity problems or other technical issues, which could impact our business or financial results. In addition, periodic or prolonged disruption of our financial functions could result from ~~our adoption of the new system,~~ general use of the ERP system, regular updates or other external factors outside of our control. If unexpected issues arise with our ERP system or related systems or technology infrastructure, our business, results of operations and financial condition could be adversely affected. ~~Our~~ **The** technology **systems and** ~~platform~~ **platforms we utilize** may not operate properly or as we expect ~~it~~ **them** to operate ~~. We must continue to develop and maintain our technology platform to grow our business. Our ability to drive brand awareness and to increase our membership and client base in our Bright HealthCare and Consumer Care businesses will depend, in part, on our ability to develop and improve our healthcare platform, BiOS, which includes Panorama, our administrative platform supporting our employees, and Consumer360, our intelligent data hub. Although we launched the initial version of BiOS in 2021, we are still in the process of fully developing it~~ . We cannot assure you that ~~it~~ **the technology systems and platforms we use** will ~~be broadly adopted by~~ **operate properly or as we expect** ~~the~~ **them** ~~market, including~~ **to operate. We** ~~our~~ **or** ~~consumers, providers and third- party payors, or~~ **our vendors** ~~that any component of BiOS will be timely completed. This system~~ may encounter unforeseen difficulties, such as performance problems, undetected defects or errors, data integrity problems **and** ~~or other~~ technical glitches. Any of these issues could impact the user experience and cause us to lose consumers, providers and payors, which could adversely impact our ability to execute on our growth strategy and adversely affect our business and results of operations. Furthermore, recent trends toward greater consumer and client engagement in healthcare require new and enhanced technologies, including more sophisticated applications for mobile devices. Our information systems **and** platforms require an ongoing commitment of significant resources to maintain, protect and enhance existing systems and develop new systems to keep pace with continuing changes in information processing technology, evolving systems and regulatory standards and changing consumer and client preferences. In addition, we periodically consolidate, integrate, upgrade and expand our information technology systems' capabilities as a result of technology initiatives and new regulations, changes in our system platforms and integration of new business acquisitions. Any failure to protect, consolidate and integrate our systems successfully could result in higher- than- expected costs and diversion of management' s time and energy, which could materially and adversely affect our results of operations, financial position and cash flows. In addition, if any such failure causes our platform to malfunction or be temporarily unavailable, our existing consumers could become dissatisfied and leave our platform to join a competitor, we may be unable to attract new consumers and our brand and reputation could be adversely impacted. As a result, our revenue may not grow as expected, which could have a material adverse effect on our business, financial condition and results of operations. ~~Security incidents or breaches, loss of data and other disruptions to our or our third- party service providers' systems, information technology infrastructure, and networks could compromise sensitive or legally protected information related to our business or consumers, disrupt our business operations, and expose us to liability, which could adversely affect our business and our reputation.~~ In the ordinary course of our business, we create, receive, collect, maintain, store, use, process, transmit and disclose (" Process ") sensitive data, including PHI, and other types of personal data, personal information or personally identifiable information protected by various laws and regulations (collectively, " PII "). We also use third- party service providers to Process PHI, PII, sensitive information and other confidential information, including that of our consumers and service providers. We manage and maintain our technology platform and data using a combination of on- site systems, managed data center systems and cloud- based systems. Because of the sensitivity of the PHI, other PII and other

confidential information we and our consumers and service providers process, the security of our technology platform and other aspects of our services, including those provided or facilitated by our third- party service providers, are critically important to our operations and business strategy. The operation, stability, integrity and availability of our technology platform and underlying network infrastructure are critical to the implementation of our business strategy, our financial results, our brand and reputation, our relationship with our ~~Care~~ **care** ~~Partners~~ **partners** , consumers, network providers, broker network, third- party providers and other key constituents. Any system failure, including network, software or hardware failure, that causes an interruption in our network or a decrease in the responsiveness of our technology platform could result in dissatisfaction and a loss of trust with those constituents and adversely impact our business and reputation. Although we have redundancies in place that will permit us to respond, at least to some degree, to service outages, it could take significant time to have all systems fully operational and our third- party cloud providers are also subject to vulnerabilities. Security incidents and breaches of our infrastructure or our third- party service providers' infrastructure, including physical or electronic break- ins, computer viruses, ransomware, or other malware, employee or contractor error or malfeasance, can disrupt or shut down our systems, or allow unauthorized access to, or misuse, disclosure, modifications or loss of confidential information, PHI, and other PII **, and result in a material adverse impact to our results of operations and business, including our ability to collect payments, process claims, and confirm patient information** . Such breaches could result in legal claims or proceedings, liability under laws and regulations that protect the privacy of PHI or other PII, such as HIPAA, the CCPA, and other state and federal laws and regulations. We may also be required to notify government authorities, individuals, the media, and other third parties in connection with a security incident or breach involving PHI or other PII, and could become subject to investigations, consent decrees, resolution agreements, monitoring ~~agreements~~ and similar agreements, and civil penalties. We require business associates and other outsourcing subcontractors who handle consumer and patient information to enter into business associate agreements, if applicable, and to agree to use reasonable efforts to safeguard PHI, other PII and other sensitive information. However, these measures may not adequately protect us from the risks associated with the Processing of such information. In addition, breaches of our security systems or those systems used by our third- party service providers or other cyber security incidents could also result in the misappropriation of confidential or proprietary information of ourselves, our consumers, our patients, or other third parties; viruses, spyware, ransomware or other malware being served from our network, platform or systems; the deletion or modification of content or the display of unauthorized content on our platform; the loss of access to critical data or systems through ransomware, destructive attacks or other means; and business delays, service or system disruptions such as denials of service attacks. ~~For example~~ **In 2023** , **certain** ~~although none~~ of ~~our consumers' PHI or~~ **our** ~~PII was put at risk in either case~~ **vendors experienced data security incidents. Upon learning of each such incident** , ~~in 2021, one~~ **we promptly took steps to cut** ~~of~~ **off access to any of** our ~~third- party suppliers~~ **systems that connected to any systems of such vendor, and took other preventative measures, such** ~~was~~ - **as** ~~subject to~~ **supplementing existing security monitoring, scanning and protective measures, as appropriate. These vendors notified appropriate governmental authorities and impacted parties and individuals, as required. While we did not suffer any material adverse impact as** a **result of any of** ~~ransomware attack, which caused delays in our claims payment processing to consumers. Further, in 2022 and 2023, unauthorized third parties gained access to the~~ **these** ~~internal systems of~~ **incidents, we may incur significant costs** ~~two~~ - **to** ~~separate vendors of ours~~ **address or prevent future incidents, implement remedial measures, mitigate violations, and address reputational damage** . We cannot guarantee that our recovery protocols and backup systems **or those of our third- party service providers** will be sufficient to prevent data loss now or in the future, or that our remedies against third- party service providers will be sufficient to protect us in the event ~~such~~ **a** service provider suffers a security breach or similar incident. If we **and our third- party service providers** are not or are perceived to not be able to prevent such security breaches or privacy violations or implement acceptable remedial measures, we **and our third- party service providers** may be unable to operate our platform, perform our services, provide consumer assistance services, maintain accurate patient medical records, conduct research and development activities, collect, process and prepare company financial information, or provide information about our current and future ~~products~~ **services** . There can be no assurance that we **or our third- party service providers** will be able to prevent ~~another~~ **a** security incident ~~such as occurred with True Health~~ or that any future incidents will not have a more significant impact on our operations. There is an increased risk that we may experience cyber security- related events such as ~~COVID- 19- themed~~ phishing attacks and other security challenges as a result of our employees and service providers working remotely from non- corporate- managed networks during the ongoing pandemic and beyond. **Any** ~~The True Health breach and any~~ future such breaches and violations may result in litigation, fines and penalties, require us to comply with breach notification laws, require us to verify the accuracy of database contents, and expose us to material operating expenses related to investigation, remediation and resolution of claims, all of which could result in increased costs. As a result, we could suffer a loss of business and we may suffer reputational harm, adverse impacts on consumer and investor confidence and negative impact to our results of operations. We rely on a number of third parties to perform certain operational functions and services for us, as well as to support our technology platform and our general services and administration functions. The continued growth of our business will depend, in part, on the ability of these third parties to perform their contractual obligations and our ability to achieve and maintain successful business relationships with these third parties. These third parties include but are not limited to: • ~~Claims management vendors. Our claims management vendors adjudicate and pay claims and generally manage the billing of medical services provided to our consumers and to members of our Consumer Care business' third- party payors and other clients. We rely on two principal suppliers for claims management. Any disruption or loss of either of these suppliers, or failure by them to comply with their contractual obligations and / or to timely and accurately provide claims information to us, could cause considerable strain on our business, result in delays in billings and collections, and negatively impact the experience of our consumers, our network providers, and our third- party payors and other clients. • Utilization management vendors. Our utilization management vendors assist our business in managing healthcare costs by educating our~~

~~health plan consumers and directing them to effective, efficient and personalized healthcare treatments based on evidence- based criteria or guidelines. If our utilization management vendors became less effective or were unable to provide their services to us, the costs of healthcare for our consumers may increase and our results of operations and financial condition may be adversely affected. Furthermore, our Consumer Care business also relies on the services of utilization management vendors when our Consumer Care business has been delegated responsibility for utilization management by its third- party payors and other clients. • Pharmacy benefit management (" PBM ") service providers. Our PBM services suppliers provide us and certain of our consumers with services that include claims processing, specialty pharmacy services, mail pharmacy services, formulary services and coordination of benefits, retail network pharmacy network, participating pharmacy audits and reporting, all of which are crucial to our business. •~~ Cloud service providers and internet infrastructure service providers. We rely on cloud service providers and other service providers to host certain aspects of our IT infrastructure. We do not control the operation of our cloud service providers' infrastructure or the facilities where their servers are located. The level of service provided by cloud service providers or managed data center providers could affect the availability or speed of our platform, which may also impact the usage of, and our consumers', ~~Care~~ **care** ~~Partners~~ **partners** ' and other constituents' satisfaction with, our platform and could seriously harm our business and reputation. We also cannot guarantee that the contractual remedies we may have in place with these service providers would be sufficient to cover our losses. • Software ~~license~~ providers. **We** ~~Our technology platform utilizes~~ **utilize** and ~~integrates~~ **integrate** software licensed from third parties. However, it is possible that this software may not continue to be available on commercially reasonable terms, or at all. Any loss of the right to use any of this software could result in delays in the provisioning of our services until equivalent technology is either developed by us, or, if available, is identified, obtained and integrated. We also cannot guarantee that the contractual remedies we may have in place with such software providers will adequately protect us in the event such software is modified in a manner such that it can no longer be integrated with our own systems and networks, or if such software includes viruses, malware, other corruptants, or security vulnerabilities that impact our own systems and networks. ~~• Other vendors of core business functions. We rely on the systems of our third- party vendors to submit plan enrollment applications from potential consumers. If these systems were to fail or experience disruptions, we could experience significant failures and interruptions of our systems and the systems of our vendors, which could harm our business, operating results and financial condition. Because the Medicare annual enrollment period is typically open for a limited time each year and is critical to our overall annual consumer enrollment, if these failures or interruptions occurred during that period or during other open enrollment periods, the negative impact on us would be amplified and could result in harm to our business and results of operations.~~ While we have entered into agreements with these third- party service providers, they have no obligation to renew their agreements on similar terms or on terms that we find commercially reasonable, or at all. Identifying replacement third- party service providers, and negotiating agreements with them, requires significant time and resources. If any one of our material third- party service ~~provider~~ **providers** ' ~~s ability~~ **abilities** to perform their obligations ~~was~~ **were** impaired, we may not be able to find an alternative supplier in a timely manner or on acceptable financial terms, and we may not be able to meet the full demands of our consumers and ~~Care~~ **care** ~~Partners~~ **partners** within the time periods expected, or at all. While we believe we will be able to insource the responsibilities of many of our third- party service providers in the future, there can be no assurance that we will be able to do so in a manner that enables us to meet the demands of our consumers and ~~Care~~ **care** ~~Partners~~ **partners** . In addition, any shift in business strategy, corporate reorganization, or financial difficulties faced by our third- party providers, such as bankruptcy, may have negative effects on our ability to execute our business strategy. If our third- party providers are unable to keep up with our growing needs for capacity, it could have an adverse effect on our business and reputation, cause us to lose consumers or harm our ability to ~~attract new consumers to our health plan business, or to~~ maintain and grow our other businesses. In the event we make any material changes to our third- party service providers due to changes in our business needs or otherwise, such as mid- year changes or efforts to insource currently outsourced services, we may experience significant operational and service disruptions. In addition, we may not be able to ensure that our third- party providers perform in accordance with agreed upon, regulated and expected standards, and we could be held accountable for their failure to do so which may subject us to fines or other sanctions or otherwise materially negatively impact our business and results of operations. See " — We are subject to inspections, reviews, audits and investigations under federal and state government programs and contracts. The results of such audits could adversely and negatively affect our business, including our results of operations, liquidity, financial condition and reputation. " Any termination of our agreements with, or disruption in the performance of, one or more of these service providers could result in service disruption or unavailability, and harm our ability to continue to develop, maintain and improve our ~~products~~ **service offerings** . This could reduce our ability to attract ~~Care~~ **care** ~~Partners~~ **partners** ~~, limit enrollment in our health plan business~~ , increase our medical costs, hinder expansion of our ~~Consumer Care~~ business, and result in an inability to meet our obligations or require us to seek alternative service providers on less favorable contract terms, any of which could adversely affect our business, brand, reputation or operating results. Further, ~~in connection with~~ the transition ~~to~~ **of** our ~~updated~~ business model ~~, we have become~~ **over the last two years has** ~~subject~~ **subjected us** to an increased number of disputes with service providers, and **we** expect to continue to be subject to **several** ~~an increased number~~ of ~~such~~ **these** disputes while we are in transition. We cannot guarantee we will resolve these disputes favorably, which could materially negatively impact our business, results of operations, financial condition and cash flows. Risks Related to our Indebtedness **Our ability to incur a substantial level of indebtedness may reduce our financial flexibility, affect our ability to operate our business, and divert cash flow from operations for debt service.** As of ~~March 1~~ **December 31** , 2023, we had $ ~~46~~ **66** . ~~1~~ **4** million **borrowed** ~~of outstanding letters of credit~~ under the **New** Credit Agreement **(as defined in the Indebtedness section of the Results of Operations within Item 7 of this Annual Report),** and no remaining availability thereunder **. Based on our projected cash flows and absent any other action, we will require additional liquidity to meet our obligations as they come due in the 12 months following the date of this annual report on Form 10- K. In the event we obtain additional equity or debt financings, the terms of such financings**

may include covenants we may not be able to meet, which may result in the obligations under such financings being accelerated. In the event we require additional financing, we may not be able to obtain it on acceptable terms, as any potential financing will be subject to market conditions that are not within our control. In the event we are unable to obtain financing or take other management actions to alleviate these concerns, among other potential consequences, we may be unable to satisfy our financial obligations as they become due or continue as a going concern . Our borrowings, current and future, will require interest payments and will need to be repaid or refinanced, which could require us to divert funds identified for other purposes to debt service and could create additional cash demands or impair our liquidity position and add financial risk. Diverting funds identified for other purposes for debt service may adversely affect our business and growth prospects. If we cannot generate sufficient cash flow from operations to service our debt, we may need to refinance our debt, dispose of assets, reduce or delay expenditures, or issue equity to obtain necessary funds. We do not know whether we would be able to take any of these actions on a timely basis, on terms satisfactory to us or at all. Our level of indebtedness could affect our operations in several ways, including but not limited to the following: • it may be difficult for us to satisfy our obligations with respect to our debt; • the covenants contained in **any current** ~~the Credit Agreement~~ or ~~in~~ future **credit** ~~agreements~~ **agreement** ~~governing our outstanding indebtedness~~ may limit our ability to borrow additional funds, refinance debt, dispose of assets, and make certain investments **, and** ~~; • our debt covenants~~ may also affect our flexibility in planning for, and reacting to, changes in the economy and in our industry; • a high level of debt would increase our vulnerability to general adverse economic and industry conditions; • a high level of debt may place us at a competitive disadvantage as compared to our competitors that are less leveraged and therefore may be able to take advantage of opportunities that our level of indebtedness would prevent us from pursuing; and • a high level of debt may impair our ability to obtain additional financing in the future for working capital, capital expenditures, debt service requirements, acquisitions, or other purposes. In addition, borrowings under ~~the Credit~~ **credit** ~~Agreement~~ **agreements often** bear interest at variable rates based on prevailing conditions in the financial markets, and changes to such variable market rates may affect both the amount of cash we must pay for interest as well as our reported interest expense. ~~Assuming our $ 350 million credit facility were to be fully drawn, a 100 basis point increase to the applicable variable rate of interest would increase the amount of interest expense by $ 3. 5 million per annum.~~ If we are unable to generate sufficient cash flows to pay the interest expense on our debt, future working capital, borrowings, or equity financing may not be available from which to pay or refinance such debt. **Our** ~~Further, the publication of LIBOR is expected to be discontinued in mid- 2023. We are currently assessing the impact that the discontinuation of LIBOR may have on us. It is possible that the transition from LIBOR will result in interest rates and / or payments that result in higher borrowing costs over time than would have been our obligations if LIBOR continued to be available in its~~ current ~~form. See " Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital resources — Indebtedness. " The Credit~~ **credit** ~~Agreement~~ **agreement** contains ~~restrictions on our ability to operate our business and to pursue our business strategies~~ , ~~and our failure to comply with, cure breaches of, or obtain waivers of covenants could result in an~~ **and any** ~~acceleration of the maturity date on our indebtedness. The Credit Agreement contains, and~~ agreements governing future debt issuances may contain, **restrictions on our ability to operate our business and to pursue our business strategies, and our failure to comply with, cure breaches of, or obtain waivers of covenants could result in an acceleration of the maturity date on our indebtedness. Our current credit agreement contains, and any agreements governing future debt issuances may contain,** covenants that restrict our ability to finance future operations or capital needs, to respond to changing business and economic conditions, or to engage in other transactions or business activities that may be important to our growth strategy or otherwise important to us. ~~The~~ **Our current** ~~Credit~~ **credit** ~~Agreement~~ **agreement** restricts, subject to certain exceptions, among other things, our ability and the ability of our subsidiaries to: • incur additional indebtedness and guarantee indebtedness; • create or incur liens; • make investments and loans; • engage in mergers, consolidations, or sales of all or substantially all of our assets; • pay dividends or make other distributions, in respect of, or repurchase or redeem, capital stock; • prepay, redeem, or repurchase certain debt; • engage in certain transactions with affiliates; • sell or otherwise dispose of assets; and • amend, modify, waive, or supplement certain subordinated indebtedness to the extent such amendments would be materially adverse to lenders. In addition, any future financing arrangements entered into by us or any of our subsidiaries may contain similar restrictions. As a result of these covenants and restrictions, through our subsidiaries we are and will be limited in how we conduct our business, and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. In addition, we are required to maintain specified financial ratios and satisfy other financial condition tests. See " Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Indebtedness. " The terms of any future indebtedness we or our subsidiaries may incur could include more restrictive covenants. We cannot assure you that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders and / or amend the covenants. Our or our subsidiaries' failure to comply with the restrictive covenants described above as well as others contained in our or our subsidiaries' future debt instruments from time to time could result in an event of default, which, if not cured or waived, could require us to repay these borrowings before their maturity. ~~As of September 30, 2022, we were not in compliance with the total debt to capitalization ratio covenant of our Credit Agreement. On November 8, 2022, we executed an amendment to the Credit Agreement pursuant to which, among other things, it was agreed that we would not be required to test our debt to capitalization ratio covenant during and including the four quarter test period ending September 30, 2022 through and including the four quarter test period ending September 30, 2023. Further, as noted earlier, we breached the minimum liquidity covenant of our Credit Agreement in the first quarter of fiscal year 2023. We entered into a limited waiver and consent (the " Waiver ") under our Credit Agreement, which, among other things, provides for a temporary waiver for the period from January 25, 2023 through April 30, 2023 of compliance with the minimum liquidity covenant set forth in Section 11. 12. 2 of the Credit Agreement. During the Waiver Period, the Company will be subject to a minimum liquidity covenant of not less than $ 75 million until March 3, 2023, and not less than $ 85 million thereafter until the~~

~~end of the Waiver Period. In addition, during the Waiver Period, the Company will not have access to certain negative covenant baskets and will be subject to additional cash- flow and cash balance reporting requirements. Any non- compliance with the covenants under the Credit Agreement or the Waiver may result in the obligations under the Credit Agreement being accelerated. Based on our projected cash flows and absent any other action, we will require additional liquidity to meet our obligations as they come due in the 12 months following the date the consolidated financial statements are issued. These conditions raise substantial doubt about our ability to continue as a going concern. In addition, as we previously disclosed, during the waiver period referred to above, we will not have access to certain negative covenant baskets and will be subject to additional cash- flow and cash balance reporting requirements, which limits our ability to execute on our updated strategy.~~ If we are forced to refinance our borrowings on less favorable terms or cannot refinance them, our results of operations and financial condition could be adversely affected. If we were unable to repay or otherwise refinance these borrowings, the lenders under ~~the~~ **our current** ~~Credit~~ **credit** ~~Agreement~~ **agreement** ~~could proceed against the collateral granted to them to secure such indebtedness~~ , ~~which~~ **and any agreements governing future debt issuances,** could force us into bankruptcy or liquidation. Any acceleration of amounts due under ~~the~~ **our current** ~~Credit~~ **credit** ~~Agreement~~ **agreement , and any agreements governing future debt issuances** , or the exercise by the applicable lenders or agent of their rights under ~~the~~ **any** related security documents, would likely have a material adverse effect on our business. Risks Related to Legal Proceedings and Governmental Regulations Modifications or changes to the U. S. health insurance markets, including as a result of legislation, could adversely affect our business and operating results. Our business operates in the evolving public and private sectors of the U. S. health insurance system, and our future financial performance will depend in part on growth in the market for private health insurance, as well as our ability to adapt to regulatory developments and the development of new state and federal government programs. Such modifications and changes could reduce demand and adversely affect our business. For example, elected officials have introduced proposals to expand the Medicare program, which range from the creation of a new single- payor national health insurance program for all residents to less overarching proposals, including lowering the age of eligibility for the Medicare program, expanding Medicare to a larger population and creating a new public health insurance option that could compete with private insurers. In addition, in some states, legislators have regularly introduced proposals to establish a single- payor or government- run healthcare system at the state level. There is uncertainty regarding whether, when, and what other health reform measures will be adopted, the timing and implementation of alternative provisions, and the impact of alternative provisions on providers, plans, and other healthcare industry participants. Other health reform initiatives and proposals, such as the limitations and prohibitions on surprise billing enacted under the Appropriations Act and price transparency requirements, may impact prices, our competitive position and our relationships with ~~patients~~ **consumers** , insurers, and ancillary providers (such as anesthesiologists, radiologists, and pathologists). Other industry participants, such as private payors and large employer groups and their affiliates, may also introduce financial or delivery system reforms. ~~The~~ **These** ~~U. S. Department of Health~~ and **other** ~~Human Services proposed regulatory~~ changes ~~for 2023 and beyond whereby individual market health plan products would need to meet standardized benefit design requirements and heightened network adequacy standards that~~ may impact ~~how our products operate in existing service areas. These changes may impact~~ our ability to ensure ~~Care~~ **care** ~~Partner~~ **partner** networks meet evolving ~~adequacy and availability~~ standards. Until the details of these evolving requirements and any additional future reform standards are clarified, we are unable to predict the nature and success of such health reform initiatives, which may have an adverse impact on our business. We continue to evaluate the effect that such proposals would have on our business. As the regulatory and legislative environments within which we operate are evolving, we may not be able to ensure timely compliance with such changes due to limited resources. Furthermore, we face challenges prioritizing the allocation of resources between implementing systems responsive to new legislative or regulatory requirements, focusing on growth- related operations and implementing adequate management systems and controls. If our operations are found to be in violation of any of the federal and state regulations that apply to us, we may be subject to penalties that curtail our operations, which could adversely affect our ability to operate our business and our results of operations. ~~We are unable to predict the ultimate impact of the CARES Act and other stimulus legislation, or the effect that such legislation and other governmental responses intended to assist providers in responding to COVID- 19, may have on our business. In response to the ongoing COVID- 19 pandemic, federal and state governments have passed legislation, promulgated regulations and taken other administrative actions intended to assist healthcare providers in providing care to COVID- 19 and other patients during the public health emergency and to provide financial relief. Together, the CARES Act, the Paycheck Protection Program and Health Care Enhancement Act, the Appropriations Act, and the American Rescue Plan Act (ARPA) authorized over $ 186 billion in funding to be distributed to eligible healthcare providers. These funds are intended to reimburse eligible providers, including Medicare- and / or Medicaid- enrolled providers and suppliers, for lost revenues and health care related expenses attributable to COVID- 19. Recipients are not required to repay these funds, provided that they attest to and comply with certain terms and conditions, including limitations on balance billing, not using funds received to reimburse expenses or losses that other sources are obligated to reimburse and audit and reporting requirements. The CARES Act also made other forms of financial assistance available to healthcare providers, including through Medicare and Medicaid payments adjustments. The CARES Act and related legislation temporarily suspended the Medicare sequestration payment adjustment, which would have otherwise reduced payments to Medicare providers by 2 %, but extended sequestration through 2030. The sequestration adjustment was phased back in and returned to 2 % on July 1, 2022. For the first six months of fiscal year 2030, the adjustment will increase to 2. 25 %, and for the last six months of fiscal year 2030, the adjustment will increase to 3 %. ARPA, in addition to providing funding for healthcare providers, increases the federal budget deficit in a manner that triggers an additional statutorily mandated sequestration under the Pay- As- You- Go Act. Congress has delayed implementation of this 4 % payment reduction several times, most recently for 2023 and 2024 in the Consolidated Appropriations Act, 2023. Beyond financial assistance, federal and state governments have enacted legislation and established regulations intended to increase access to medical supplies and equipment and ease legal and~~

regulatory burdens on healthcare providers. These efforts have included, for example, expanding access to and payment for telehealth services. There is still a high degree of uncertainty surrounding potential future legislation passed in response to the COVID- 19 pandemic and additional future virus variants. HHS' interpretation of such underlying terms and conditions, including auditing and reporting requirements, continues to evolve. Further, we may be subject to or incur costs from related government actions including payment recoupment, audits and inquiries by governmental authorities, and criminal, civil or administrative penalties. Some of the federal and state legislative and regulatory measures allowing for flexibility in delivery of care and various financial supports for health care providers are available only for the duration of the COVID- 19 public health emergency. Many states have ended their declared states of emergency, and the current public health emergency declaration is set to expire May 11, 2023. Additionally, the federal government may consider additional stimulus and relief efforts, but we are unable to predict whether any additional measures will be enacted or their impact. We are unable to assess the extent to which anticipated ongoing impacts on us arising from the COVID- 19 pandemic will be offset by benefits which we may recognize or receive in the future under the CARES Act and other stimulus legislation or any future stimulus measures. Further, there can be no assurance that the terms of provider relief funding or other programs will not change in ways that affect our funding or eligibility to participate. We continue to assess the potential impact of the COVID- 19 pandemic and government responses to the pandemic on our business, results of operations, financial position and cash flows. Our MA plans, contracts with third- party MA plans and reimbursement from fee- for- service Medicare are subject to changes to the Medicare program. **Our** We service approximately 125, 000 MA consumers, primarily in California. The reimbursement rates for our MA plans and contracts with third- party MA plans are based on published Medicare rates. In addition, our managed and affiliated medical groups receive fee- for- service Medicare reimbursements. As a result, government funding levels for the MA program, as well as the policies and decisions of the federal government regarding the fee- for- service Medicare program have a substantial impact on our profitability and health plan consumer satisfaction. These governmental policies and decisions, which are not within our control, include: • administrative or legislative changes to base rates or reimbursement policies and methodologies; • reductions or restrictions in funding of programs; • limits on the services or types of providers for which Medicare will provide reimbursement; • expansion of benefits under Medicare without adequate funding; • other changes in coverage (including those related to the ongoing COVID- 19 pandemic); • changes in methodology for patient assessment and / or determination of payment levels; • the reduction or elimination of annual rate increases; and • changes to timing of or delays in reimbursements . Certain of these changes will affect the premiums or other revenue we receive with respect to our MA plans, the eligibility and enrollment of consumers in our MA plans, the services we provide to our MA plan consumers and the cost of such services to such consumers, as well as other costs relating to our participation in the Medicare program . Significant reductions or significant modifications of reimbursement policies and methodologies in the fee- for- service Medicare program could reduce the profitability of our managed and affiliated medical groups. We have no control over these changes, including when or how frequently they are made. These changes may be instituted by statutes, regulations, administrative or executive orders or judicial decisions. Budget pressures often lead the federal government to reduce or place limits on reimbursement rates under Medicare. Implementation of these and other types of measures could result in substantial reductions in our revenue and operating margins with respect to our MA plans and our Consumer Care business. The costs of compliance with any changes could be significant, and if we fail to meet implementation requirements, we could be exposed to fines and payment reductions. In addition, CMS issues a final rule each year to establish the benchmark MA payment rates for the following calendar year. Any reduction to MA rates may have a material adverse effect on our business, results of operations, financial condition and cash flows . The final impact of the MA rates can vary from any estimate we may have, and may be exacerbated by the rapid growth of our MA membership . If we underestimate the impact of any change to the MA rates on our business, it could have a material adverse effect on our results of operations, financial condition and cash flows. If we fail to comply with certain healthcare laws, including fraud and abuse laws, we could face substantial penalties and our business, results of operations and financial condition could be adversely affected. Our business is highly regulated, and we are subject to broadly applicable federal and state fraud and abuse and other federal and state healthcare laws and regulations. These laws require significant compliance oversight, which can have the effect of constraining our businesses, financial arrangements and relationships through which we conduct our operations. Laws and regulations which particularly affect our business and operations, include the following: • the federal Anti- Kickback Statute, which prohibits, among other things, persons or entities from knowingly and willfully soliciting, offering, receiving or providing any remuneration (including any kickback, bribe or certain rebates), directly or indirectly, overtly or covertly, in cash or in kind, in return for, either the referral of an individual or the purchase, lease or order or arranging for or recommending the purchase, lease or order of any good, facility, item or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare. The federal Anti- Kickback Statute has been interpreted to apply to, among others, financial arrangements between entities that have the ability to refer and generate business that is subject to reimbursement under federal healthcare programs. There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution. The exceptions and safe harbors are drawn narrowly and practices that involve remuneration may be subject to scrutiny if they do not qualify for an exception or safe harbor. Our practices may not in all cases meet all of the criteria for protection under a statutory exception or regulatory safe harbor. A person or entity does not need to have actual knowledge of the federal Anti- Kickback Statute or specific intent to violate it in order to have committed a violation, and a claim including items or services resulting from a violation of the federal Anti- Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA (described immediately below); • the federal false claims laws, including the civil FCA, which, among other things, impose criminal and civil penalties against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment or approval that are false or fraudulent, knowingly making, using, or causing to be made or used, a false record or statement material to a false or fraudulent claim, or from knowingly making or causing to be made a false statement to avoid, decrease or conceal an obligation to pay

money to the federal government ~~. There has been increased government scrutiny and litigation involving Medicare plans under the federal FCA related to diagnosis coding and risk adjustment practices. While we believe that our risk adjustment practices and relationships with providers comply with applicable laws, we are and may be subject to audits, reviews and investigation of our practices and arrangements and the federal government might conclude that they violate the FCA, the Anti- Kickback Statute and / or other federal and state laws governing fraud and abuse~~ . Further, the FCA can be enforced by private citizens through civil qui tam actions. A claim includes " any request or demand " for money or property presented to the U. S. government; • the Stark Law provides that physicians, subject to certain exceptions, cannot refer Medicare or Medicaid patients to an entity providing " designated health services " in which such physician, or its immediate family member, has an interest or any compensation arrangement. Medical groups managed by and affiliated with our ~~Consumer Care~~ business provide one or more of these designated health services and as such are subject to the Stark Law. Those found in violation of the Stark Law are subject to denial of payment for services provided through an improper referral, civil monetary penalties and exclusion from the Medicare and Medicaid programs; • the federal beneficiary inducement civil monetary laws, which generally prohibit giving something of value to an individual if the remuneration is likely to influence that beneficiary' s choice of a particular provider, supplier or practitioner for services covered by applicable federal healthcare programs. A violation of this statute includes fines or exclusion from federal healthcare programs; • HIPAA, which created additional federal criminal statutes that prohibit, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud or to obtain, by means of false or fraudulent pretenses, representations or promises, any money or property owned by, or under the control or custody of, any healthcare benefit program; willingly obstructing a criminal investigation of a healthcare offense; and knowingly and willfully falsifying, concealing or covering up by trick, scheme or device, a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Like the federal Anti- Kickback Statute, a person or entity need not have actual knowledge of the statute or specific intent to violate it in order to have committed a violation; and • analogous state and foreign laws and regulations, such as state anti- kickback and false claims laws, which may be more restrictive and may apply to healthcare items or services reimbursed by non- governmental third-party payors, including private insurers or by the patients themselves. Ensuring business arrangements with third parties comply with applicable healthcare laws and regulations is a costly endeavor. If our operations are found to be in violation of any of the federal and state healthcare laws described above or any other current or future governmental regulations that apply to us, we may be subject to penalties, including without limitation, civil, criminal and / or administrative penalties, damages, fines, disgorgement, individual imprisonment, exclusion from participation in government programs, such as Medicare, injunctions, private " qui tam " actions brought by individual whistleblowers in the name of the government, or refusal to allow us to enter into government contracts, contractual damages, reputational harm, administrative burdens, diminished profits and future earnings, additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non- compliance with these laws, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations. Any claims made against us, regardless of their merit or eventual outcome, could damage our reputation and business and our ability to attract and retain consumers and employees. Our use and disclosure of PII and PHI is subject to federal and state privacy and security regulations, and our failure to comply with those regulations or to adequately secure the information we hold could result in significant liability or reputational harm and, in turn, a material adverse effect on our client base and revenue. We are subject to numerous state and federal laws and regulations that govern the Processing, security, retention, destruction, confidentiality, availability and integrity of PII, including PHI. These laws and regulations include HIPAA and the CCPA. HIPAA establishes a set of basic national privacy and security standards for the protection of PHI by health plans, healthcare clearinghouses and certain healthcare providers, referred to as covered entities, which includes us, and the business associates with whom such covered entities contract for services, which also includes us. HIPAA requires healthcare plans and providers — and **until our insurance plans are fully run- out,** we are both — to develop and maintain policies and procedures with respect to PHI that is used or disclosed, including the adoption of administrative, physical and technical safeguards to protect such information. HIPAA also implemented the use of standard transaction code sets and standard identifiers that covered entities must use when submitting or receiving certain electronic healthcare transactions, including activities associated with the billing and collection of healthcare claims. Penalties for failure to comply with a requirement of HIPAA vary significantly depending on the nature of violation and could include civil monetary or criminal penalties. HIPAA also authorizes state attorneys general to file suit on behalf of their residents. Courts are able to award damages, costs and attorneys' fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to sue us in civil court for violations of HIPAA, its standards have been used as the basis for duty of care in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI. ~~In addition, HIPAA mandates that the Secretary of HHS conduct periodic compliance audits of HIPAA- covered entities and business associates for compliance with HIPAA. It also tasks HHS with establishing a methodology whereby harmed individuals who were the victims of breaches of unsecured PHI may receive a percentage of the fine paid by the violator under the federal Civil Monetary Penalty Statute.~~ HIPAA further requires that individuals be notified of any unauthorized acquisition, access, use or disclosure of their unsecured PHI that compromises the privacy or security of such information, with certain exceptions related to unintentional or inadvertent use or disclosure by employees or authorized individuals. ~~HIPAA specifies that such notifications must be made " without unreasonable delay and in no case later than 60 calendar days after discovery of the breach ", though states and contractual obligations may require us to provide notice within shorter timeframes, such as five days or less. If a breach of unsecured PHI affects 500 individuals or more, it must be reported to HHS without unreasonable delay, and HHS will post the name of the breaching entity on its public web site. Breaches affecting 500 individuals or more in the same state or jurisdiction must also be reported to the local media. If a breach involves fewer than 500 individuals, the covered entity must record it in a log and notify HHS at least annually.~~ Numerous other federal and state

laws protect the processing, security, retention, destruction, confidentiality, availability and integrity of, and may otherwise limit and restrict how we can use, PII, including PHI. These laws in many cases are more restrictive than, and may not be preempted by, the HIPAA rules and may be subject to varying interpretations by courts and government agencies, creating complex compliance issues for us and our ~~Care~~ **care** ~~Partners~~ **partners** and business associates and potentially exposing us to additional expense, adverse publicity and liability. **Recently, several states have enacted broadly applicable laws to protect the privacy of personal health information. These laws generally require consent for the collection, use** ~~For~~ **or** ~~example~~ **sharing of any " consumer health data "** , ~~the CCPA~~ which **is defined as** ~~came into effect on January 1, 2020 requires covered businesses that collect information on California residents to inform consumers about their data collection, use and sharing practices, to allow consumers to opt out of sales of their data to third parties, and to exercise certain individual rights regarding their~~ personal information ~~. The CCPA also provides~~ **that is linked or reasonably linkable to** a ~~cause of action for some data breaches affecting certain types of personal information. Penalties for noncompliance with the CCPA are up to $ 2, 500 per unintentional violation, or up to $ 7, 500 per intentional violation. Additionally, the CPRA was approved by the California electorate via ballot initiative in November 2020, and came into effect January 1, 2023. CPRA imposed additional data protection obligations on companies doing business in California, including additional~~ consumer **and that identifies** ~~rights with respect to their data. It also created~~ a **consumer' s past** ~~new California data protection agency specifically tasked with enforcing the law~~ , **present** ~~which will likely result in increased regulatory scrutiny of California businesses in the areas of data protection and security. Virginia~~ , **or future physical or mental health** ~~Colorado, Connecticut and Utah have similarly enacted comprehensive privacy laws which emulate the CCPA and CPRA in many respects~~ . At the federal level, various bills have been introduced in congress seeking to establish a comprehensive privacy regime including many of the concepts found in other state and federal privacy bills / laws, such as consent requirements for sensitive data, data subject rights, and privacy policy requirements. Such laws may have potentially conflicting requirements that would make compliance challenging. Such changes may also require us to modify our ~~products~~ **services** and features and may limit our ability to develop new ~~products~~ **services** and features that make use of the data that we collect about our consumers. We anticipate federal and state regulators to continue to enact legislation related to privacy and cyber security. New health information standards, whether implemented pursuant to HIPAA, state or federal legislative action or otherwise, could have a significant effect on the manner in which we must handle healthcare- related data, and the cost of complying with standards could be significant. If we do not comply with existing or new laws and regulations related to PHI, we could be subject to criminal or civil sanctions. We also publish privacy statements to our consumers that describe how we handle and protect PII. Any failure or perceived failure by us to maintain posted privacy policies which are accurate, comprehensive and fully implemented, and any violation or perceived violation of our privacy-, data protection- or information security- related obligations to providers, consumers or other third parties could result in claims of deceptive practices brought against our Company, which could lead to significant liabilities and consequences, including, without limitation, governmental investigations or enforcement actions, costs of responding to investigations, defending against litigation, settling claims, complying with resolution, monitoring or other agreements, civil penalties, and complying with regulatory or court orders. Such liabilities and consequences could have material impacts on our revenue and operations. Furthermore, the FTC and many state attorneys general continue to enforce federal and state consumer protection, health breach notification, and other laws against companies for online collection, use, dissemination and security practices that appear to be unfair or deceptive. For example, the FTC has taken enforcement actions based on disclosures of health information to third parties, the failure to limit third- party use of health information, the failure to implement policies and procedures to prevent improper or unauthorized disclosures of health information, and the failure to provide notice and obtain consent before the use and disclosure of health information for advertising. **For information that is not subject to HIPAA and deemed to be " personal health records ", the FTC may also impose penalties for violations of the HBNR to the extent we are considered a " personal health record- related entity " or " third party service provider. "** There are a number of legislative proposals in the United States, at both the federal and state level, that could impose new obligations. We cannot yet determine the impact that future laws, regulations and standards may have on our business **. Our and our vendors' use of artificial intelligence and machine learning in the products they provide to us present regulatory and legal challenges that could negatively affect our business and our reputation. Our and our vendors' use of AI and ML technologies and recent technological advances in AI / ML pose risks to us and may subject us to new laws and regulations. While we are committed to responsible use of AI / ML and following applicable laws and regulations, any failure by our employees, contractors or vendors to use AI / ML responsibly and to adhere to such laws and regulations could have a material adverse effect on our business, results of operations, and financial condition. Depending on how such laws and regulations are interpreted, we may have to make changes to our business practices to comply with such obligations. These obligations may make it harder for us to conduct our business using AI / ML, lead to regulatory fines or penalties, require us to retrain our AI / ML, or prevent or limit our use of AI / ML. Our use of AI / ML technologies could also result in additional compliance costs, regulatory investigations and actions, and consumer or other lawsuits. If we or our vendors are unable to use AI / ML, regulators restrict our ability to use AI / ML for certain purposes or our confidential information or PII or PHI becomes part of a dataset that is accessible by other third- party AI / ML applications and uses, it could make our business less efficient, result in competitive disadvantages, and subject us to potential liabilities. To the extent that we rely on or use the output of AI / ML, any inaccuracies, biases or errors could have adverse impacts on us, our business, our results of operations or financial condition. The impact of regulatory and legal risks associated with AI / ML is unknown and the overall impact on our business may be material** . Laws regulating the corporate practice of medicine could restrict the manner in which we are permitted to conduct our business, and the failure to comply with such laws could subject us to penalties or require a restructuring of our business. Some of the states in which we currently operate have laws that prohibit business entities from directly owning physician practices, practicing medicine, employing physicians to practice

medicine, exercising control over medical decisions by physicians or engaging in certain arrangements, such as fee- splitting, with physicians (such activities are generally referred to as the " corporate practice of medicine "). In some states these prohibitions are expressly stated in a statute or regulation, while in other states the prohibition is a matter of judicial or regulatory interpretation. Other states in which we may operate in the future may also generally prohibit the corporate practice of medicine. While we endeavor to comply with state corporate practice of medicine laws and regulations as we interpret them, the laws and regulations in these areas are complex, changing, and often subject to varying interpretations. The interpretation and enforcement of these laws vary significantly from state to state. Penalties for violations of the corporate practice of medicine vary by state and may result in physicians being subject to disciplinary action, as well as to forfeiture of revenue from payors for services rendered. For business entities such as us, violations may also bring both civil and, in more extreme cases, criminal liability for engaging in the practice of medicine without a license. Some of the relevant laws, regulations and agency interpretations in states with corporate practice of medicine restrictions have been subject to limited judicial and regulatory interpretation, and state laws and regulations are subject to change. Regulatory authorities and other parties may assert that our employment of physicians in some states means that we are engaged in the prohibited corporate practice of medicine. If this were to occur, we could be subject to civil and / or criminal penalties, our employment of physicians by our medical groups and the health plans' agreements with physicians could be found legally invalid and unenforceable (in whole or in part) or we could be required to restructure our arrangements with physicians, in each case in one or more of the jurisdictions in which we operate. Any of these outcomes may have a material adverse effect on our business, results of operations, financial condition, cash flows and reputation. From time to time we are and may be subject to litigation, administrative proceedings or investigations, which could be costly to defend and could strain corporate resources or harm our business. Legal proceedings and claims that may arise in the ordinary course of business, such as claims brought by consumers, ~~Care~~ **care** ~~Partners~~ **partners** ~~and other network participants~~, third- party payor clients, consultants and vendors in connection with commercial disputes or employment claims made by our current or former associates could strain corporate responses and involve significant costs. In addition, from time to time, we are and may be subject to government requests or investigations, including market conduct examinations and requests for information from, various government agencies, regulatory authorities, state attorneys ~~generals~~ **general** and other governmental authorities. In particular, investigating and prosecuting healthcare and other insurance fraud, waste and abuse has been of special interest to government authorities in the United States. With respect to healthcare, fraud, waste and abuse prohibitions constitute a spectrum of activities, such as kickbacks for referral of consumers, fraudulent coding practices, billing for unnecessary medical and / or other covered services, improper marketing and violations of patient privacy rights and Stark Law violations. Regulators have recently increased their scrutiny of healthcare payors and providers under the federal FCA, in particular, and there have been a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Litigation and audits, investigations or reviews by governmental authorities or regulators or compliance with applicable laws may result in fines, substantial costs, and potentially, the loss of a license, and may divert management' s attention and strain corporate resources, which may substantially harm our business, financial condition and results of operations. While we maintain general liability, umbrella, managed care errors and omissions and employment practices liability coverage, as well as other insurance, we cannot provide assurance that such insurance will cover such claims or provide sufficient payments to cover all of the costs to resolve one or more such claims and will continue to be available on terms acceptable to us, if available at all. It is possible that resolution of some matters against us may result in our having to pay significant fines, judgments or settlements that exceed the limits of our insurance policies. Further, settlements with governmental authorities or regulators could contain additional compliance and reporting requirements as part of a consent decree or settlement agreement, such as corporate integrity agreements, which could significantly increase our regulatory and compliance costs. Additionally, governmental or regulatory authorities could review our payment practices, including as part of their market conduct oversight, which could result in fines or other enforcement actions if such authorities determine that our payment practices do not comply with state laws and regulations. Any of the foregoing could adversely affect our results of operations and financial condition, thereby harming our business. We are subject to a pending putative securities class action lawsuit. On January 6, 2022, a putative securities class action lawsuit was filed against us and certain of our officers and directors in the Eastern District of New York. The case is captioned Marquez v. Bright Health Group, Inc. et al., 1: 22- cv- 00101 (E. D. N. Y.). The lawsuit alleges, among other things, that we made materially false and misleading statements regarding our business, operations, and compliance policies, which in turn adversely affected our stock price. No specific amounts of damages have been alleged in the putative securities class action lawsuit. We intend to vigorously defend this action; but there can be no assurance that we will be successful in any defense. An amended complaint was filed on June 24, 2022, which expands on the allegations in the original complaint and alleges a putative class period of June 24, 2021 through March 1, 2022. The amended complaint also adds as defendants the underwriters of our initial public offering. The Company has served a motion to dismiss the amended complaint, which has not yet been ruled on by the court. This and other legal proceedings could damage our reputation and adversely affect our stock price. We are subject to inspections, reviews, audits and investigations under federal and state government programs and contracts. The results of any such actions could adversely and negatively affect our business, including our results of operations, liquidity, financial condition and reputation. From time to time we are subject to various state and federal governmental inspections, reviews, audits and investigations to verify our financial and / or operational compliance with governmental rules and regulations governing the ~~products and~~ services we sell. **Payors and other health** ~~Care~~ **care** ~~Partners~~ **industry participants** may **have** ~~also reserve~~ the right to conduct audits of our ~~health plan business and third- party payors and government clients of our Consumer Care business will also have the right to audit Consumer Care~~ businesses. We also periodically conduct internal audits and reviews of our regulatory compliance. An adverse inspection, finding, review, audit or investigation could result in requests for additional information, enforcement actions, corrective action plans, monitoring agreements or other actions, including **penalties,** ~~: • refunding amounts we have been paid pursuant to the government programs~~

~~or from payors; • state or federal agencies imposing~~ fines **or** ~~, penalties and~~ other sanctions **, and debarment,** ~~on us; • temporary~~ suspension ~~of payment for new consumers to the facility or agency; • decertification, debarment, suspension~~ or exclusion ~~from participation in the Medicare programs or one or more payor networks; • self- disclosure of violations to applicable regulatory authorities; • damage to our reputation; • the revocation of an agency' s license; and • loss of certain rights under, or termination of, our contracts with payors or Care Partners~~ . The U. S. Department of Justice and the OIG have continuously increased their scrutiny of healthcare payors, providers and Medicare Advantage insurers under the FCA in particular, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry ~~. We expect this trend to continue, particularly in light of the HHS' s 2020 announcement regarding the creation of a False Claims Act Working Group aimed at enhancing HHS' s partnership with the DOJ to combat fraud and abuse. CMS and the OIG also periodically perform risk adjustment data validation (" RADV ") audits of selected Medicare Advantage health insurance plans to validate the coding practices of, and supporting documentation maintained by healthcare providers. Certain of our health plans may be selected for such audits, which could in the future result in retrospective adjustments to payments made to our health plans, fines, corrective action plans or other adverse action by CMS. On January 30, 2023, CMS released a final rule outlining its audit methodology, approach to the use of extrapolation, and related policies for the contract- level MA RADV program. Under the final rule, CMS will extrapolate RADV audit findings beginning with payment year 2018. CMS will only collect the non- extrapolated overpayments identified in the RADV audits and HHS- OIG audits between payment years 2011 and 2017. CMS stated that after April 3, 2023, the effective date of the final rule, CMS will begin issuing enrollee- level audit findings from the RADV audits that have been completed and recovering the enrollee- level improper payments identified in HHS- OIG audits. CMS did not adopt a specific extrapolated audit methodology in the final rule, but stated that CMS will rely on any statistically valid method for sampling and extrapolation that is determined to be well- suited to a particular audit. CMS also stated that it is finalizing a policy whereby CMS will not apply an FFS Adjuster in RADV audits because CMS determined that an FFS Adjuster is not appropriate. The final rule also codifies the requirement that MA organizations remit improper payments identified during RADV audits in a manner specified by CMS. The final rule is expected to be the subject of legal challenges, but if it takes effect on April 3, 2023, the final rule may have potential adverse effects, which could be material, on the Company' s operating results, financial condition, and cash flows, and could result in some combination of degraded plan benefits, higher monthly premiums and reduced choice for the population served by MA insurers. In particular, there has recently been increased scrutiny by the government on health insurers' diagnosis coding and risk adjustment practices, particularly for Medicare Advantage plans. In some proceedings involving Medicare Advantage plans, there have been allegations that certain financial arrangements with providers violate other laws governing fraud and abuse, such as the federal Anti- Kickback Statute~~ . We may in the future be required to refund amounts we have been paid and / or pay fines and penalties as a result of these inspections, reviews, audits and investigations. In addition, due to our reliance on third- party providers to perform many critical health plan operations, we may not be able to adequately perform pre- delegation audits of such providers' capabilities and / or adequately monitor and oversee their day- to- day performance of our delegated functions to ensure compliance with applicable laws and regulations. The occurrence of adverse inspections, reviews, audits or investigations or any of the results noted above could have a material adverse effect on our business and operating results. Furthermore, the legal, document production and other costs associated with complying with these inspections, reviews, audits or investigations could be costly **and result in damage to our reputation** . Our employees, independent contractors, partners, suppliers and other third parties may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could expose us to liability and hurt our reputation. We are exposed to the risk that our employees, independent contractors, ~~Care~~ **care** ~~Partners~~ **partners** , care providers, partners, suppliers and others may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless and / or negligent conduct or disclosure of unauthorized activities to us that violates laws and regulations that we are subject to, including, without limitation, healthcare fraud and abuse laws or laws that require the true, complete and accurate reporting of financial information or data. Such activities could result in regulatory sanctions and cause serious harm to our reputation. It is not always possible to identify and deter misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. In addition, we are subject to the risk that a person or government could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and financial results, including, without limitation, the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, reputational harm, adverse impact on profitability and our operations, any of which could adversely affect our business, results of operations and financial condition. Risks Related to our Financial Statements We have identified material weaknesses in our internal controls over financial reporting and may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations. For the year ended December 31, ~~2021~~ **2022** , we identified a material weakness ~~in our~~ **related to the control activities component of the Committee of Sponsoring Organizations of the Treadway Commission (" COSO ") 2013 revised** internal control **integrated framework** ~~over financial reporting~~ . A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness ~~identified related to claims pertaining to our IFP business, which were processed by a third- party service provider. The claims were processed inaccurately according to terms of provider contracts and / or related fee schedules, or did not consistently go through claims re- pricing, where necessary, prior to payment.~~

~~In response to this material weakness, we focused on enhancing our pre- pay and post- pay claims quality assurance procedures and data mining capabilities. These capabilities have enabled early identification of overpayment issues so the issues can be addressed timely. Additionally, our provider data improvement initiatives have enhanced the accuracy of our provider rosters, determination of in- network versus out- of- network status, and alignment of providers to appropriate contracts and fee schedules. Finally, additional front- end claims review procedures implemented in the first quarter of fiscal year 2022 have resulted in improved claims payment accuracy, based on fee schedules agreed- upon with providers. For the year ended December 31, 2022, we identified a new material weakness related to the control activities component of the Committee Of Sponsoring Organizations (COSO) 2013 revised internal control integrated framework. The material weakness~~ relates to the Company' s announcement in Q4 2022 to exit the IFP business effective December 31, 2022, and a subsequent decision by management to decrease its focus on performing certain control activities in accordance with policies and procedures. ~~Relevant IFP~~ **In 2023, the Company made significant efforts to remediate this material weakness, including conducting additional training sessions to communicate expectations, and enhance awareness and understanding of control activities and related responsibilities, creating or enhancing certain policies and procedures for** processes **where control deficiencies existed, allocating resources from the Company' s discontinued operations to those remaining continuing operations** and ~~significant accounts not evaluated in Q4 2022~~ **, remediating certain control activities that were previously identified as deficient. Despite these efforts, the Company was unable to** ~~include~~ **conclude** ~~, but are not limited to, revenue and membership, enrollment and eligibility, claims processing and reserving, risk adjustment, and broker commissions. With~~ the ~~discontinuation~~ **material weakness was remediated as** of ~~the IFP business effective~~ December 31, ~~2022, management believes this new material weakness will be remediated in during the year ended December 31,~~ 2023 **. The continuation of the Company' s reorganization in 2023 resulted in shifting control owner roles and responsibilities across several areas, and changes in the scope of relevant controls. These changes caused delays with the performance of certain control activities and / or inconsistencies with how those activities were documented, and as a result, control activities did not consistently have sufficient time to demonstrate operational effectiveness** . We are currently undertaking and evaluating several steps to address this material weakness. However, we cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the control deficiency that led to such material weakness or that they will prevent or avoid a potential future material weakness. In addition, we cannot assure you that we have identified all of our existing material weaknesses, or that we will not in the future have additional material weaknesses. Our failure to implement and maintain effective internal controls over financial reporting could result in errors in our consolidated financial statements that could result in a restatement of our financial statements, and could cause us to fail to meet our reporting obligations, any of which could diminish investor confidence in us and cause a decline in the price of our shares of common stock. Accounting for health plan benefits is complicated and subject to foreseen and unforeseen risks. **Although we have exited the health insurance market, until the run- out of all of our legacy insurance plans is finished, we will continue to account for health plan activities.** Accounting for health plan benefits is complicated and involves the use of estimates, assumptions and judgment. While we spend considerable time establishing our estimates and assumptions, we cannot be certain they will be correct. If our estimates are incorrect or if actual circumstances differ from our assumptions, our results of operations could be negatively affected ~~. Risk Adjustment Programs The IFP and Medicare Advantage markets employ risk adjustment programs that impact the revenue we recognize for our enrolled membership. Risk adjustment is a process that takes into account the underlying health status and health spending of the enrollees in an insurance plan. It is designed to compensate payors for the level of risk present in their respective members. For proper reimbursement by CMS or payment to CMS, we must ensure that our Care Providers are identifying and properly documenting chronic and severe diagnosis codes / conditions to create an accurate health profile for each consumer. If our Care Partners do not accurately record a consumer' s health conditions, we may not be able to accurately estimate the appropriate risk adjustment reimbursement or payment; our estimate could be materially inaccurate due to the many factors that comprise our estimate. Consequently, our estimate of our health plans' risk scores for any period, and any resulting change in our accrual of revenue related thereto, could adversely affect our results of operations, financial condition, and cash flows. Additionally, the data provided to CMS to determine the risk score are subject to audit even several years after the annual settlements occur. If the risk adjustment data we submit are found to incorrectly overstate the health risk of our consumers, we may be required to refund funds previously received and may be subject to penalties or sanctions, including potential liability under the FCA which could be significant. If the data we provide to CMS incorrectly understates the health risk of our consumers, we might be underpaid for the care that we provide to our consumers, which could have a negative impact on our results of operations and financial condition~~ . Incurred But Not Reported Claims Because of the elapsed time between when medical services are actually rendered by care providers and when we receive, process and pay a claim for those medical services, our medical care costs incorporate estimates of our incurred but not reported (" IBNR ") claims. ~~We estimate our medical cost liabilities using actuarial methods based on historical submissions and payment data, cost trends, patient and product mix, seasonality, utilization of healthcare services, contracted service rates and other relevant factors. Actual conditions could differ from the assumptions we use. We continually review and modify our cost estimation methods and the resulting accruals and make adjustments when the criteria used to determine IBNR claims change and when actual claim costs are ultimately determined.~~ As a result of the uncertainties stemming from the factors used in ~~these~~ assumptions **we make about expenses incurred** , the actual amount of medical expense that we incur may be materially higher or lower than the amount of IBNR claims originally estimated. If our estimates of IBNR claims are inadequate in the future, our reported results of operations would be negatively impacted. Further, our inability to estimate IBNR claims accurately may also affect our ability to take timely corrective actions, further exacerbating the extent of any adverse effect on our results of operations. See " Management' s Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates. " Failure to comply with requirements to design, implement and maintain effective internal controls could adversely

affect our stock price. As a public company, we have significant requirements for financial reporting and internal controls. The process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. If we are unable to maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and harm our results of operations. In addition, we are required, pursuant to Section 404 **of the Sarbanes- Oxley Act of 2002 (" SOX ")** , to furnish a report by management on, among other things, the effectiveness of our internal controls over financial reporting ~~in the second annual report following the completion of our initial public offering (" IPO ")~~ . This assessment includes disclosure of any material weaknesses identified by our management in our internal controls over financial reporting. The rules governing the standards that must be met for our management to assess our internal controls over financial reporting are complex and require significant documentation, testing and possible remediation. Testing and maintaining internal controls may divert our management' s attention from other matters that are important to our business. ~~Our~~ **Depending on the value of our shares of common stock held by the general public, our** independent registered public accounting firm is required to issue an attestation report on the effectiveness of our internal controls annually. In connection with the implementation of the necessary procedures and practices related to internal controls over financial reporting, we may identify deficiencies that we may not be able to remediate in time to meet the deadline imposed by ~~the U. S. Sarbanes- Oxley Act of 2002 (" SOX ")~~ for compliance with the requirements of Section 404. In addition, we may encounter problems or delays in completing the remediation of any deficiencies identified by our independent registered public accounting firm in connection with the issuance of their attestation report. If we fail to effectively remediate material weaknesses in our internal control over financial reporting, if we identify future material weaknesses in our internal control over financial reporting or if we are unable to comply with the demands placed upon us as a public company, including the requirements of Section 404 of ~~the~~ SOX, in a timely manner, we may be unable to accurately report our financial results, or report them within the time frames required by the SEC. Our testing, or the subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal controls over financial reporting that could be deemed to be material weaknesses, and could result in a material misstatement of our annual or quarterly consolidated financial statements or disclosures that may not be prevented or detected. We may not be able to conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404 or our independent registered public accounting firm may not issue an unqualified opinion. If either we are unable to conclude that we have effective internal controls over financial reporting or our independent registered public accounting firm is unable to provide us with an unqualified opinion, investors could lose confidence in our reported financial information, which could have a material adverse effect on the trading price of our common stock. Our ability to use our NOLs and research and development tax credit carryforwards to offset future taxable income may be subject to certain limitations. As of December 31, ~~2022~~ **2023** , we had outstanding net operating losses (" NOLs ") of approximately $ **2.** 5 ~~. 8~~ billion, which are available to reduce future taxable income. Our carryforwards are subject to review and possible adjustment by the appropriate taxing authorities. In addition, the carryforwards that may be utilized in a future period may be subject to limitations based upon changes in the ownership of our stock in a future period. In general, under Section 382 of the Internal Revenue Code of 1986, as amended ~~(the " Code " or " IRC ")~~ , and corresponding provisions of state law, a corporation that undergoes an " ownership change, " generally defined as a greater than 50 percentage point change (by value) in its equity ownership by certain stockholders over a three year period, is subject to limitations on its ability to utilize its pre- change NOLs, research and development tax credit carryforwards and disallowed interest expense carryforwards to offset future taxable income. Our balance sheet includes significant amounts of ~~goodwill and~~ intangible assets. The impairment of a significant portion of these assets would negatively affect our results of operations. A significant portion of our total assets **of continuing operations** consists of ~~goodwill and~~ intangible assets. ~~Goodwill and intangible~~ **Intangible** assets, net, ~~together~~ accounted for approximately ~~21~~ **23** . ~~6~~ **1** % of total assets **of our continuing operations** on our consolidated balance sheet as of December 31, ~~2022~~ **2023** . We ~~evaluate goodwill for impairment annually in the fourth quarter. We also~~ review ~~goodwill and~~ intangible assets for impairment whenever events or circumstances make it more likely than not that the carrying value may not be recoverable. Under current accounting rules, any determination that impairment has occurred would require us to record an impairment charge, which would adversely affect our earnings. An impairment of a significant portion of ~~goodwill or~~ intangible assets could adversely affect our operating results. Risks Related to Ownership of Our Common Stock ~~We received notice from~~ **If we are not in compliance with the continued listing standards of** the New York Stock Exchange (the " NYSE ") ~~that ,~~ we ~~were not in compliance with its~~ **may be subject to permanent delisting from the NYSE. The NYSE** continued listing standards ~~regarding the average closing~~ **require listed companies to maintain minimum market capitalization and stock** price **levels** ~~of our common stock, and we may be subject to permanent delisting from the NYSE~~ . **If** ~~On December 6, 2022, we received notice from~~ the **Company is** ~~NYSE that we were~~ not in compliance with ~~the~~ **these** ~~continued listing standard~~ **standards** ~~set forth in Section 802. 01C of the NYSE' s Listed Company Manual (the " Manual "), as the average closing price of our common stock on the NYSE was less than $ 1. 00 per share over a consecutive 30 trading- day period ending December 2, 2022. The notice has no immediate impact on the listing of the Company' s common stock on the NYSE, subject to the Company' s compliance with the NYSE' s other continued listing requirements. The Company has responded to the NYSE with respect to its intent to cure the deficiency. The Company intends to consider available alternatives, including, but not limited to, a reverse stock split, subject to stockholder approval no later than at the Company' s next annual meeting of stockholders, if necessary, to regain compliance. Pursuant to Section 802. 01C, the Company has a period of six months following the receipt of the notice to regain compliance with the minimum share price requirement. Section 802. 01C also provides~~ for **certain** ~~an exception to the six- month cure period~~ **periods** ~~if the action required to cure the price condition requires stockholder approval, in which case, the action needs to be approved by no later~~

~~than the Company' s next annual meeting~~ of **time** ~~stockholders. If the Company is unable to regain compliance with the $ 1. 00 share price rule within this period~~, the NYSE will initiate procedures to suspend and delist our common stock. The NYSE can take accelerated delisting action in the event that it determines that our common stock trades at levels that it views to be abnormally low. If the NYSE permanently delisted our shares, it would negatively impact us because it could, among other things: (i) reduce the liquidity and market price of our common stock; (ii) reduce the amount of news and analyst coverage for our company; (iii) reduce the number of investors willing to hold or acquire our common stock, which could negatively impact our ability to raise equity financing and the ability of our stockholders to sell our common stock; (iv) limit our ability to use a registration statement to offer and sell freely tradable securities, thereby preventing us from accessing the public capital markets; (v) impair our ability to provide liquid equity incentives to our employees; and (vi) have negative reputational impact for us with our customers, suppliers, employees and other persons with whom we have business relationships. Our stock price has experienced significant volatility and may change significantly in the future, as a result ~~you~~ **investors** may not be able to resell shares of our common stock at or above the price investors paid or at all, and investors could lose all or part of their investment as a result. The trading price of our common stock has been ~~in recent months~~, and may continue to be, volatile ~~. The~~ **, and the broader** stock market has recently experienced ~~extreme~~ **significant** volatility. This volatility often has been unrelated or disproportionate to the operating performance of particular companies. Investors may not be able to resell their shares at or above the price they paid for the stock. Broad market and industry fluctuations may materially adversely affect the market price of our common stock, regardless of our actual operating performance. In addition, price volatility may be greater if the public float and trading volume of our common stock are low. In the past, following periods of market volatility, stockholders have instituted securities class action litigation. As described above, we are currently subject to a pending putative securities class action. This and other potential securities litigation, could have a substantial cost and divert resources and the attention of executive management from our business regardless of the outcome of such litigation. Our quarterly operating results fluctuate and may fall short of prior periods, our projections or the expectations of securities analysts or investors, which could materially adversely affect our stock price. Our operating results have fluctuated from quarter to quarter in the past, and they may do so in the future. Therefore, results of any one fiscal quarter are not a reliable indication of results to be expected for any other fiscal quarter or for any year. If we fail to increase our results over prior periods, to achieve our projected results or to meet the expectations of securities analysts or investors, our stock price may decline, and the decrease in the stock price may be disproportionate to the shortfall in our financial performance. Results may be affected by various factors, including those described in these risk factors. We currently do not intend to declare dividends on our common stock in the foreseeable future and, as a result, your returns on your investment may depend solely on the appreciation of our common stock. We currently do not expect to declare any dividends on our common stock in the foreseeable future. Instead, we anticipate that all of our earnings in the foreseeable future will be used to provide working capital, to support our operations and to finance the growth and development of our business. Any determination to declare or pay dividends in the future will be at the discretion of our board of directors, subject to applicable laws and dependent upon a number of factors, including our earnings, capacity to pay dividends under **any** ~~the Credit Agreement~~ **agreements governing current or future indebtedness,** and overall financial condition. In addition, our ability to pay dividends in the future depends in part on the earnings and distributions of funds from our health insurance subsidiaries. Applicable state insurance laws restrict the ability of such health insurance subsidiaries to declare ~~stockholder~~ dividends and require our health insurance subsidiaries to maintain specified levels of statutory capital and surplus. Accordingly, your only opportunity to achieve a return on your investment in our company may be if the market price of our common stock appreciates and you sell your shares at a profit. The market price for our common stock may never exceed, and may fall below, the price that you pay for such common stock. If securities analysts do not publish research or reports about our business or if they downgrade our stock or our sector, our stock price and trading volume could decline. The trading market for our common stock relies in part on the research and reports that industry or financial analysts publish about us or our business or industry. We do not control these analysts. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline. Furthermore, if one or more of the analysts who do cover us were to downgrade our stock or our industry, or the stock of any of our competitors, or publish inaccurate or unfavorable research about our business or industry, the price of our stock could decline. Our management may use the proceeds of **any financings** ~~our 2022 Capital Raises~~ in ways with which you may disagree or that may not be profitable. We **generally** have broad discretion as to the application of the net proceeds of capital we ~~raised~~ **raise** ~~in 2022~~ and can use them for purposes other than those contemplated by us at the time of such **financings** ~~offerings. We utilized a portion of these net proceeds to pay down the principal balance of indebtedness outstanding under our revolving credit agreement. We also utilized a portion of the proceeds to make additional capital contributions to certain regulated entities. We have not specifically identified a large single use for which to use the remainder of these net proceeds and, accordingly, we are not able to allocate these amounts for specific uses due to a variety of factors~~. You may not agree with the manner in which our management chooses to allocate and use these net proceeds. Our management may use the proceeds for corporate purposes that may not increase our profitability or otherwise result in the creation of stockholder value. In addition, pending our use of the proceeds, we may invest the proceeds primarily in instruments that do not produce significant income or that may lose value. Provisions in our organizational documents could delay or prevent a change of control. Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws may have the effect of delaying or preventing a merger, acquisition, tender offer, takeover attempt or other change of control transaction that a stockholder might consider to be in its best interest, including attempts that might result in a premium over the market price of our common stock. These provisions will provide for, among other things: • the authorization of undesignated preferred stock, the terms of which may be established and shares of which may be issued without stockholder approval; and • advance notice requirements for stockholder proposals. These provisions could make it more difficult for a third party to acquire us, even if the third party' s

offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. Our amended and restated certificate of incorporation provides, subject to limited exceptions, that the Court of Chancery of the State of Delaware and, to the extent enforceable, the federal district courts of the United States of America will be the sole and exclusive forums for certain stockholder litigation matters, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our current and former directors, officers, employees or stockholders. Our amended and restated certificate of incorporation provides, subject to limited exceptions, that unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for any (i) derivative action or proceeding brought on behalf of our company, (ii) action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, employee or stockholder of our company to the Company or our stockholders, (iii) action asserting a claim against the Company or any current or former director, officer, employee or stockholder of the Company arising pursuant to any provision of the ~~DGCL~~ **Delaware General Corporation Law** , or our amended and restated certificate of incorporation or our amended and restated bylaws (as either might be amended from time to time) or (iv) action asserting a claim governed by the internal affairs doctrine of the State of Delaware. Unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the federal securities laws of the United States of America. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our amended and restated certificate of incorporation. Although our amended and restated certificate of incorporation contains the exclusive forum provision described above, it is possible that a court could find that such a provision is inapplicable for a particular claim or action or that such provision is unenforceable. Our exclusive forum provision does not relieve the Company of its duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations. These choice of forum provisions may limit a stockholder' s ability to bring a claim in a different judicial forum, including one that it may find favorable or convenient for disputes with us or any of our directors, officers or other employees which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provisions that will be contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition. Risks Related to Investing in Our Common Stock Issuance of shares of our common stock in connection with the conversion of our outstanding Preferred Stock **, or the exercise of outstanding warrants,** would cause substantial dilution, which could materially affect the trading price of our common stock and earnings per share. **Certain** ~~Holders~~ **holders** of our Preferred Stock **and warrants** own a significant percentage of our capital stock and may be able to influence certain corporate matters. Pursuant to the Certificate of Designations designating the shares of our Series A Convertible Perpetual Preferred Stock and the Certificate of Designations designating the shares of our Series B Convertible Perpetual Preferred Stock (collectively, the " Preferred Stock ") each of which we filed with the Secretary of State of the State of Delaware (together, the " Certificate of Designations "), the Preferred Stock ranks senior to our shares of common stock with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company. The Preferred Stock is convertible into common stock and is entitled to an initial liquidation preference, in each case subject to certain limitations outlined in the Certificates of Designations. Further, holders of Preferred Stock are entitled to vote with the holders of common stock on an as- converted basis, solely with respect to (i) a change of control transaction (to the extent such change of control transaction is submitted to a vote of the holders of common stock) or (ii) the issuance of capital stock by the Company in connection with an acquisition by the Company (to the extent such issuance is submitted to a vote of the holders of common stock), subject to certain restrictions. Holders of the Preferred Stock are entitled to a separate class vote with respect to, among other things, amendments to the Company' s organizational documents that have an adverse effect on the Preferred Stock, authorizations or issuances by the Company of securities that are senior to the Preferred Stock, increases or decreases in the number of authorized shares of Preferred Stock, and issuances of shares of the Preferred Stock. Any conversion of the Preferred Stock into common stock **or exercise of any warrants to purchase our common stock** would dilute the ownership interest of existing holders of our common stock, and any sales in the public market of common stock issuable upon such conversion **or exercise** could adversely affect prevailing market prices of our common stock. In addition, we granted the holders of Preferred Stock registration rights in respect of the Preferred Stock and any shares of common stock issued upon conversion thereof **. Holders of Preferred Stock that hold warrants also have registration rights covering the common stock issuable upon exercise of their warrants** . These registration rights could facilitate the resale of such securities into the public market, and any resale of these securities would increase the number of shares of our common stock available for public trading. Sales of a substantial number of shares of our common stock in the public market, or the perception that such sales might occur, could have a material adverse effect on the price of our common stock. The interests of the holders of these shares may not always coincide with the interests of our other stockholders. Because of the potential degree of concentration of voting power upon the conversion of Preferred Stock into common stock, the concentration of ownership by these holders may have the effect of adversely impacting actions favored by our other stockholders and could depress our stock price. Our board of directors is authorized to issue and designate shares of our preferred stock in additional series without stockholder approval. Our amended and restated certificate of incorporation authorizes our board of directors, without the approval of our stockholders, to issue 100, 000, 000 shares of our preferred stock, subject to limitations prescribed by applicable law, rules and regulations and the provisions of our amended and restated certificate of incorporation, as shares of preferred stock in series, to establish from time to time the number of shares to be included in each such series and to fix the designation, powers, preferences and rights of the shares of each such series and the

qualifications, limitations or restrictions thereof. The powers, preferences and rights of these additional series of preferred stock may be senior to or on parity with our common stock, which may reduce its value. We incur increased costs as a result of operating as a publicly traded company, and our management is required to devote substantial time to new compliance initiatives. As a publicly traded company, we incur additional legal, accounting, and other expenses that we did not previously incur. Although we are currently unable to estimate these costs with any degree of certainty, they may be material in amount. In addition, ~~the~~ SOX, the Dodd- Frank Wall Street Reform and Consumer Protection Act, and the rules of the SEC, and the NYSE stock exchange on which our shares of common stock are listed, have imposed various requirements on public companies. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives as well as investor relations. Moreover, these rules and regulations result in increased legal and financial compliance costs and will make some activities more time- consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to incur additional costs to maintain the same or similar coverage.