UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File Number: **001-39390**

GoHealth, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**85-0563805**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
214 West Huron St. **Chicago, Illinois**	**60654**
(Address of principal executive offices)	(Zip Code)

(312) 386-8200

(Registrant’s telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.0001 par value per share	GOCO	The Nasdaq Global Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Smaller reporting company	☐
Non-accelerated filer	☒	Emerging growth company	☒
Accelerated filer	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 4, 2021, the registrant had 114,628,759 shares of Class A common stock, $0.0001 par value per share, outstanding and 206,196,780 shares of Class B common stock, $0.0001 par value per share, outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended, ("the Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended, ("the Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q may be forward-looking statements. Statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations, including, among others, statements regarding our expected growth, future capital expenditures and debt service obligations, are forward-looking statements.

In some cases, you can identify forward-looking statements by terms, such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and are subject to a number of important factors that could cause actual results to differ materially from those in the forward-looking statements, including but not limited to the following: the marketing and sale of Medicare plans are subject to numerous, complex and frequently changing laws, regulations and guidelines; our business may be harmed if we lose our relationships with carriers or if our relationships with carriers change; our failure to grow our customer base or retain our existing customers; the time and cost of training agents are significant and can increase during a period of high attrition; carriers may reduce the commissions paid to us and change their underwriting practices in ways that reduce the number of, or impact the renewal or approval rates of, insurance policies sold through our platform; significant consolidation in the health insurance industry could adversely alter our relationships with carriers; information technology system failures could interrupt our operations; factors that impact our estimate of LTV (as defined below) may be adversely impacted; our ability to sell Medicare-related health insurance plans is largely dependent on our licensed health insurance agents; changes and developments in the health insurance system and laws and regulations governing the health insurance markets; our ability to effectively advertise our products on a cost-effective basis or market the availability of our products through specific channels; the Founders and Centerbridge have significant influence over us, including control over decisions that require the approval of stockholders; and other important factors described in the section titled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020 (the "2020 Form 10-K"), the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Quarterly Report on Form 10-Q, and in our other filings with the Securities and Exchange Commission.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

CERTAIN DEFINITIONS

As used in this Quarterly Report on Form 10-Q, unless the context otherwise requires:

- "*we*," "*us*," "*our*," the "*Company*," "*GoHealth*" and similar references refer: (1) following the consummation of the Transactions, including our initial public offering, or IPO, to GoHealth, Inc., and, unless otherwise stated, all of its direct and indirect subsidiaries, including GoHealth Holdings, LLC (formerly known as Blizzard Parent, LLC), and (2) prior to the completion of the Transactions, including our IPO, to GoHealth Holdings, LLC and, unless otherwise stated, all of its direct and indirect subsidiaries, or, as applicable, the Predecessor.

- "*Blocker Company*" refers to an entity affiliated with Centerbridge that was an indirect owner of LLC Interests in GoHealth Holdings, LLC prior to the Transactions and is taxable as a corporation for U.S. federal income tax purposes.

- "*Blocker Shareholders*" refer to entities affiliated with Centerbridge, the owners of the Blocker Company prior to the Transactions, who exchanged their interests in the Blocker Company for shares of our Class A common stock and cash in connection with the consummation of the Transactions.

- "*Centerbridge*" refers to Centerbridge Capital Partners III, L.P., our sponsor and a Delaware limited partnership, certain funds affiliated with Centerbridge Capital Partners III, L.P. and other entities over which Centerbridge Capital Partners III, L.P. has voting control (including any such fund or entity formed to hold shares of Class A common stock for the Blocker Shareholders).

- “*Centerbridge Acquisition*” or *“Acquisition”* refers to the acquisition, on September 13, 2019, by Centerbridge, indirectly through a subsidiary of GoHealth Holdings, LLC (formerly known as Blizzard Parent, LLC), an entity formed in contemplation of the acquisition, of a 100% interest in Norvax.

- “*Continuing Equity Owners*” refer collectively to direct or indirect holders of LLC Interests and our Class B common stock immediately following consummation of the Transactions, including Centerbridge, Norwest, NVX Holdings, our Founders, the Former Profits Unit Holders and certain executive officers, employees and other minority investors and their respective permitted transferees who may, following the consummation of our IPO, exchange at each of their respective options (subject in certain circumstances to time-based vesting requirements and certain other restrictions), in whole or in part from time to time, their LLC Interests (along with an equal number of shares of Class B common stock (and such shares shall be immediately cancelled)) for, at our election (determined solely by our independent directors (within the meaning of the listing rules of The Nasdaq Global Market (the “Nasdaq rules”)) who are disinterested), cash or newly-issued shares of our Class A common stock.

- “*Founders*” refer to Brandon M. Cruz, our Co-Founder and Chief Strategy Officer and Special Advisor to the Executive Team, and Clinton P. Jones, our Co-Founder and Chief Executive Officer.

- “*Former Profits Unit Holders*” refers collectively to certain of our directors and certain current and former officers and employees, in each case, who directly or indirectly held existing vested and unvested profits units, which were comprised of profits units that have time-based vesting conditions and profits units that have performance-based vesting conditions, of GoHealth Holdings, LLC pursuant to GoHealth Holdings, LLC’s existing profits unit plan and who received LLC Interests in exchange for their profits units in connection with the Transactions. LLC Interests received in exchange for unvested profits units remain subject to their existing time-based vesting requirements. Profit units with performance-based vesting conditions fully vested as such conditions were met in connection with our IPO.

- “*GoHealth Holdings, LLC Agreement*” refers to GoHealth Holdings, LLC’s amended and restated limited liability company agreement, as further amended, which became effective substantially concurrently with or prior to the consummation of our IPO.

- “*LLC Interests*” refer to the common units of GoHealth Holdings, LLC, including those that we purchased with a portion of the net proceeds from our IPO.

- “*Norwest*” refers to Norwest Equity Partners and certain funds affiliated with Norwest Equity Partners.

- “*Norvax*” or “*Predecessor*” refers to Norvax, LLC, a Delaware limited liability company and a subsidiary of GoHealth Holdings, LLC.

- “*NVX Holdings*” refers to NVX Holdings, Inc., a Delaware corporation that is controlled by the Founders.

- “*Original Equity Owners*” refer to the owners of LLC Interests in GoHealth Holdings, LLC prior to the consummation of the Transactions, collectively, which include Centerbridge, Norwest, our Founders and certain executive officers, employees and other minority investors.

- “*Transactions*” refer to our IPO and certain organizational transactions that were effected in connection with our IPO, and the application of the net proceeds therefrom. See Note 1, “Description Of Business And Significant Accounting Policies,” to the Condensed Consolidated Financial Statements for a description of the Transactions.

GoHealth, Inc. is a holding company and the sole managing member of GoHealth Holdings, LLC, and its principal asset consists of LLC Interests.

KEY TERMS AND PERFORMANCE INDICATORS; NON-GAAP FINANCIAL MEASURES

Throughout this Quarterly Report on Form 10-Q, we use a number of key terms and provide a number of key performance indicators used by management. We define these terms and key performance indicators as follows:

- “*Adjusted EBITDA*” represents, as applicable for the period, EBITDA as further adjusted for share-based compensation expense, loss on extinguishment of debt, non-recurring legal fees, change in fair value of contingent consideration liability, IPO transaction costs, and severance costs.

- “*Adjusted EBITDA Margin*” refers to Adjusted EBITDA divided by net revenues.

- “*Approved Submissions*” refer to Submitted Policies approved by carriers for the identified product during the indicated period.

- "*CAC*" refers to the cost to convert a prospect into a customer less other non-commission carrier revenue for such period. CAC is comprised of cost of revenue, marketing and advertising expenses and customer care and enrollment expenses less enterprise revenue and is presented on a per commissionable Approved Submission basis.

- "*EBITDA*" represents net income (loss) before interest expense, income tax expense (benefit) and depreciation and amortization expense.

- "*LTV*" refers to the Lifetime Value of Commissions per Approved Submission, which we define as (i) aggregate commissions estimated to be collected over the estimated life of all commissionable Approved Submissions for the relevant period based on multiple factors, including but not limited to, contracted commission rates, carrier mix and expected policy persistency with applied constraints.

- "*LTV Per Approved Submission*" refers to the Lifetime Value of Commissions per Approved Submission, which we define as (i) aggregate commissions estimated to be collected over the estimated life of all commissionable Approved Submissions for the relevant period based on multiple factors, including but not limited to, contracted commission rates, carrier mix and expected policy persistency with applied constraints, excluding revenue adjustments recorded in the period, but relating to performance obligations satisfied in prior periods, divided by (ii) the number of commissionable Approved Submissions for such period.

- "*LTV/CAC*" refers to the Lifetime Value of Commissions per Consumer Acquisition Cost, which we define as (i) aggregate commissions estimated to be collected over the estimated life of all commissionable Approved Submissions for the relevant period based on multiple factors, including but not limited to, contracted commission rates, carrier mix and expected policy persistency with applied constraints, or LTV, divided by (ii) the cost to convert a prospect into a customer less other non-commission carrier revenue for such period, or CAC. CAC is comprised of cost of revenue, marketing and advertising expenses and customer care and enrollment expenses less enterprise revenue and is presented on a per commissionable Approved Submission basis.

- "*Submitted Policies*" refer to completed applications that, with respect to each such application, the consumer has authorized us to submit to the carrier.

We use supplemental measures of our performance that are derived from our consolidated financial information, but which are not presented in our Condensed Consolidated Financial Statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). These non-GAAP financial measures include EBITDA; Adjusted EBITDA and Adjusted EBITDA margin. Adjusted EBITDA is the primary financial performance measure used by management to evaluate its business and monitor its results of operations.

We use non-GAAP financial measures to supplement financial information presented on a GAAP basis. We believe that excluding certain items from our GAAP results allows management to better understand our consolidated financial performance from period to period and better project our future consolidated financial performance as forecasts are developed at a level of detail different from that used to prepare GAAP-based financial measures. Moreover, we believe these non-GAAP financial measures provide our stakeholders with useful information to help them evaluate our operating results by facilitating an enhanced understanding of our operating performance and enabling them to make more meaningful period to period comparisons. There are limitations to the use of the non-GAAP financial measures presented in this Quarterly Report on Form 10-Q. For example, our non-GAAP financial measures may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes.

The non-GAAP financial measures are not meant to be considered as indicators of performance in isolation from or as a substitute for net income (loss) prepared in accordance with GAAP, and should be read only in conjunction with financial information presented on a GAAP basis. Reconciliations of each of EBITDA and Adjusted EBITDA to its most directly comparable GAAP financial measure, net income (loss), are presented in the tables below in this Quarterly Report on Form 10-Q. We encourage you to review the reconciliations in conjunction with the presentation of the non-GAAP financial measures for each of the periods presented. In future periods, we may exclude similar items, may incur income and expenses similar to these excluded items and include other expenses, costs and non-recurring items.

ITEM 1. FINANCIAL STATEMENTS.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

GOHEALTH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts, unaudited)

	Three months ended Jun. 30,		Six months ended Jun. 30,	
	2021	2020	2021	2020
Net revenues:				
Commission	$ 147,508	$ 96,606	$ 321,489	$ 209,116
Enterprise	49,394	30,451	79,592	58,951
Net revenues	196,902	127,057	401,081	268,067
Operating expenses:				
Cost of revenue	37,442	36,559	85,817	78,693
Marketing and advertising	55,735	21,634	110,219	47,708
Customer care and enrollment	61,927	28,394	109,021	52,371
Technology	11,983	5,705	21,600	10,298
General and administrative	25,251	10,359	44,944	20,849
Change in fair value of contingent consideration liability	—	15,300	—	19,700
Amortization of intangible assets	23,515	23,514	47,029	47,029
Total operating expenses	215,853	141,465	418,630	276,648
Income (loss) from operations	(18,951)	(14,408)	(17,549)	(8,581)
Interest expense	8,277	8,986	16,965	15,742
Loss on extinguishment of debt	11,935	—	11,935	—
Other (income) expense, net	44	(505)	57	(495)
Income (loss) before income taxes	(39,207)	(22,889)	(46,506)	(23,828)
Income tax expense (benefit)	(32)	(22)	(63)	(24)
Net income (loss)	(39,175)	(22,867)	(46,443)	(23,804)
Net income (loss) attributable to non-controlling interests	(27,186)	—	(32,364)	—
Net income (loss) attributable to GoHealth, Inc.	**$ (11,989)**	**$ (22,867)**	**$ (14,079)**	**$ (23,804)**
Net loss per share (Note 7):				
Net loss per share of Class A common stock — basic and diluted	$ (0.12)		$ (0.14)	
Weighted-average shares of Class A common stock outstanding — basic and diluted	102,300		97,349	

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

GOHEALTH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands, unaudited)

	Three months ended Jun. 30,		Six months ended Jun. 30,	
	2021	2020	2021	2020
Net income (loss)	$ (39,175)	$ (22,867)	$ (46,443)	$ (23,804)
Other comprehensive income (loss):				
Foreign currency translation adjustments	(106)	183	(99)	98
Comprehensive income (loss)	(39,281)	(22,684)	(46,542)	(23,706)
Comprehensive income (loss) attributable to non-controlling interests	(27,260)	—	(32,433)	—
Comprehensive income (loss) attributable to GoHealth, Inc.	**$ (12,021)**	**$ (22,684)**	**$ (14,109)**	**$ (23,706)**

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

GOHEALTH, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts, unaudited)

	Jun. 30, 2021	Dec. 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 112,863	$ 144,234
Accounts receivable, net of allowance for doubtful accounts of $686 in 2021 and $787 in 2020	17,335	14,211
Receivable from NVX Holdings, Inc.	—	3,395
Commissions receivable - current	113,062	188,128
Prepaid expense and other current assets	52,992	41,854
Total current assets	296,252	391,822
Commissions receivable - non-current	761,011	622,270
Other long-term assets	2,594	2,072
Property, equipment, and capitalized software, net	23,527	17,353
Intangible assets, net	641,697	688,726
Goodwill	386,553	386,553
Total assets	**$ 2,111,634**	**$ 2,108,796**
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 17,080	$ 8,733
Accrued liabilities	31,036	26,926
Commissions payable - current	51,579	78,478
Deferred revenue	700	736
Current portion of long-term debt	4,270	4,170
Other current liabilities	9,207	8,328
Total current liabilities	113,872	127,371
Non-current liabilities:		
Commissions payable - non-current	214,237	182,596
Long-term debt, net of current portion	414,908	396,400
Other non-current liabilities	2,817	3,274
Total non-current liabilities	631,962	582,270
Commitments and Contingencies (Note 10)		
Stockholders' equity:		
Class A common stock – $0.0001 par value; 1,100,000 shares authorized; 105,318 and 84,196 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively.	10	8
Class B common stock – $0.0001 par value; 597,502 and 619,004 shares authorized; 215,495 and 236,997 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively.	22	24
Preferred stock – $0.0001 par value; 20,000 shares authorized; no shares issued and outstanding at June 30, 2021 and December 31, 2020.	—	—
Additional paid-in capital	503,689	399,169
Accumulated other comprehensive income (loss)	(13)	17
Accumulated deficit	(32,881)	(18,802)
Total stockholders' equity attributable to GoHealth, Inc.	470,827	380,416
Non-controlling interests	894,973	1,018,739
Total stockholders' equity	1,365,800	1,399,155
Total liabilities and stockholders' equity	**$ 2,111,634**	**$ 2,108,796**

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

GOHEALTH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' / MEMBERS' EQUITY
(in thousands, unaudited)

	Three months ended Jun. 30, 2021								
	Class A Common Stock		Class B Common Stock						
	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Stockholders' Equity
Balance at Mar. 31, 2021	**98,518**	**$ 10**	**222,606**	**$ 22**	**$ 465,936**	**$ (20,892)**	**$ 19**	**$ 951,911**	**$ 1,397,006**
Issuance of Class A common shares related to share-based compensation plans	62	—			476				476
Net loss						(11,989)		(27,186)	(39,175)
Share-based compensation expense					7,599			—	7,599
Foreign currency translation adjustment							(32)	(74)	(106)
Forfeitures of Time-Vesting Units			(373)	—					—
Redemption of LLC Interests	6,738	—	(6,738)	—	29,678			(29,678)	—
Balance at Jun. 30, 2021	**105,318**	**$ 10**	**215,495**	**$ 22**	**$ 503,689**	**$ (32,881)**	**$ (13)**	**$ 894,973**	**$ 1,365,800**

	Three months ended Jun. 30, 2020								
		Class A Common Stock		Class B Common Stock					
	Members' Equity	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Stockholders' Equity
Balance at Mar. 31, 2020	**$ 869,602**	**—**	**$ —**	**—**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Issuance of Senior Preferred Earnout Units	100,000								—
Issuance of Common Earnout Units	100,000								—
Net loss	(22,867)								—
Share-based compensation expense	597								—
Foreign currency translation adjustment	183								—
Balance at Jun. 30, 2020	**$ 1,047,513**	**—**	**$ —**	**—**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

GOHEALTH, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' / MEMBERS' EQUITY

(in thousands, unaudited)

	Six months ended Jun. 30, 2021								
	Class A Common Stock		Class B Common Stock						
	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Stockholders' Equity
Balance at Jan. 1, 2021	**84,196**	**$ 8**	**236,997**	**$ 24**	**$ 399,169**	**$ (18,802)**	**$ 17**	**$ 1,018,739**	**$ 1,399,155**
Issuance of Class A common shares related to share-based compensation plans	74	—			476				476
Net loss						(14,079)		(32,364)	(46,443)
Share-based compensation expense					12,711				12,711
Foreign currency translation adjustment							(30)	(69)	(99)
Forfeitures of Time-Vesting Units			(454)	—					—
Redemption of LLC Interests	21,048	2	(21,048)	(2)	91,333			(91,333)	—
Balance at Jun. 30, 2021	**105,318**	**$ 10**	**215,495**	**$ 22**	**$ 503,689**	**$ (32,881)**	**$ (13)**	**$ 894,973**	**$ 1,365,800**

	Six months ended Jun. 30, 2020								
		Class A Common Stock		Class B Common Stock					
	Members' Equity	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Stockholders' Equity
Balance at Jan. 1, 2020	**$ 860,144**	**—**	**$ —**	**—**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Issuance of Senior Preferred Earnout Units	100,000								—
Issuance of Common Earnout Units	100,000								—
Issuance of common units	10,000								—
Net loss	(23,804)								—
Share-based compensation expense	1,077								—
Foreign currency translation adjustment	98								—
Balance at Jun. 30, 2020	**$ 1,047,513**	**—**	**$ —**	**—**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

GOHEALTH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, unaudited)

	Six months ended Jun. 30, 2021	Six months ended Jun. 30, 2020
Operating Activities		
Net income (loss)	$ (46,443)	$ (23,804)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Share-based compensation	12,711	1,077
Depreciation and amortization	4,076	1,636
Amortization of intangible assets	47,029	47,029
Amortization of debt discount and issuance costs	1,262	1,058
Change in fair value of contingent consideration	—	19,700
Loss on extinguishment of debt	11,935	—
Other non-cash items	(884)	(458)
Changes in assets and liabilities:		
Accounts receivable	(2,702)	12,383
Commissions receivable	(63,675)	(58,709)
Prepaid expenses and other assets	(11,778)	1,794
Accounts payable	6,114	(3,467)
Accrued liabilities	3,993	(7,641)
Deferred revenue	(36)	(14,171)
Commissions payable	4,742	18,135
Other liabilities	1,406	1,269
Net cash provided by (used in) operating activities	(32,250)	(4,169)
Investing Activities		
Purchases of property, equipment and software	(7,909)	(7,764)
Net cash provided by (used in) investing activities	(7,909)	(7,764)
Financing Activities		
Proceeds received upon issuance of common units	—	10,000
Borrowings under term loans	310,000	117,000
Payments of term loans	(296,835)	(1,793)
Call premium paid for debt extinguishment	(5,910)	—
Payments of deferred offering costs	—	(874)
Debt issuance cost payments	(1,608)	(6,289)
Principal payments under capital lease obligations	(154)	(144)
Cash received on advancement to NVX Holdings, Inc.	3,395	—
Net cash provided by (used in) financing activities	8,888	117,900
Effect of exchange rate changes on cash and cash equivalents	(100)	98
Increase (decrease) in cash and cash equivalents	(31,371)	106,065
Cash and cash equivalents at beginning of period	144,234	12,276
Cash and cash equivalents at end of period	**$ 112,863**	**$ 118,341**
Supplemental Disclosure of Cash Flow Information		
Non-cash investing and financing activities:		
Purchases of property, equipment and software included in accounts payable	$ 2,233	$ 798
Issuance of Senior Preferred Earnout Units to settle contingent consideration liability	$ —	$ 100,000
Issuance of common A and B units to settle contingent consideration liability	$ —	$ 100,000

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Description of Business

GoHealth, Inc. (the "Company") is a leading health insurance marketplace and Medicare-focused digital health company whose mission is to improve access to healthcare in America. The Company works with insurance carriers to provide solutions to efficiently enroll individuals in health insurance plans. The Company's proprietary technology platform leverages modern machine-learning algorithms powered by nearly two decades of insurance purchasing behavior to reimagine the optimal process for helping individuals find the best health insurance plan for their specific needs. The Company's insurance agents leverage the power of its vertically integrated customer acquisition platform to enroll members in Medicare and individual and family plans. Certain of the Company's operations do business as GoHealth, LLC ("GoHealth"), a wholly owned subsidiary of the Company that was founded in 2001.

The Company was incorporated in Delaware on March 27, 2020 for the purpose of facilitating an initial public offering and other related transactions in order to carry on the business of GoHealth Holdings, LLC (formerly known as Blizzard Parent, LLC), a Delaware limited liability company, and its wholly owned subsidiaries (collectively, "GHH, LLC"). On July 17, 2020, the Company completed an initial public offering of 43,500 shares of its Class A common stock at a public offering price of $21.00 per share ("the IPO"), receiving approximately $852.4 million in net proceeds, after deducting the underwriting discount and offering expenses.

Pursuant to a reorganization into a holding company structure, the Company is a holding company and its principal asset is a controlling equity interest in GHH, LLC. As the sole managing member of GHH, LLC, the Company operates and controls all of the business and affairs of GHH, LLC, and through GHH, LLC and its subsidiaries, conducts its business.

Basis of Presentation and Significant Accounting Policies

In connection with the Company's IPO, the Company completed a series of organizational transactions (the "Transactions"). The Transactions included:

- The amendment and restatement of the existing limited liability company agreement of GHH, LLC to, among other things, (1) recapitalize all existing ownership interests in GHH, LLC (including profits units awarded under the existing limited liability company agreement of GHH, LLC) and (2) appoint the Company as the sole managing member of GHH, LLC upon its acquisition of LLC Interests in connection with the IPO;

- the amendment and restatement of the Company's certificate of incorporation to, among other things, provide for (1) Class A common stock, with each share of the Company's Class A common stock entitling its holder to economic rights and one vote per share on all matters presented to stockholders generally and (2) Class B common stock, with each share of the Company's Class B common stock being a non-economic share but entitling its holder to one vote per share on all matters presented to stockholders generally (provided that shares of Class B common stock may only be held by the Continuing Equity Owners and their respective permitted transferees);

- the issuance of 307,980 shares of the Company's Class B common stock, including the issuance of 229,399 such shares to the Continuing Equity Owners, which is equal to the number of LLC Interests held directly or indirectly by such Continuing Equity Owners immediately following the Transactions, for nominal consideration;

- the issuance of 43,500 shares of the Company's Class A common stock to the purchasers in the IPO in exchange for net proceeds, after taking into account the underwriting discount and offering expenses payable by the Company, of approximately $852.4 million;

- the acquisition by the Company of the Blocker Company in a merger transaction (the "Blocker Merger"), which Blocker Company held 45,503 LLC interests and a corresponding amount of the Company's Class B common stock (which shares were cancelled after the Blocker Merger), in exchange for 40,683 shares of the Company's Class A common stock and payment of $96.2 million in cash to Blocker Shareholders;

- the use of the remaining net proceeds from the IPO to (i) pay $508.3 million in cash to redeem 25,480 LLC Interests held directly or indirectly by the Continuing Equity Owners, (ii) satisfy in full $100.0 million in aggregate face amount of senior preferred earnout units in connection with the Transactions, and (iii) use for general corporate purposes; and

- the Company entered into (1) a stockholders' agreement with Centerbridge and NVX Holdings, Inc., (2) a registration rights agreement with certain of the Continuing Equity Owners and (3) a tax receivable agreement with GHH, LLC, the Continuing Equity Owners and the Blocker Shareholders.

In connection with the IPO, the Company became the sole managing member of GHH, LLC and controls the management of GHH, LLC. As a result, the Company consolidates GHH, LLC's financial results in its Condensed Consolidated Financial Statements and reports a non-controlling interest for the economic interest in GHH, LLC held by the Continuing Equity Owners. Substantially concurrently with the consummation of the IPO, the existing limited liability company agreement of GHH, LLC was amended and restated to, among other things, recapitalize its capital structure by creating a single new class of units (the "common units") and provide for a right of redemption of common units (subject in certain circumstances to time-based vesting requirements and certain other restrictions) in exchange for, at the Company's election, cash or newly-issued shares of Class A common stock on a one-for-one basis. In connection with any redemption, the Company will receive a corresponding number of common units, increasing the Company's total ownership interest in GHH, LLC.

Immediately following the completion of the Transactions and the IPO, the Company owned 26.8% of the economic interests in GHH, LLC, while the Continuing Equity Owners owned the remaining 73.2% of the economic interests in GHH, LLC. Net income and loss is allocated to the Continuing Equity Owners on a pro rata basis, assuming that any Class B common units that are subject to time-based vesting requirements are fully vested.

The Transactions were considered transactions between entities under common control. As a result, the financial statements for periods prior to the IPO and the Transactions have been adjusted to combine the previously separate entities for presentation purposes.

GHH, LLC is a holding company with no operating assets or operations and was formed to acquire a 100% equity interest in Norvax, LLC ("Norvax"). On May 6, 2020, Blizzard Parent, LLC changed its name to GoHealth Holdings, LLC. GHH, LLC owns 100% of Blizzard Midco, LLC, which owns 100% of Norvax. For all of the periods reported in these Condensed Consolidated Financial Statements, GHH, LLC has not and does not have any material operations on a standalone basis, and all of the operations of GHH, LLC are carried out by Norvax. On August 15, 2019, GHH, LLC entered into a series of arrangements to acquire 100% of the equity interest in Norvax. On September 13, 2019, Blizzard Merger Sub LLC, a transitory merger company of Blizzard Midco, LLC, merged into Norvax, with Norvax continuing as the surviving limited liability company and GHH, LLC's operating entity (the "Acquisition").

The accompanying Condensed Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information, but do not include all information and footnote disclosures required under U.S. GAAP for annual financial statements. In the opinion of management, the interim Condensed Consolidated Financial Statements include all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the Company's financial position, results of operations and cash flows as of the dates and for the periods presented. All intercompany transactions and balances are eliminated in consolidation. Certain prior period amounts have been reclassified to conform with the current period presentation, including a reclassification of unbilled receivables that was previously reported within accounts receivables, net to prepaid expenses and other current assets within the Condensed Consolidated Balance Sheets and Condensed Consolidated Statements of Cash Flows. Refer to Note 9, "Revenue," for information on unbilled receivables. These reclassifications had no impact on the Company's financial position, results of operations, or cash flows.

Use of Estimates

The preparation of the Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the Condensed Consolidated Financial Statements, and the reported amounts of revenues and expenses during the reporting periods. The Company bases its estimates on historical experience and on various other assumptions that management believes are reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates. There have been no material changes to the Company's significant accounting policies as discussed in the notes to the Company's audited consolidated financial statements as of and for the year ended December 31, 2020.

Seasonality

A greater number of the Company's Medicare-related health insurance plans are sold in its fourth quarter during the Medicare annual enrollment period when Medicare-eligible individuals are permitted to change their Medicare Advantage and Medicare Part D prescription drug coverage for the following year. As a result, the Company's Medicare plan-related commission revenue is typically highest in the Company's fourth quarter.

The majority of the Company's individual and family health insurance plans are sold in its fourth quarter during the annual open enrollment period as defined under the federal Patient Protection and ACA and related amendments in the Health Care and

Education Reconciliation Act. Individuals and families generally are not able to purchase individual and family health insurance outside of the open enrollment period, unless they qualify for a special enrollment period as a result of certain qualifying events, such as losing employer-sponsored health insurance or moving to another state. As a result, the Company's individual and family plan-related commission revenue is typically highest in the Company's fourth quarter.

Recent Accounting Pronouncements

Recent Accounting Pronouncements Not Yet Adopted

The Company qualifies as an "emerging growth company" pursuant to the provisions of the Jumpstart Our Business Startups Act ("JOBS Act"). The JOBS Act allows an emerging growth company to delay adoption of new or revised accounting standards applicable to public companies until such standards are applicable to private companies. The Company has elected to use the adoption dates applicable to private companies. In the event that the Company no longer meets the requirements of being an emerging growth company, the effective adoption dates of such standards would be that of non-emerging growth companies.

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842). The guidance specifies that lessees will need to recognize a right-of-use asset and a lease liability for virtually all their leases except those which meet the definition of a short-term lease. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or financing. Classification will be based on criteria that are similar to those applied in current lease accounting, but without explicit bright lines. Per ASU 2020-05, *Revenue from Contracts with Customers* (Topic 606) *and Leases (Topic 842): Effective Dates for Certain Entities*, issued in June 2020, the guidance in ASU 2016-02, as amended, is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. The Company is currently evaluating the new guidance to determine the impact it will have on its Condensed Consolidated Financial Statements and related disclosures.

In November 2019, the FASB issued ASU 2019-11, *Financial Instruments – Credit Losses* (Topic 326), which amends the guidance for accounting for assets that are potentially subject to credit risk. The amendments affect contract assets, loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. Per ASU 2019-10, issued in November 2019, the guidance is effective for annual and interim periods beginning after December 15, 2022. Early adoption is permitted. The Company is currently evaluating the new guidance to determine the impact it will have on its Condensed Consolidated Financial Statements and related disclosures.

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes* (Topic 740). The guidance simplifies the accounting for income taxes and is effective for annual and interim periods beginning after December 15, 2021. Early adoption is permitted. The Company is currently evaluating the guidance to determine the impact it will have on its Condensed Consolidated Financial Statements and related disclosures.

2. FAIR VALUE MEASUREMENTS

The Company defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques the Company uses to measure fair value maximize the use of observable inputs and minimize the use of unobservable inputs. The Company classifies the inputs used to measure fair value into the following hierarchy:

Level 1 Inputs	Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 Inputs	Unadjusted quoted prices in active markets for similar assets or liabilities; unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability.
Level 3 Inputs	Unobservable inputs for the asset or liability.

Fair Value Measurements

In connection with the Acquisition, GHH, LLC agreed to pay additional contingent consideration if certain financial targets are achieved. The fair value of the contingent consideration liability was measured using a Monte Carlo simulation and is discounted using a rate that appropriately captures the risk associated with the obligation. In connection with the IPO, a significant shareholder assumed the outstanding contingent consideration liability and the Company recorded the settlement of the $62.4 million liability as an increase to additional paid-in capital.

The following table sets forth the changes to the fair value of the contingent consideration for the six months ended June 30, 2020.

(in thousands)	
Balance at Dec. 31, 2019	**$ 242,700**
Settlement of 2019 earnout	(200,000)
2020 earnout fair value adjustment	19,700
Balance at Jun. 30, 2020	**$ 62,400**

The carrying amount of certain financial instruments, including cash and cash equivalents, accounts receivable, unbilled receivables, commissions receivable, accounts payable, accrued expenses, and commissions payable approximate fair value due to the short maturity of these instruments. Commissions receivable are recorded at constrained lifetime values. The carrying value of debt approximates fair value due to the variable nature of interest rates.

3. GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill

During 2019, the Company allocated $380.3 million and $6.2 million of the goodwill recognized in connection with the Acquisition to its Medicare—Internal segment and Medicare—External segment, respectively, based on an estimate of the relative fair value of each reportable segment.

The Company tests goodwill for impairment at the reporting unit level annually and whenever events or circumstances make it more likely than not that an impairment may have occurred. A reporting unit is an operating segment or one level below an operating segment to which goodwill is assigned when initially recorded. The Company has four reporting units, which are the same as its four operating segments.

There was no impairment of goodwill for the three and six months ended June 30, 2021 and 2020.

Intangible Assets

The gross carrying amounts, accumulated amortization and net carrying amounts of the Company's definite-lived amortizable intangible assets, as well as its indefinite-lived intangible trade names, are as follows:

	Jun. 30, 2021		
(in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed technology	$ 496,000	$ 127,543	$ 368,457
Customer relationships	232,000	41,760	190,240
Total intangible assets subject to amortization	**$ 728,000**	**$ 169,303**	**$ 558,697**
Indefinite-lived trade names			83,000
Total intangible assets			**$ 641,697**

	Dec. 31, 2020		
(in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed technology	$ 496,000	$ 92,114	$ 403,886
Customer relationships	232,000	30,160	201,840
Total intangible assets subject to amortization	**$ 728,000**	**$ 122,274**	**$ 605,726**
Indefinite-lived trade names			83,000
Total intangible assets			**$ 688,726**

There was no impairment of intangible assets for the three and six months ended June 30, 2021 and 2020.

As of June 30, 2021, expected amortization expense related to intangible assets for each of the five succeeding years is as follows:

(in thousands)	Developed Technology	Customer Relationships	Total
Remainder of 2021	$ 35,429	$ 11,600	$ 47,029
2022	70,857	23,200	94,057
2023	70,857	23,200	94,057
2024	70,857	23,200	94,057
2025	70,857	23,200	94,057
Thereafter	49,600	85,840	135,440
Total	**$ 368,457**	**$ 190,240**	**$ 558,697**

4. LONG-TERM DEBT

The Company's long-term debt consisted of the following:

(in thousands)	Jun. 30, 2021	Dec. 31, 2020
Term Loan Facilities	$ 425,538	$ 412,373
Less: Unamortized debt discount and issuance costs	(6,360)	(11,803)
Total debt	**$ 419,178**	**$ 400,570**
Less: Current portion of long-term debt	(4,270)	(4,170)
Total long-term-debt	**$ 414,908**	**$ 396,400**

Term Loan Facilities

On September 13, 2019, in connection with the Acquisition, Norvax ("the Borrower") entered into a first lien credit agreement (the "Credit Agreement") which provided for a $300.0 million aggregate principal amount senior secured term loan facility (the "Initial Term Loan Facility"). During 2020, the Company entered into a series of amendments to the Credit Agreement to provide for, among other items as further described below, $117.0 million of incremental term loans (the "Incremental Term Loan Facility").

On June 11, 2021, the Company entered into Amendment No. 5 to the Credit Agreement and Incremental Facility Agreement ("Amendment No. 5"). Amendment No. 5 creates a new class of incremental term loans (the "2021 Incremental Term Loans") in an aggregate principal amount equal to $310.0 million, which was used to refinance $295.5 million of outstanding principal under the Initial Term Loan Facility, pay the related accrued interest and fund the prepayment premium. In connection with Amendment No. 5 and the refinancing of the Initial Term Loan, the Company recognized an $11.9 million loss on debt extinguishment, representing the 2% prepayment premium of $5.9 million and the write-down of deferred financing costs and debt discounts of $6.0 million. The Company incurred $1.7 million of debt issuance costs associated with Amendment No. 5, which are being amortized over the life of the debt to interest expense using the effective interest method.

The Company collectively refers to the Initial Term Loan Facility, the Incremental Term Loan Facility, and the 2021 Incremental Term Loans as the "Term Loan Facilities".

As of June 30, 2021, the Company had a principal amount of $115.5 million and $310.0 million outstanding under the Incremental Term Loan Facility and the 2021 Incremental Term Loans, respectively. As of December 31, 2020, the Company had a principal amount of $296.3 million and $116.1 million outstanding under the Initial Term Loan Facility and Incremental Term Loan Facility, respectively. The Incremental Term Loan Facility effective interest rate was 7.5% at both June 30, 2021 and December 31, 2020. The 2021 Incremental Term Loans effective interest rate was 5.0% at June 30, 2021. The Initial Term Loan Facility effective interest rate was 7.5% at December 31, 2020.

Borrowings under the Incremental Term Loan Facility are, at the option of the Borrower, either (i) alternate base rate ("ABR") plus 5.50% per annum or (ii) LIBOR plus 6.50% per annum. The 2021 Incremental Term Loans bear interest at either (i) ABR plus 3.00% per annum or (ii) LIBOR plus 4.00% per annum.

The Term Loan Facilities are payable in quarterly installments in the principal amount of 0.25% of the original principal amount. The remaining unpaid balance on the Term Loan Facilities, together with all accrued and unpaid interest thereon, is due and payable on or prior to September 13, 2025.

Revolving Credit Facilities

The Credit Agreement provided for a $30.0 million aggregate principal amount senior secured revolving credit facility (the "Revolving Credit Facility"). During 2020, the Company entered into a series of amendments to the Credit Agreement to provide for $28.0 million of incremental revolving credit (the "Incremental Revolving Credit Facilities").

On May 7, 2021, the Company entered into a fourth amendment to the Credit Agreement, which provided $142.0 million of incremental revolving credit (the "Incremental No. 4 Revolving Credit Facility"), for a total amount of $200.0 million.

The Company collectively refers to the Revolving Credit Facility, the Incremental Revolving Credit Facilities, and the Incremental No. 4 Revolving Credit Facility as the "Revolving Credit Facilities".

Amendment No. 5, as described above, also separates the Revolving Credit Facilities into two classes of revolving commitments consisting of Class A Revolving Commitments in the amount of $30.0 million and Class B Revolving Commitments in the amount of $170.0 million.

Borrowings under the Class A Revolving Commitments bear interest at either ABR plus 5.50% per annum or LIBOR plus 6.50% per annum. Borrowings under the Class B Revolving Commitments bear interest at either ABR plus 3.00% per annum or LIBOR plus 4.00% per annum. The Borrower is required to pay a commitment fee of 0.50% per annum under the Revolving Credit Facilities.

The Company had no amounts outstanding under the Revolving Credit Facilities as of June 30, 2021 and December 31, 2020. The Revolving Credit Facilities have a remaining capacity of $200.0 million in the aggregate as of June 30, 2021.

Outstanding borrowings under the Revolving Credit Facilities do not amortize and are due and payable on September 13, 2024.

The Borrower's obligations under the Term Loan Facilities and Revolving Credit Facilities are guaranteed by Blizzard Midco, LLC and certain of the Borrower's subsidiaries. All obligations under the Credit Agreement are secured by a first priority lien on substantially all of the assets of the Borrower, including a pledge of all of the equity interests of its subsidiaries. The Credit Agreement contains customary events of default and financial and non-financial covenants. The Company is in compliance with all covenants as of June 30, 2021.

5. STOCKHOLDERS' EQUITY AND MEMBERS' EQUITY

In connection with the Company's IPO in July 2020, the Company's Board of Directors approved an amended and restated certificate of incorporation and amended and restated bylaws. The amended and restated certificate of incorporation authorizes the issuance of up to 1,100,000 shares of Class A common stock, 690,000 shares of Class B common stock and 20,000 shares of preferred stock, each having a par value of $0.0001 per share. The number of shares of Class B common stock authorized is reduced for redemptions and forfeitures as they occur.

The Company's amended and restated certificate of incorporation and the GoHealth Holdings, LLC Agreement require that the Company and GoHealth Holdings, LLC at all times maintain a one-to-one ratio between the number of shares of Class A common stock issued by the Company and the number of LLC Interests owned by the Company, except as otherwise determined by the Company. Additionally, the Company's amended and restated certificate of incorporation and the GoHealth Holdings, LLC Agreement require that the Company and GoHealth Holdings, LLC at all times maintain a one-to-one ratio between the number of shares of Class B common stock owned by the Continuing Equity Owners and their respective permitted transferees and the number of LLC Interests owned by the Continuing Equity Owners and their respective permitted transferees, except as otherwise determined by the Company. Only the Continuing Equity Owners and the permitted transferees of Class B common stock are permitted to hold shares of Class B common stock. Shares of Class B common stock are transferable for shares of Class A common stock only together with an equal number of LLC Interests.

Holders of shares of the Company's Class A common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Each share of Class B common stock entitles its holders to one vote per share on all matters presented to the Company's stockholders generally. Holders of shares of Class B common stock will vote together with holders of the Company's Class A common stock as a single class on all matters presented to the Company's stockholders for their vote or approval, except for certain amendments to the Company's amended and restated certificate of incorporation or as otherwise required by applicable law or the amended and restated certificate of incorporation. Holders of our Class B common stock are not entitled to participate in any dividends declared by our board of directors. Under the terms of the Company's amended and restated certificate of incorporation, the Company's board of directors is authorized to direct the Company to issue shares of preferred stock in one or more series without stockholder approval. The Company's board of directors has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

The Continuing Equity Owners may, subject to certain exceptions, from time to time at each of their options require GoHealth Holdings, LLC to redeem all or a portion of their LLC Interests in exchange for, at the Company's election (determined by at least two of the Company's independent directors who are disinterested), newly-issued shares of Class A common stock on a one-for-one basis, or to the extent there is cash available from a secondary offering, a cash payment equal to a volume weighted average market price of one share of the Company's Class A common stock for each LLC Interest so redeemed, in each case, in accordance with the terms of the GoHealth Holdings, LLC Agreement.

The weighted average ownership percentages for the applicable reporting periods are used to attribute net income (loss) and other comprehensive income (loss) to the Company and the non-controlling interest holders. The non-controlling interest holders' weighted average ownership percentages for the three and six months ended June 30, 2021 was 68.1% and 69.7%, respectively.

Upon the Company's dissolution or liquidation, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, holders of Class A common stock and Class B common stock will be entitled to receive ratable portions of the Company's remaining assets available for distribution; provided, that the holders of Class B common stock shall not be entitled to receive more than $0.0001 per share of Class B common stock and upon receiving such amount, shall not be entitled to receive any of the Company's other assets or funds with respect to such shares of Class B common stock.

6. SHARE-BASED COMPENSATION PLANS

The following table summarizes share-based compensation expense by operating function for the periods presented:

	Three months ended Jun. 30,		Six months ended Jun. 30,	
(in thousands)	2021	2020	2021	2020
Marketing and advertising	$ 426	$ 61	$ 764	$ 119
Customer care and enrollment	1,043	32	1,839	58
Technology	1,133	83	1,880	159
General and administrative	4,997	421	8,228	741
Total share-based compensation expense	**$ 7,599**	**$ 597**	**$ 12,711**	**$ 1,077**

Performance Stock Units ("PSUs")

During the six months ended June 30, 2021, the Company granted to certain of its employees 489 shares of Class A common stock issuable pursuant to PSUs. The criteria for the market-based PSUs is based on the Company's total shareholder return ("TSR") relative to the TSR of the common stock of a pre-defined industry peer group. TSR is measured at the end of the performance period, which is generally the period commencing on the grant date and ending on the three-year anniversary of the grant date. Depending on the relative TSR achieved, the number of PSUs earned can vary from 0% of the target award to a maximum of 200% of the target award. The Company estimated the grant-date fair value of the awards subject to a market condition using a Monte Carlo simulation model, using the following weighted-average assumptions: risk-free interest rate of 0.2% and annualized volatility of 72.0%. The grant date fair value of the PSUs was $22.17. The Company recognizes the grant date fair value of PSUs as compensation expense on a straight-line basis over the three-year performance period. For the three and six months ended June 30, 2021, the Company recorded share-based compensation expense related to PSUs of $0.9 million and $1.4 million, respectively.

2020 Employee Stock Purchase Plan ("2020 ESPP")

On July 7, 2020, the Company adopted the 2020 ESPP. The first offering period of the 2020 ESPP commenced on January 1, 2021 and expired on June 30, 2021. The current offering period of the 2020 ESPP commenced on July 1, 2021, and will expire on December 31, 2021. The purpose of the 2020 ESPP is to provide the Company's eligible employees with an opportunity to purchase designated shares of the Company's Class A common stock at a price equal to 85% of the lower of the closing price at the beginning or end of each offering period. During the three months ended June 30, 2021, the Company issued 50 shares through the ESPP. For the three and six months ended June 30, 2021, the Company recorded share-based compensation expense related to the 2020 ESPP of $0.1 million and $0.2 million, respectively.

7. NET LOSS PER SHARE

Basic loss per share is computed by dividing net loss attributable to GoHealth, Inc. by the weighted-average number of shares of Class A common stock outstanding during the period. Diluted loss per share is computed giving effect to all potentially dilutive shares. Diluted loss per share for all periods presented is the same as basic loss per share as the inclusion of potentially issuable shares would be antidilutive.

Prior to the IPO, the GHH, LLC membership structure included Preferred units, Senior Preferred Earnout Units, Class A common units, Class B common units and Profit Units. The Company analyzed the calculation of earnings per unit for periods prior to the IPO using the two-class method and determined that it resulted in values that would not be meaningful to the users of these Condensed Consolidated Financial Statements. Therefore, earnings per share information has not been presented for periods prior to the IPO on July 17, 2020.

A reconciliation of the numerator and denominator used in the calculation of basic and diluted net loss per share of Class A common stock is as follows:

(in thousands, except per share amounts)	Three months ended Jun. 30, 2021	Six months ended Jun. 30, 2021
Numerator:		
Net loss	$ (39,175)	$ (46,443)
Less: Net loss attributable to non-controlling interests	(27,186)	(32,364)
Net loss attributable to GoHealth, Inc.	(11,989)	(14,079)
Denominator:		
Weighted-average shares of Class A common stock outstanding—basic	102,300	97,349
Effect of dilutive securities	—	—
Weighted-average shares of Class A common stock outstanding—diluted	102,300	97,349
Net loss per share of Class A common stock—basic and diluted	**$ (0.12)**	**$ (0.14)**

The following number of shares were excluded from the calculation of diluted loss per share because the effect of including such potentially dilutive shares would have been antidilutive:

(in thousands)	Jun. 30, 2021
Class A common stock issuable pursuant to equity awards	7,337
Class B common stock	215,495

Shares of Class B common stock do not share in earnings and are not participating securities. Accordingly, separate presentation of loss per share of Class B common stock under the two-class method has not been presented.

For periods prior to the Transactions and the IPO, the reported income taxes represent those of GHH, LLC. As a result of the Transactions and the IPO, the Company became subject to U.S. federal and certain state and local income taxes with respect to its allocable share of any taxable income or loss generated by GHH, LLC. There was no pro forma impact on loss per share to reflect income tax expense at an effective tax rate as the Company determined it is not more likely than not that the tax benefits associated with the deferred tax assets arising from the Transactions and the IPO will be realized.

8. INCOME TAXES

The Company is taxed as a corporation for income tax purposes and is subject to federal, state, and local taxes on the income allocated to it from GHH, LLC based upon the Company's economic interest in GHH, LLC. The Company is the sole managing member of GHH, LLC and, as a result, consolidates the financial results of GHH, LLC. GHH, LLC is a limited liability company taxed as a partnership for income tax purposes, and the subsidiaries of GHH, LLC are limited liability companies for income tax purposes except for a subsidiary and its foreign subsidiary, which are taxed as a corporation and foreign disregarded entity, respectively. As such, GHH, LLC does not pay any federal income taxes, as income or loss is included in the tax returns of the individual members. Additionally, certain wholly-owned entities taxed as corporations are subject to federal, state, and foreign income taxes in the jurisdictions in which they operate, and accruals for such taxes are included in the Condensed Consolidated Financial Statements. For periods prior to the IPO, the Company's taxes represent those of GHH, LLC.

The Company's effective tax rate for the three and six months ended June 30, 2021 was 0.08% and 0.14%, respectively. The Company's effective tax rate for the three and six months ended June 30, 2020 was 0.10% and 0.10%, respectively. The effective tax rate for each period is lower than the statutory tax rate primarily due to the effect of loss entities for which the Company excludes from its effective tax rate calculation and loss attributable to non-controlling interests.

Tax Receivable Agreement ("TRA")

In connection with the IPO, the Company entered into a TRA with GHH, LLC, the Continuing Equity Owners and the Blocker Shareholders that will provide for the payment by the Company to the Continuing Equity Owners and the Blocker Shareholders of 85% of the amount of tax benefits, if any, that the Company actually realizes (or in some circumstances is deemed to realize). The amounts payable under the TRA will vary depending upon a number of factors, including the amount, character, and timing of the taxable income of the Company in the future. As of June 30, 2021, the Company has determined there is no resulting liability related to the TRA arising from the Transactions and IPO. Should the Company determine that the TRA liability will be considered probable at a future date based on new information, any changes will be recorded within income from continuing operations at that time.

9. REVENUE

Revenue Recognition for Variable Consideration

The Company's variable consideration includes the total estimated lifetime value ("LTV") it expects to receive for selling an insurance product after the carrier approves an application. The consideration is variable based on the amount of time it estimates a policy will remain in force, which is based on historical experience or carrier experience to the extent available, industry data, and expectations as to future retention rates. Additionally, the Company considers the application of a constraint and only recognizes the amount of variable consideration that it believes is probable that it will be entitled to receive and will not be subject to a significant revenue reversal in the future.

On a quarterly basis, the Company re-estimates LTV at a vintage level for outstanding vintages, reviews and monitors changes in the data used to estimate LTV, as well as the cash received for each vintage as compared to the original estimates. The difference between cash received for each vintage and the respective estimated LTV can be significant and may or may not be indicative of the need to adjust revenue for prior period vintages. Changes in LTV may result in an increase or a decrease to revenue and a corresponding change to commissions receivable. The Company analyzes these differences and to the extent the Company believes differences in the estimates are indicative of a change to prior period LTVs, the Company will adjust revenue for the affected vintages at the time such determination is made and when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. As a result of this analysis, for the three and six months ended June 30, 2021, the Company recorded a negative revenue adjustment of $1.4 million and $3.6 million, respectively, relating to performance obligations satisfied in prior periods. For the three and six months ended June 30, 2020, there was no revenue adjustment relating to performance obligations satisfied in prior periods.

Disaggregation of Revenue

The table below depicts the disaggregation of revenue by product, and is consistent with how the Company evaluates its financial performance:

	Three months ended Jun. 30,		Six months ended Jun. 30,	
(in thousands)	2021	2020	2021	2020
Commission revenue:				
Medicare:				
Medicare Advantage	$ 144,039	$ 87,626	$ 312,187	$ 186,917
Medicare Supplement	789	1,965	1,573	4,154
Prescription Drug Plans	488	425	1,041	995
Total Medicare	145,316	90,016	314,801	192,066
Individual and Family Plan:				
Fixed Indemnity	808	3,818	3,589	10,597
Short-term	219	1,524	619	3,302
Major Medical	208	52	409	238
Total Individual and Family Plan	1,235	5,394	4,617	14,137
Ancillary	891	952	1,999	2,259
Small Group	66	244	72	654
Total commission revenue	147,508	96,606	321,489	209,116
Enterprise revenue:				
Partner Marketing and Enrollment Services	42,531	20,968	64,388	38,369
Direct Partner Campaigns	6,700	6,653	14,802	14,176
Other	163	2,830	402	6,406
Total enterprise revenue	49,394	30,451	79,592	58,951
Net revenues	**$ 196,902**	**$ 127,057**	**$ 401,081**	**$ 268,067**

Contract Assets and Liabilities

The company records contract assets and contract liabilities from contracts with customers as it relates to commissions receivable, commissions payable and deferred revenue. Commissions receivable represents estimated variable consideration for commissions to be received from insurance carriers for performance obligations that have been satisfied. Commissions payable represents estimated commissions to be paid to the Company’s external agents and other partners. Deferred revenue includes amounts collected for partner marketing and enrollment services and technology licensing and implementation fees in advance of the Company satisfying its performance obligations for such customers. The Company had unbilled receivables for performance-based enrollment fees as of June 30, 2021 and December 31, 2020 of $3.0 million and $12.9 million, respectively, which were reclassified to prepaid expenses and other current assets from accounts receivable, net on the Condensed Consolidated Balance Sheets. The reclassification was based on the Company’s conditional rights to receive consideration based on the services transferred to the customer. Prior period amounts have been reclassified to match the current period presentation. There are no other contract liabilities or contract assets recorded by the Company.

For the three and six months ended June 30, 2021, the Company recognized $26 thousand and $0.1 million of revenue that was deferred as of December 31, 2020.

Commissions Receivable

Commissions receivable activity is summarized as follows:

(in thousands)	Six months ended Jun. 30, 2021
Beginning balance	$ 810,398
Commission revenue	321,489
Cash receipts	(257,814)
Ending balance	**$ 874,073**
Less: Commissions receivable - current	113,062
Commissions receivable - non-current	$ 761,011

10. COMMITMENTS AND CONTINGENCIES

Leases

The Company is party to various non-cancelable operating lease agreements for certain of the Company’s offices and data centers with lease periods expiring in 2032. Certain of these arrangements have free rent periods or escalating rent payment provisions, and the Company recognizes rent expense under such arrangements on a straight-line basis.

Legal Proceedings

In September 2020, three purported securities class action complaints were filed in the United States District Court for the Northern District of Illinois against the Company, certain of its officers and directors, and certain underwriters, private equity firms, and investment vehicles alleging violations of the Securities Act of 1933. On December 10, 2020 the court in the earliest filed action consolidated the three complaints, appointed lead plaintiffs and lead counsel for the consolidated action, and captioned the consolidated action In re GoHealth, Inc. Securities Litigation. Lead plaintiffs filed a consolidated complaint on February 25, 2021. Defendants filed responsive pleadings on April 26, 2021 to dismiss the complaint. On June 14, 2021, the plaintiffs filed an opposition brief, to which the defendants replied on July 6, 2021. On May 19, 2021, a derivative action against certain of the Company’s officers and directors was filed, alleging substantially the same allegations as the In re GoHealth, Inc. Securities Litigation. By suggestion of the plaintiff’s counsel, this lawsuit is stayed until at least as long as the motion to dismiss in the In re GoHealth, Inc. Securities Litigation is pending. The Company disputes each and every of plaintiffs’ claims and intends to defend these matters vigorously.

11. RELATED PARTY TRANSACTIONS

The Company is party to various lease agreements with 214 W Huron LLC, 220 W Huron Street Holdings LLC, and 215 W Superior LLC, each of which are controlled by significant shareholders, to lease its corporate offices in Chicago, Illinois. The Company pays rent, operating expenses, maintenance, and utilities under the terms of the leases. For the three and six months ended June 30, 2021 and 2020, the Company made aggregate lease payments of $0.4 million, $0.7 million, $0.3 million and $0.6 million, respectively, under these leases.

On January 1, 2020, the Company entered into a non-exclusive aircraft dry lease agreement with an entity wholly-owned and controlled by certain significant shareholders. The agreement allows the Company to use an aircraft owned by this entity for business and on an as-needed basis. The agreement has no set term and is terminable without cause by either party upon 30 days’ prior written notice. Under the agreement, the Company is required to pay $6,036.94 per flight hour for use of the aircraft. For the three and six months ended June 30, 2021 and 2020, the Company recorded expense of $0.3 million, $0.4 million, $34 thousand and $0.8 million, respectively, under this lease.

On May 12, 2020, the Company entered into a lease agreement with Wilson Tech 5, which is controlled by significant shareholders, for a proposed site in Lindon, Utah, beginning in 2022. The Company will not have access to the leased premises until construction is complete (“commencement date”) and is not deemed to be the owner during the construction period. This lease agreement expires ten years after the commencement date. The Company did not make any lease payments during the three and six months ended June 30, 2021 and 2020 under this lease. The initial base annual rent will be approximately $4.6 million beginning in mid-2022.

During the twelve months ended December 31, 2020, the Company provided a short-term advancement to NVX Holdings, Inc., which is controlled by significant shareholders, for which the Company recorded a receivable of $3.4 million. The advancement was collected by the Company during the three months ended March 31, 2021.

12. OPERATING SEGMENTS AND SIGNIFICANT CUSTOMERS

Operating Segments

The Company reports segment information based on how the Company’s chief operating decision maker (“CODM”) regularly reviews operating results, allocates resources and makes decisions regarding business operations. The performance measures of the segments include total revenue and profit (loss). For segment reporting purposes in accordance with ASC 280-10, *Segment Reporting*, the Company’s business structure is comprised of four operating and reportable segments:

Medicare Internal and External: The Medicare internal and external segments consist primarily of revenues earned from sales of Medicare Advantage, Medicare Supplement, Prescription Drug Plans, and Medicare Special Needs Plans (or “SNPs”), for multiple carriers.

Individual and Family Plan and Other (“IFP and Other”) Internal and External: The IFP and Other internal and external segments consist primarily of revenues earned from sales of individual and family plans, dental plans, vision plans and other ancillary plans to individuals that are not Medicare-eligible.

The Internal and External segments relative to both Medicare and IFP are defined as follows:

Internal: The two internal segments primarily consist of sales of products and plans by Company-employed agents offering qualified prospects plans from multiple carriers, Company-employed agents offering qualified prospects plans on a carrier-specific basis, or sales of products and plans through our online platform without the assistance of our agents (do-it-yourself or "DIY"). The Company earns revenue in this channel through commissions paid by carriers based on sales the Company generates, as well as enrollment fees, hourly fees and other fees for services performed for specific carriers and other partners.

External: The two external segments represent sales of products and plans under the Company's carrier contracts using an independent, national network of agents who are not employed by the Company. These agents utilize the Company's technology and platform to enroll consumers in health insurance plans and provide a means to earn a return on leads that otherwise may have not been addressed. The Company also sells insurance prospects (or "leads") to agencies within this channel. The Company earns revenue in this channel through commissions paid by carriers as a result of policy sales, as well as sales of leads to external agencies.

The following table presents summary results of the Company's operating segments for the periods indicated:

	Three months ended Jun. 30,		**Six months ended Jun. 30,**	
(in thousands)	**2021**	**2020**	**2021**	**2020**
Net revenues:				
Medicare:				
Internal channel	$ 160,433	$ 87,201	$ 317,786	$ 182,488
External channel	31,379	28,108	70,879	57,053
Total Medicare	191,812	115,309	388,665	239,541
IFP and Other:				
Internal channel	3,788	7,019	7,763	15,651
External channel	1,302	4,729	4,653	12,875
Total IFP and Other	5,090	11,748	12,416	28,526
Net revenues	196,902	127,057	401,081	268,067
Segment profit (loss):				
Medicare:				
Internal channel	31,257	32,746	77,700	74,482
External channel	(1,688)	495	(2,319)	173
Total Medicare	29,569	33,241	75,381	74,655
IFP and Other:				
Internal channel	(800)	(54)	(1,529)	427
External channel	(57)	130	103	642
Total IFP and Other	(857)	76	(1,426)	1,069
Segment profit	28,712	33,317	73,955	75,724
Corporate expense	24,148	8,911	44,475	17,576
Change in fair value of contingent consideration liability	—	15,300	—	19,700
Amortization of intangible assets	23,515	23,514	47,029	47,029
Loss on extinguishment of debt	11,935	—	11,935	—
Interest expense	8,277	8,986	16,965	15,742
Other (income) expense, net	44	(505)	57	(495)
Income (loss) before income taxes	**$ (39,207)**	**$ (22,889)**	**$ (46,506)**	**$ (23,828)**

There are no internal revenue transactions between the Company's operating segments. Substantially all revenue for the periods presented was generated from customers located in the United States. The Company's CODM does not separately evaluate assets by segment, and therefore assets by segment are not presented. The Company's assets are primarily located in the United States.

Significant Customers

The following table presents carriers representing 10% or more of the Company's total revenue for the periods indicated:

	Three months ended Jun. 30,		Six months ended Jun. 30,	
	2021	2020	2021	2020
Anthem	38 %	32 %	34 %	32 %
Humana	29 %	38 %	29 %	40 %
United	16 %	10 %	17 %	8 %
Centene	9 %	9 %	12 %	7 %

Substantially all of the revenue from these customers was from the sales of products and plans within the Medicare—Internal and Medicare—External segments.

Concentration of Credit Risk

The Company does not require collateral or other security in granting credit. As of June 30, 2021, three customers each represented 10% or more of the Company's total accounts receivable and unbilled receivables and, in aggregate, represented 84%, or $17.2 million, of the combined total. As of December 31, 2020, three customers each represented 10% or more of the Company's total accounts receivable and unbilled receivables and, in aggregate, represented 86%, or $23.2 million, of the combined total.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS.

This section presents management's perspective on our financial condition and results of operations. The following discussion and analysis is intended to highlight and supplement data and information presented elsewhere in this Quarterly Report on Form 10-Q, including the Condensed Consolidated Financial Statements and related Notes, and should be read in conjunction with the accompanying tables. To the extent that this discussion describes prior performance, the descriptions relate only to the periods listed, which may not be indicative of our future financial outcomes. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause results to differ materially from management's expectations. Factors that could cause such differences are discussed under the heading "Cautionary Note Regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q and under the heading "Item 1A. Risk Factors." in the 2020 Form 10-K. We assume no obligation to update any of these forward-looking statements.

In certain cases, numbers and percentages in the tables below may not foot due to rounding.

Overview

We are a leading health insurance marketplace and Medicare-focused digital health company whose mission is to improve access to healthcare in America. Our proprietary technology platform leverages modern machine-learning algorithms powered by nearly two decades of insurance behavioral data to reimagine the optimal process for helping individuals find the best health insurance plan for their specific needs. Our differentiated combination of a vertically-integrated consumer acquisition platform and highly skilled and trained agents has enabled us to enroll millions of people in Medicare and individual and family plans since our inception. With a current commissionable market of nearly $30 billion, and nearly 11,000 Americans turning 65 years old every day and our track record of significant growth in net revenues in the Medicare space in the past five years, we believe we will continue to be one of the top choices for unbiased insurance advice to help navigate one of the most important purchasing decisions individuals make.

Business Segments

We have four reportable segments: (i) Medicare—Internal, (ii) Medicare—External, (iii) Individual and Family Plans, or IFP and Other—Internal and (iv) IFP and Other—External. We organize the segments by product type, Medicare and IFP and Other, as well as by distribution channel, internal and external, as further described below. In addition, we separately report other expenses (classified as "Corporate expenses" in our financial statements), the primary components of which are corporate overhead expenses and shared service expenses that have not been allocated to the operating segments. The segment results provided herein may not be comparable to other companies. We refer to the Medicare—Internal and Medicare—External segments collectively as the "Medicare segments" and the IFP and Other—Internal and IFP and Other—External segments as the "IFP and Other segments."

- **Medicare—Internal:** The Medicare—Internal segment relates to sales of products and plans by GoHealth-employed agents offering qualified prospects plans from multiple carriers, GoHealth-employed agents offering qualified prospects plans on a carrier-specific basis, or sales of products and plans through our online platform without the assistance of our agents, which we refer to as DIY. In this segment, we sell Medicare Advantage, Medicare Supplement, Medicare prescription drug plans, and Medicare Special Needs Plans, or SNPs. We earn revenue in this segment through commissions paid by carriers based on sales we generated, as well as enrollment fees, hourly fees and other fees for services performed for specific carriers and other partners. The Medicare—Internal segment is our largest and fastest growing segment.

- **Medicare—External:** The Medicare—External segment relates to sales of products and plans under GoHealth's carrier contracts using an independent, national network of agents or external agencies, which are not employed by GoHealth. These agents utilize our technology and platform to enroll consumers in health insurance plans and provide us with a means to earn a return on leads that otherwise may have not been addressed. In this segment, we sell Medicare Advantage, Medicare Supplement, Medicare prescription drug plans, and SNPs. We earn revenue in this segment through commissions paid by carriers as a result of policy sales, as well as sales of consumer leads to external agencies.

- **IFP and Other—Internal:** The IFP and Other—Internal segment relates to sales of products and plans by GoHealth-employed agents offering qualified prospects plans from multiple carriers, GoHealth-employed agents offering qualified prospects plans on a carrier-specific basis, or DIY. In this segment, we sell individual and family plans, dental plans, vision plans and other ancillary plans to individuals who are not Medicare-eligible. We earn revenue in this segment through commissions paid by carriers based on sales we generate, as well as enrollment fees, and hourly fees and other fees for services performed for specific carriers and other partners.

- **IFP and Other—External:** The IFP and Other—External segment relates to sales of products and plans under GoHealth's carrier contracts using external agencies, who use agents that are not employed by GoHealth. These agents utilize our technology and platform to enroll consumers in health insurance plans. We also sell consumer leads generated by us to external agencies. In this segment, we sell individual and family plans, dental plans, vision plans and other ancillary plans to individuals who are not Medicare-eligible. We earn revenue in this segment through commissions paid by carriers as a result of policy sales, as well as sales of consumer leads to external agencies.

The following table presents the percentages of revenues and profit (loss) generated by each of our operating segments for the periods presented:

	Three months ended Jun. 30, 2021	Three months ended Jun. 30, 2020	Six months ended Jun. 30, 2021	Six months ended Jun. 30, 2020
Percent of net revenues:				
Medicare—Internal	81.5 %	68.7 %	79.2 %	68.1 %
Medicare—External	15.9 %	22.1 %	17.7 %	21.3 %
IFP and Other—Internal	1.9 %	5.5 %	1.9 %	5.8 %
IFP and Other—External	0.7 %	3.7 %	1.2 %	4.8 %
Total net revenues	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**
Percent of segment profit (loss):				
Medicare—Internal	108.9 %	98.3 %	105.1 %	98.4 %
Medicare—External	(5.9)%	1.5 %	(3.1)%	0.2 %
IFP and Other—Internal	(2.8)%	(0.2)%	(2.1)%	0.6 %
IFP and Other—External	(0.2)%	0.4 %	0.1 %	0.8 %
Total segment profit	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**

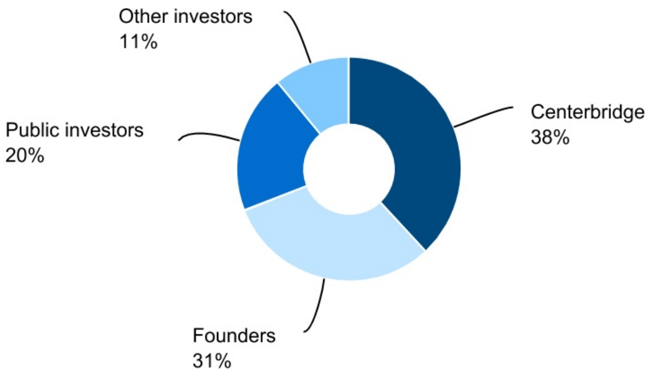
The Transactions

Our historical results of operations prior to the completion of the Transactions, including the IPO, do not reflect certain items that we expect will affect our results of operations and financial condition after giving effect to the Transactions and the use of proceeds from the IPO.

Following the completion of the Transactions, GoHealth, Inc. became the sole managing member of GoHealth Holdings, LLC. Although we have a minority economic interest in GoHealth Holdings, LLC, we have the sole voting interest in, and control of the business and affairs of, GoHealth Holdings, LLC and its direct and indirect subsidiaries. As a result, GoHealth, Inc. consolidates GoHealth Holdings, LLC and records significant non-controlling interest in a consolidated entity in GoHealth, Inc.'s Condensed Consolidated Financial Statements for the economic interest in GoHealth Holdings, LLC held directly or indirectly by the Continuing Equity Owners. As of June 30, 2021, public investors collectively own 61.4% of our outstanding Class A common stock, consisting of 64,635 shares of Class A common stock. As of June 30, 2021, GoHealth, Inc. owns 105,318 LLC Interests, representing 33.5% of the economic interest in GoHealth Holdings, LLC, the Founders collectively own 97,301 LLC Interests, representing 30.9% of the economic interest in GoHealth Holdings, LLC, Centerbridge owns 80,793 LLC Interests, representing

25.7% of the economic interest in GoHealth Holdings, LLC, and the Continuing Equity Owners collectively own 31,312 LLC Interests, representing 9.9% of the economic interest in GoHealth Holdings, LLC. Accordingly, as of June 30, 2021, the economic interest in GoHealth Holdings, LLC held by non-controlling interest was 66.5%. GoHealth, Inc. is a holding company that conducts no operations and its principal asset is the LLC Interests we purchased from GoHealth Holdings, LLC.

The percentage ownership of total shares of Class A and Class B common stock issued and outstanding as of June 30, 2021, is as follows:



GoHealth, Inc. is subject to U.S. federal, state and local income taxes with respect to our allocable share of any taxable income of GoHealth Holdings, LLC and is taxed at the prevailing corporate tax rates. In addition to tax expenses, we also incur expenses related to our status as a public company, plus payment obligations under the Tax Receivable Agreement, which could be significant. We intend to cause GoHealth Holdings, LLC to make distributions to us in an amount sufficient to allow us to pay these expenses and fund any payments due under the Tax Receivable Agreement.

Response to COVID-19, Impact and Recovery

It has been approximately 18 months since the World Health Organization declared a pandemic due to COVID-19 and the pandemic continues to have significant impact in the U.S. economy. During the pandemic we successfully transitioned our agents and other employees to a work from home working environment and opened several virtual sites across the country. We believe the investments we have made in our technology infrastructure have allowed for a seamless transition without any material impacts to our business, highlighting its resilience. We believe that our business is well-suited to navigate the current environment in which consumers are particularly focused on healthcare issues and mortality. The Company has begun to implement a gradual and phased return to the office for certain employees, while we expect other employees will continue to work in a remote environment for the foreseeable future. Employee work location decisions will continue to depend, at least in part, on the level of virus containment and local health and safety regulations. While social distancing requirements have pushed consumers to conduct business remotely, the underlying demand dynamics for our core products remain unchanged. Additionally, because of our remote agent platform, we believe agents will continue to be attracted to our bonus-based agent compensation model and the stable and attractive source of income it can provide, thereby allowing us to continue to recruit and retain agents. Further, as consumers become more comfortable with conducting business remotely, we believe consumer adoption of distribution models such as ours may continue to accelerate long after the COVID-19 pandemic ends.

The COVID-19 pandemic has resulted in, and may continue to result in, significant economic disruption in the economy. While the situation has improved, namely with the help of vaccines, variants continue to put stress on the recovery. We continue to closely monitor the situation and its impacts on our business, liquidity, and capital planning initiatives.

We do not yet know the full extent of the impacts on our business, our operations or the global economy as a whole. However, the effects could have a material impact on our results of operations. See “Risk Factors—Risks Related to Our Business—The extent to which the COVID-19 outbreak and measures taken in response thereto impact our business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted” in our 2020 Form 10-K for additional information.

Results of Operations

Three months ended June 30, 2021 compared to three months ended June 30, 2020

The following table sets forth the components of our results of operations for the periods presented:

	Three months ended Jun. 30, 2021		Three months ended Jun. 30, 2020	
(in thousands)	Dollars	% of Net Revenues	Dollars	% of Net Revenues
Net revenues:				
Commission	$ 147,508	74.9 %	$ 96,606	76.0 %
Enterprise	49,394	25.1 %	30,451	24.0 %
Net revenues	196,902	100.0 %	127,057	100.0 %
Operating expenses:				
Cost of revenue	37,442	19.0 %	36,559	28.8 %
Marketing and advertising	55,735	28.3 %	21,634	17.0 %
Customer care and enrollment	61,927	31.5 %	28,394	22.3 %
Technology	11,983	6.1 %	5,705	4.5 %
General and administrative	25,251	12.8 %	10,359	8.2 %
Change in fair value of contingent consideration liability	—	— %	15,300	12.0 %
Amortization of intangible assets	23,515	11.9 %	23,514	18.5 %
Total operating expenses	215,853	109.6 %	141,465	111.3 %
Income (loss) from operations	(18,951)	(9.6)%	(14,408)	(11.3)%
Interest expense	8,277	4.2 %	8,986	7.1 %
Loss on extinguishment of debt	11,935	6.1 %	—	— %
Other (income) expense, net	44	— %	(505)	(0.4)%
Income (loss) before income taxes	(39,207)	(19.9)%	(22,889)	(18.0)%
Income tax expense (benefit)	(32)	— %	(22)	— %
Net income (loss)	$ (39,175)	(19.9)%	$ (22,867)	(18.0)%
Net income (loss) attributable to non-controlling interests	(27,186)	(13.8)%	—	— %
Net income (loss) attributable to GoHealth, Inc.	**$ (11,989)**	**(6.1)%**	**$ (22,867)**	**(18.0)%**
Non-GAAP financial measures:				
EBITDA	$ (5,192)		$ 10,615	
Adjusted EBITDA	$ 14,342		$ 26,936	
Adjusted EBITDA margin		7.3 %	21.2 %	

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

We use supplemental measures of our performance that are derived from our consolidated financial information, but which are not presented in our Condensed Consolidated Financial Statements prepared in accordance with GAAP. These non-GAAP financial measures include net income (loss) before interest expense, income tax expense (benefit) and depreciation and amortization expense, or EBITDA; Adjusted EBITDA and Adjusted EBITDA margin. Adjusted EBITDA is the primary financial performance measure used by management to evaluate its business and monitor its results of operations.

Adjusted EBITDA represents EBITDA as further adjusted for share-based compensation expense, loss on extinguishment of debt, non-recurring legal fees, change in fair value of contingent consideration liability, IPO transaction costs, and severance costs. Adjusted EBITDA margin represents Adjusted EBITDA divided by net revenues.

We use non-GAAP financial measures to supplement financial information presented on a GAAP basis. We believe that excluding certain items from our GAAP results allows management to better understand our consolidated financial performance from period to period and better project our future consolidated financial performance as forecasts are developed at a level of detail different from that used to prepare GAAP-based financial measures. Moreover, we believe these non-GAAP financial measures provide our stakeholders with useful information to help them evaluate our operating results by facilitating an enhanced understanding of our operating performance and enabling them to make more meaningful period to period comparisons. There are limitations to the use of the non-GAAP financial measures presented in this Quarterly Report on Form 10-Q. For example, our non-GAAP financial measures may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes.

The non-GAAP financial measures are not meant to be considered as indicators of performance in isolation from or as a substitute for net income (loss) prepared in accordance with GAAP, and should be read only in conjunction with financial information presented on a GAAP basis. Reconciliations of each of EBITDA and Adjusted EBITDA to its most directly comparable GAAP financial measure, net income (loss), are presented in the tables below in this Quarterly Report on Form 10-Q. We encourage you to review the reconciliations in conjunction with the presentation of the non-GAAP financial measures for each of the periods presented. In future periods, we may exclude similar items, may incur income and expenses similar to these excluded items and include other expenses, costs and non-recurring items.

The following table sets forth the reconciliations of GAAP net income (loss) to EBITDA and Adjusted EBITDA for the periods presented:

(in thousands)	**Three months ended Jun. 30, 2021**	**Three months ended Jun. 30, 2020**
Net revenues	$ 196,902	$ 127,057
Net income (loss)	(39,175)	(22,867)
Interest expense	8,277	8,986
Income tax expense (benefit)	(32)	(22)
Depreciation and amortization expense	25,738	24,518
EBITDA	(5,192)	10,615
Loss on extinguishment of debt (1)	11,935	—
Share-based compensation expense (2)	7,599	597
Change in fair value of contingent consideration liability (3)	—	15,300
IPO transactions costs (4)	—	424
Adjusted EBITDA	**$ 14,342**	**$ 26,936**
Adjusted EBITDA margin	7.3 %	21.2 %

(1) Represents the loss on debt extinguishment related to the Initial Term Loan Facility.
(2) Represents non-cash share-based compensation expense relating to equity awards.
(3) Represents the change in fair value of the contingent consideration liability due to the predecessor owners of the Company arising from the Centerbridge Acquisition.
(4) Represents legal, accounting, consulting, and other indirect costs associated with the Company's IPO.

Net Revenues

Commission Revenues

Commission revenues were $147.5 million for the three months ended June 30, 2021 compared to $96.6 million for the three months ended June 30, 2020. The $50.9 million, or 53%, increase was primarily attributable to increases in commission revenue from the Medicare—Internal segment driven by a 77% increase in Medicare commissionable Approved Submissions and increased LTV Per Approved Submission for the three months ended June 30, 2021 compared to the comparable prior year period.

Enterprise Revenues

Enterprise revenues were $49.4 million for the three months ended June 30, 2021 compared to $30.5 million for the three months ended June 30, 2020. The $18.9 million, or 62%, increase was primarily attributable to an increase of $21.6 million related to partner marketing and enrollment services, partially offset by a $2.7 million decrease in consumer lead sales to external third parties in our external segments, as we strategically shifted to generating consumer leads in the internal channels.

Operating Expense

Cost of Revenue

Cost of revenue was $37.4 million for the three months ended June 30, 2021 compared to $36.6 million for the three months ended June 30, 2020. The $0.9 million, or 2%, increase was primarily attributable to a 4% increase in commissionable Approved Submissions in the Medicare—External segment, which increased the amount of expense we recognized pursuant to our revenue-sharing agreements with external agents and other partners.

Marketing and Advertising

Marketing and advertising expense was $55.7 million for the three months ended June 30, 2021 compared to $21.6 million for the three months ended June 30, 2020. The $34.1 million, or 158%, increase was primarily attributable to an increase in our advertising costs for the Medicare—Internal segment to generate more qualified prospects, which contributed to a 77% increase in Medicare—Internal commissionable Approved Submissions and 55% increase in net revenue.

Customer Care and Enrollment

Customer care and enrollment expense was $61.9 million for the three months ended June 30, 2021 compared to $28.4 million for the three months ended June 30, 2020. The $33.5 million, or 118%, increase was primarily attributable to the hiring of additional agents in the Medicare—Internal segment to be well-positioned for target annual enrollment period ("AEP") capacity. Additionally, the increase represents onboarding and new training initiatives, which position us to have the agent efficiency gains necessary to capitalize on opportunities, as well as expenses associated with an increased rate in attrition of agents.

Technology

Technology expense was $12.0 million for the three months ended June 30, 2021 compared to $5.7 million for the three months ended June 30, 2020. The $6.3 million, or 110%, increase was primarily attributable to the hiring of additional employees in our technology and data science teams, and the expansion of our business intelligence and analytics staffing in order to support the growth of the Medicare—Internal segment.

General and Administrative

General and administrative expense was $25.3 million for the three months ended June 30, 2021 compared to $10.4 million for the three months ended June 30, 2020. The $14.9 million, or 144%, increase was primarily attributable to investments in corporate infrastructure, such as legal, human resources, and finance, to support general growth and implement the corporate resources needed to support a post-IPO business.

Change in Fair Value of Contingent Consideration Liability

Change in fair value of contingent consideration liability was $15.3 million for the three months ended June 30, 2020 and relates to the earnout liability incurred in connection with the Centerbridge Acquisition, in which we agreed to pay additional consideration if certain financial targets are achieved. The earnout liability was settled in connection with our IPO.

Amortization of Intangible Assets

Amortization of intangible assets expense was $23.5 million for both the three months ended June 30, 2021 and three months ended June 30, 2020, and relates to the amortization of developed technology and customer relationships.

Interest Expense

Interest expense was $8.3 million for the three months ended June 30, 2021 compared to $9.0 million for the three months ended June 30, 2020. The $0.7 million decrease was due to the refinancing of the Initial Term Loan Facility in June 2021.

Loss on Extinguishment of Debt

Loss on extinguishment of debt was $11.9 million for the three months ended June 30, 2021 and relates to the expense recognized for the extinguishment of the Initial Term Loan Facility.

Adjusted EBITDA

Adjusted EBITDA was $14.3 million for the three months ended June 30, 2021 compared to $26.9 million for the three months ended June 30, 2020. The $12.6 million, or 47%, decrease was due to our strategic investments in agent capacity and capabilities to be well-positioned for target AEP production.

Six months ended June 30, 2021 compared to six months ended June 30, 2020

The following table sets forth the components of our results of operations for the periods presented:

(in thousands)	Six months ended Jun. 30, 2021 Dollars	Six months ended Jun. 30, 2021 % of Net Revenues	Six months ended Jun. 30, 2020 Dollars	Six months ended Jun. 30, 2020 % of Net Revenues
Net revenues:				
Commission	$ 321,489	80.2 %	$ 209,116	78.0 %
Enterprise	79,592	19.8 %	58,951	22.0 %
Net revenues	401,081	100.0 %	268,067	100.0 %
Operating expenses:				
Cost of revenue	85,817	21.4 %	78,693	29.4 %
Marketing and advertising	110,219	27.5 %	47,708	17.8 %
Customer care and enrollment	109,021	27.2 %	52,371	19.5 %
Technology	21,600	5.4 %	10,298	3.8 %
General and administrative	44,944	11.2 %	20,849	7.8 %
Change in fair value of contingent consideration liability	—	— %	19,700	7.3 %
Amortization of intangible assets	47,029	11.7 %	47,029	17.5 %
Total operating expenses	418,630	104.4 %	276,648	103.2 %
Income (loss) from operations	(17,549)	(4.4)%	(8,581)	(3.2)%
Interest expense	16,965	4.2 %	15,742	5.9 %
Loss on extinguishment of debt	11,935	3.0 %	—	— %
Other (income) expense, net	57	— %	(495)	(0.2)%
Income (loss) before income taxes	(46,506)	(11.6)%	(23,828)	(8.9)%
Income tax expense (benefit)	(63)	— %	(24)	— %
Net income (loss)	$ (46,443)	(11.6)%	$ (23,804)	(8.9)%
Net income (loss) attributable to non-controlling interests	(32,364)	(8.1)%	—	— %
Net income (loss) attributable to GoHealth, Inc.	**$ (14,079)**	**(3.5)%**	**$ (23,804)**	**(8.9)%**
Non-GAAP financial measures:				
EBITDA	$ 21,564		$ 40,579	
Adjusted EBITDA	$ 46,390		$ 61,857	
Adjusted EBITDA margin		11.6 %	23.1 %	

The following table sets forth the reconciliations of GAAP net income (loss) to EBITDA and Adjusted EBITDA for the periods presented:

(in thousands)	Six months ended Jun. 30, 2021	Six months ended Jun. 30, 2020
Net revenues	$ 401,081	$ 268,067
Net income (loss)	(46,443)	(23,804)
Interest expense	16,965	15,742
Income tax expense (benefit)	(63)	(24)
Depreciation and amortization expense	51,105	48,665
EBITDA	21,564	40,579
Loss on extinguishment of debt (1)	11,935	—
Share-based compensation expense (2)	12,711	1,077
Legal fees (3)	180	—
Change in fair value of contingent consideration liability (4)	—	19,700
IPO transactions costs (5)	—	424
Severance costs (6)	—	77
Adjusted EBITDA	**$ 46,390**	**$ 61,857**
Adjusted EBITDA margin	11.6 %	23.1 %

(1) Represents the loss on debt extinguishment related to the Initial Term Loan Facility.
(2) Represents non-cash share-based compensation expense relating to equity awards.
(3) Represents non-recurring legal fees unrelated to our core operations.

(4) Represents the change in fair value of the contingent consideration liability due to the predecessor owners of the Company arising from the Centerbridge Acquisition.
(5) Represents legal, accounting, consulting, and other indirect costs associated with the Company's IPO.
(6) Represents costs associated with the termination of employment.

Net Revenues

Commission Revenues

Commission revenues were $321.5 million for the six months ended June 30, 2021 compared to $209.1 million for the six months ended June 30, 2020. The $112.4 million, or 54%, increase was primarily attributable to increases in commission revenue from the Medicare—Internal segment driven by a 63% increase in Medicare commissionable Approved Submissions and increased LTV Per Approved Submission for the six months ended June 30, 2021 compared to the comparable prior year period.

Enterprise Revenues

Enterprise revenues were $79.6 million for the six months ended June 30, 2021 compared to $59.0 million for the six months ended June 30, 2020. The $20.6 million, or 35%, increase was primarily attributable to an increase of $26.0 million related to partner marketing and enrollment services, partially offset by a $6.0 million decrease in consumer lead sales to external third parties in our external segments, as we strategically shifted to generating consumer leads in the internal channels.

Operating Expense

Cost of Revenue

Cost of revenue was $85.8 million for the six months ended June 30, 2021 compared to $78.7 million for the six months ended June 30, 2020. The $7.1 million, or 9%, increase was primarily attributable to a 16% increase in commissionable Approved Submissions in the Medicare—External segment, which increased the amount of expense we recognized pursuant to our revenue-sharing agreements with external agents and other partners.

Marketing and Advertising

Marketing and advertising expense was $110.2 million for the six months ended June 30, 2021 compared to $47.7 million for the six months ended June 30, 2020. The $62.5 million, or 131%, increase was primarily attributable to an increase in our advertising costs for the Medicare—Internal segment to generate more qualified prospects, which contributed to a 63% increase in Medicare—Internal commissionable Approved Submissions and 50% increase in net revenue.

Customer Care and Enrollment

Customer care and enrollment expense was $109.0 million for the six months ended June 30, 2021 compared to $52.4 million for the six months ended June 30, 2020. The $56.7 million, or 108%, increase was primarily attributable to the hiring of additional agents in the Medicare—Internal segment to be well-positioned for target AEP capacity. Additionally, the increase represents onboarding and new training initiatives, which position us to have the agent efficiency gains necessary to capitalize on opportunities, as well as expenses associated with an increased rate in attrition of agents.

Technology

Technology expense was $21.6 million for the six months ended June 30, 2021 compared to $10.3 million for the six months ended June 30, 2020. The $11.3 million, or 110%, increase was primarily attributable to the hiring of additional employees in our technology and data science teams, and the expansion of our business intelligence and analytics staffing in order to support the growth of the Medicare—Internal segment.

General and Administrative

General and administrative expense was $44.9 million for the six months ended June 30, 2021 compared to $20.8 million for the six months ended June 30, 2020. The $24.1 million, or 116%, increase was primarily attributable to investments in corporate infrastructure, such as legal, human resources, and finance, to support general growth and implement the corporate resources needed to support a post-IPO business.

Change in Fair Value of Contingent Consideration Liability

Change in fair value of contingent consideration liability was $19.7 million for the six months ended June 30, 2020 and relates to the earnout liability incurred in connection with the Centerbridge Acquisition, in which we agreed to pay additional consideration if certain financial targets are achieved. The earnout liability was settled in connection with our IPO.

Amortization of Intangible Assets

Amortization of intangible assets expense was $47.0 million for both the six months ended June 30, 2021 and six months ended June 30, 2020, and relates to the amortization of developed technology and customer relationships.

Interest Expense

Interest expense was $17.0 million for the six months ended June 30, 2021 compared to $15.7 million for the six months ended June 30, 2020. The $1.2 million increase was due to additional debt outstanding on our Credit Facilities.

Loss on Extinguishment of Debt

Loss on extinguishment of debt was $11.9 million for the six months ended June 30, 2021 and relates to the expense recognized for the extinguishment of the Initial Term Loan Facility.

Adjusted EBITDA

Adjusted EBITDA was $46.4 million for the six months ended June 30, 2021 compared to $61.9 million for the six months ended June 30, 2020. The $15.5 million, or 25%, decrease was due to our strategic investments in agent capacity and capabilities to be well-positioned for target AEP production.

Segment Information

Three months ended June 30, 2021 compared to three months ended June 30, 2020

Our operating segments have been determined in accordance with Accounting Standards Codification ("ASC") 280, *Segment Reporting*. We have four operating segments: Medicare—Internal, Medicare—External, IFP and Other—Internal, and IFP and Other—External. In addition, we separately report other expenses (classified as "corporate expense" in the following table), the primary components of which are corporate overhead expenses and shared service expenses that have not been allocated to the operating segments, as they are not the responsibility of segment operating management. The segment measurements provided to and evaluated by the chief operating decision maker are described in Note 12, "Operating Segments And Significant Customers," to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

	Three months ended Jun. 30, 2021		Three months ended Jun. 30, 2020	
(in thousands)	Dollars	% of Net Revenues	Dollars	% of Net Revenues
Net revenues:				
Medicare—Internal	$ 160,433	81.5 %	$ 87,201	68.7 %
Medicare—External	31,379	15.9 %	28,108	22.1 %
IFP and Other—Internal	3,788	1.9 %	7,019	5.5 %
IFP and Other—External	1,302	0.7 %	4,729	3.7 %
Net revenues	196,902	100.0 %	127,057	100.0 %
Segment profit (loss):				
Medicare—Internal	31,257	15.9 %	32,746	25.8 %
Medicare—External	(1,688)	(0.9)%	495	0.4 %
IFP and Other—Internal	(800)	(0.4)%	(54)	— %
IFP and Other—External	(57)	— %	130	0.1 %
Segment profit	28,712	14.6 %	33,317	26.2 %
Corporate expense	24,148	12.3 %	8,911	7.0 %
Change in fair value of contingent consideration liability	—	— %	15,300	12.0 %
Amortization of intangible assets	23,515	11.9 %	23,514	18.5 %
Loss on extinguishment of debt	11,935	6.1 %	—	— %
Interest expense	8,277	4.2 %	8,986	7.1 %
Other (income) expense, net	44	— %	(505)	(0.4)%
Income (loss) before income taxes	**$ (39,207)**	**(19.9)%**	**$ (22,889)**	**(18.0)%**

Net Revenues

Net revenues for the Medicare—Internal segment were $160.4 million for the three months ended June 30, 2021 compared to $87.2 million for the three months ended June 30, 2020. The $73.2 million, or 84%, increase was primarily attributable to the hiring of additional agents, the increased utilization and efficiency of our agents and the implementation of new marketing strategies to generate a greater number of qualified prospects, which contributed to a 77% increase in commissionable Approved Submissions.

Net revenues for the Medicare—External segment were $31.4 million for the three months ended June 30, 2021 compared to $28.1 million for the three months ended June 30, 2020. The $3.3 million, or 12%, increase was primarily attributable to a 4% increase in commissionable Approved Submissions in the Medicare—External segment due to our ability to recruit and onboard additional external agents to enroll consumers in Medicare plans using our technology and platform.

Net revenues for the IFP and Other—Internal segment were $3.8 million for the three months ended June 30, 2021 compared to $7.0 million for the three months ended June 30, 2020. Net revenues for the IFP and Other—External segment were $1.3 million for the three months ended June 30, 2021 compared to $4.7 million for the three months ended June 30, 2020. For each of the IFP and Other segments, the decreases were primarily driven by a change in product mix sold, as well as a strategic shift towards higher margin Medicare products.

Segment Profit (Loss)

Segment profit for the Medicare—Internal segment was $31.3 million for the three months ended June 30, 2021 compared to $32.7 million for the three months ended June 30, 2020. The $1.5 million, or 5%, decrease was primarily attributable to (i) increased marketing and advertising costs, which contributed to a 77% increase in Medicare—Internal commissionable Approved Submissions and a 55% increase in net revenue, and (ii) increased customer care and enrollment costs attributable to the hiring, onboarding, and training of additional agents to position us to achieve target AEP production.

Segment loss for the Medicare—External segment was $1.7 million for the three months ended June 30, 2021 compared to a profit of $0.5 million for the three months ended June 30, 2020. The change was primarily attributable to an increase in marketing and advertising costs.

Segment loss for the IFP and Other—Internal segment was $0.8 million for the three months ended June 30, 2021 compared to a loss of $0.1 million for the three months ended June 30, 2020. The change was primarily attributable to a change in product mix sold by agents for IFP and Other plans, as well as an overall strategic shift towards higher margin Medicare products.

Segment loss for the IFP and Other—External segment was $0.1 million for the three months ended June 30, 2021 compared to a profit of $0.1 million for the three months ended June 30, 2020. The change was primarily attributable to a change in product mix sold by external agencies, as well as an overall strategic shift towards higher margin Medicare products.

Six months ended June 30, 2021 compared to six months ended June 30, 2020

	Six months ended Jun. 30, 2021		Six months ended Jun. 30, 2020	
(in thousands)	**Dollars**	**% of Net Revenues**	**Dollars**	**% of Net Revenues**
Net revenues:				
Medicare—Internal	$ 317,786	79.2 %	$ 182,488	68.1 %
Medicare—External	70,879	17.7 %	57,053	21.3 %
IFP and Other—Internal	7,763	1.9 %	15,651	5.8 %
IFP and Other—External	4,653	1.2 %	12,875	4.8 %
Net revenues	401,081	100.0 %	268,067	100.0 %
Segment profit (loss):				
Medicare—Internal	77,700	19.4 %	74,482	27.8 %
Medicare—External	(2,319)	(0.6)%	173	0.1 %
IFP and Other—Internal	(1,529)	(0.4)%	427	0.2 %
IFP and Other—External	103	— %	642	0.2 %
Segment profit	73,955	18.4 %	75,724	28.2 %
Corporate expense	44,475	11.1 %	17,576	6.6 %
Change in fair value of contingent consideration liability	—	— %	19,700	7.3 %
Amortization of intangible assets	47,029	11.7 %	47,029	17.5 %
Loss on extinguishment of debt	11,935	3.0 %	—	— %
Interest expense	16,965	4.2 %	15,742	5.9 %
Other (income) expense, net	57	— %	(495)	(0.2)%
Income (loss) before income taxes	**$ (46,506)**	**(11.6)%**	**$ (23,828)**	**(8.9)%**

Net Revenues

Net revenues for the Medicare—Internal segment were $317.8 million for the six months ended June 30, 2021 compared to $182.5 million for the six months ended June 30, 2020. The $135.3 million, or 74%, increase was primarily attributable to the hiring of additional agents, the increased utilization and efficiency of our agents and the implementation of new marketing strategies to generate a greater number of qualified prospects, which contributed to a 63% increase in commissionable Approved Submissions.

Net revenues for the Medicare—External segment were $70.9 million for the six months ended June 30, 2021 compared to $57.1 million for the six months ended June 30, 2020. The $13.8 million, or 24%, increase was primarily attributable to a 16% increase in commissionable Approved Submissions in the Medicare—External segment due to our ability to recruit and onboard additional external agents to enroll consumers in Medicare plans using our technology and platform.

Net revenues for the IFP and Other—Internal segment were $7.8 million for the six months ended June 30, 2021 compared to $15.7 million for the six months ended June 30, 2020. Net revenues for the IFP and Other—External segment were $4.7 million for the six months ended June 30, 2021 compared to $12.9 million for the six months ended June 30, 2020. For each of the IFP and Other segments, the decreases were primarily driven by a change in product mix sold, as well as a strategic shift towards higher margin Medicare products.

Segment Profit (Loss)

Segment profit for the Medicare—Internal segment was $77.7 million for the six months ended June 30, 2021 compared to $74.5 million for the six months ended June 30, 2020. The $3.2 million, or 4%, increase was primarily attributable to the 63% increase of Medicare commissionable Approved Submissions, which was primarily attributable to (i) improvements in our LeadScore and call-routing technologies allowing our agents to successfully convert more qualified prospects into Submitted Policies and (ii) improved marketing efficiencies driven by our rapid test-and-learn approach across our marketing channels, as well as an expansion of the diversity and breadth of our omnichannel marketing efforts, which together enabled the acquisition of higher quality prospects.

Segment loss for the Medicare—External segment was $2.3 million for the six months ended June 30, 2021 compared to a gain of $0.2 million for the six months ended June 30, 2020. The change was primarily attributable to an increase in marketing and advertising costs.

Segment loss for the IFP and Other—Internal segment was $1.5 million for the six months ended June 30, 2021 compared to a profit of $0.4 million for the six months ended June 30, 2020. The change was primarily attributable to a change in product mix sold by agents for IFP and Other plans, as well as an overall strategic shift towards higher margin Medicare products.

Segment profit for the IFP and Other—External segment was $0.1 million for the six months ended June 30, 2021 compared to $0.6 million for the six months ended June 30, 2020. The change was primarily attributable to a change in product mix sold by external agencies, as well as an overall strategic shift towards higher margin Medicare products.

Key Business and Operating Metrics by Segment

In addition to traditional financial metrics, we rely upon certain business and operating metrics to evaluate our business performance and facilitate our operations. Below are the most relevant business and operating metrics for each segment, except for EBITDA and Adjusted EBITDA, which are not presented on a segment basis.

Medicare Segments

Lifetime Value of Commissions per Consumer Acquisition Cost

Lifetime value of commissions per consumer acquisition cost (“LTV/CAC”), represents (i) aggregate commissions estimated to be collected over the estimated life of all commissionable Approved Submissions for the relevant period based on multiple factors, including but not limited to, contracted commission rates, carrier mix and expected policy persistency with applied constraints, or LTV, divided by (ii) the cost to convert a qualified prospect into a Submitted Policy (comprised of cost of revenue, marketing and advertising expenses and customer care and enrollment expenses) less other non-commission carrier revenue for such period, or “CAC.” CAC is comprised of cost of revenue, marketing and advertising expenses and customer care and enrollment expenses less enterprise revenue and is presented on a per commissionable Approved Submission basis. The estimate of the future renewal commissions is determined by using the contracted renewal commission rates constrained by a persistency-adjusted renewal period. The persistency-adjusted renewal period is determined based on our historical experience and available industry and insurance carrier historical data. Persistency-adjustments allow us to estimate renewal revenue only to the extent probable that a material reversal in revenue would not be expected to occur. These factors may result in varying values from period to period.

The LTV/CAC for the Medicare—Internal segment was 1.6x (with a CAC of $73.2 million) for the three months ended June 30, 2021 compared to 2.6x (with a CAC of $23.8 million) for the three months ended June 30, 2020. The decrease in LTV/CAC was primarily attributable to the hiring and training of additional agents in the Medicare—Internal segment to be well-positioned for target AEP capacity, as well as an increase in our advertising costs for the Medicare—Internal segment to generate more qualified prospects, which contributed to a 77% increase in Medicare—Internal commissionable Approved Submissions and 84% increase in Medicare—Internal revenue.

The LTV/CAC for the Medicare—Internal segment was 1.7x (with a CAC of $148.4 million) for the six months ended June 30, 2021 compared to 2.7x (with a CAC of $50.5 million) for the six months ended June 30, 2020. The increase in LTV/CAC is attributable to the same factors described above.

Submitted Policies

Submitted Policies represent completed applications that, with respect to each such application, the consumer has authorized us to submit to the carrier. The applicant may need to take additional actions, including providing subsequent information before the application is reviewed by the carrier.

The following table presents the number of Submitted Policies by product for the Medicare segments for the periods presented, split between those submissions that are commissionable (compensated through commissions received from carriers) and those that are non-commissionable (compensated via hourly fees and enrollment fees):

(in actuals)	Three months ended Jun. 30, 2021	Three months ended Jun. 30, 2020	Six months ended Jun. 30, 2021	Six months ended Jun. 30, 2020
Medicare Advantage	153,163	99,078	326,037	216,413
Medicare Supplement	1,022	2,248	2,126	4,919
Prescription Drug Plans	2,374	1,969	4,967	4,431
Total Medicare—Commissionable	156,559	103,295	333,130	225,763
Medicare Advantage	3,232	7,407	9,171	14,334
Medicare Supplement	2,042	1,734	3,692	3,546
Prescription Drug Plans	791	955	1,676	1,753
Total Medicare—Non-commissionable	6,065	10,096	14,539	19,633
Total Medicare Submitted Policies	**162,624**	**113,391**	**347,669**	**245,396**

Total Medicare Submitted Policies were 162,624 and 113,391 for the three months ended June 30, 2021 and 2020, respectively, and 347,669 and 245,396 for the six months ended June 30, 2021 and 2020, respectively. The increase is attributable to improved multichannel marketing strategies that allowed us to generate a greater number of high quality prospects, along with increased efficiency of our agents. Agent efficiency increased due to the implementation of more efficient marketing strategies and improvements in our LeadScore and call-routing technologies, which allowed our agents to increase the number of qualified prospects they are able to talk to and improve the rate at which a qualified prospect converts to a Submitted Policy. Additionally, the successful hiring, onboarding, and training of additional agents contributed to the increase in Submitted Policies. We were also able to drive an increase in total Submitted Policies in the Medicare—External segment due to our ability to recruit and onboard additional external agents to enroll consumers in Medicare plans using our technology and platform.

Approved Submissions

Approved Submissions represent Submitted Policies approved by carriers for the identified product during the indicated period. Not all Approved Submissions will go in force, or effectuate, as some individuals we enroll may not ultimately pay their insurance premiums or may switch out of a policy within the disenrollment period during the first 90 days of the policy. In general, the relationship between Submitted Policies and Approved Submissions has been steady over time. Therefore, factors impacting the number of Submitted Policies also impact the number of Approved Submissions.

The following tables present the number of Approved Submissions by product relating to commissionable policies for each of the Medicare segments for the periods presented. Only commissionable policies are used to calculate our LTV.

Medicare—Internal

(in actuals)	Three months ended Jun. 30, 2021	Three months ended Jun. 30, 2020	Six months ended Jun. 30, 2021	Six months ended Jun. 30, 2020
Medicare Advantage	121,299	67,818	250,185	151,426
Medicare Supplement	268	465	519	1,287
Prescription Drug Plans	2,033	1,571	4,317	3,745
Total Medicare—Internal Commissionable Approved Submissions	**123,600**	**69,854**	**255,021**	**156,458**

Medicare—Internal commissionable Approved Submissions were 123,600 and 69,854 for the three months ended June 30, 2021 and 2020, respectively, and 255,021 and 156,458 for the six months ended June 30, 2021 and 2020, respectively. The increase was attributable to the hiring of additional agents, the increased efficiency of our agents due to technology improvements and improved multichannel marketing strategies that allowed us to generate a greater number of high quality prospects.

Medicare—External

(in actuals)	Three months ended Jun. 30, 2021	Three months ended Jun. 30, 2020	Six months ended Jun. 30, 2021	Six months ended Jun. 30, 2020
Medicare Advantage	31,450	28,979	73,691	61,266
Medicare Supplement	665	1,633	1,396	3,191
Prescription Drug Plans	236	405	525	854
Total Medicare—External Commissionable Approved Submissions	**32,351**	**31,017**	**75,612**	**65,311**

Medicare—External commissionable Approved Submissions were 32,351 and 31,017 for the three months ended June 30, 2021 and 2020, respectively, and 75,612 and 65,311 for the six months ended June 30, 2021 and 2020, respectively. The increase in Medicare—External commissionable Approved Submissions was attributable to our ability to recruit and onboard additional external agents to enroll consumers in Medicare plans.

Lifetime Value of Commissions Per Approved Submission

Lifetime value of commissions per commissionable Approved Submission ("LTV Per Approved Submission"), represents (i) aggregate commissions estimated to be collected over the estimated life of all commissionable Approved Submissions for the relevant period based on multiple factors, including but not limited to, contracted commission rates, carrier mix and expected policy persistency with applied constraints, divided by (ii) the number of commissionable Approved Submissions for such period. LTV Per Approved Submission is equal to the sum of the commission revenue due upon the initial sale of a policy, and when applicable, an estimate of future renewal commissions per commissionable Approved Submissions. The estimate of the future renewal commissions is determined by using the contracted renewal commission rates constrained by a persistency-adjusted renewal period. The persistency-adjusted renewal period is determined based on our historical experience and available industry and carrier historical data. Persistency-adjustments allow us to estimate renewal revenue only to the extent probable that a material reversal in revenue would not be expected to occur. These factors may result in varying values from period to period. LTV Per Approved Submission represents commissions only from policies sold during the period, but excludes policies originally submitted in prior periods.

The following table presents the LTV Per Approved Submission by product for the Medicare segments for the periods presented:

(in actuals)	Three months ended Jun. 30, 2021	Three months ended Jun. 30, 2020	Six months ended Jun. 30, 2021	Six months ended Jun. 30, 2020
Medicare Advantage	$ 953	$ 905	$ 975	$ 877
Medicare Supplement	$ 846	$ 937	$ 821	$ 928
Prescription Drug Plans	$ 215	$ 215	$ 215	$ 216

LTV Per Approved Submission for Medicare Advantage were $953 and $905 for the three months ended June 30, 2021 and 2020, respectively, and $975 and $877 for the six months ended June 30, 2021 and 2020, respectively. The increase was primarily due to an increase in commission rates.

LTV Per Approved Submission for Medicare Supplement were $846 and $937 for the three months ended June 30, 2021 and 2020, respectively, and $821 and $928 for the six months ended June 30, 2021 and 2020, respectively. The decrease was primarily due to changes in carrier mix.

LTV Per Approved Submission for prescription drug plans were relatively unchanged for both the three months ended June 30, 2021 compared to 2020 and the six months ended June 30, 2021 compared to 2020.

IFP and Other Segments

Submitted Policies

Submitted Policies represent the number of completed applications that, with respect to each such application, the consumer has authorized us to submit to the carrier. The applicant may need to take additional actions, including providing subsequent information before the application is reviewed by the carrier.

Total Submitted Policies for the IFP and Other segments were 16,498 and 26,718 for the three months ended June 30, 2021 and 2020, respectively. The decrease was due to a change in strategy to prioritize agents and marketing and advertising spend in the higher margin Medicare segments.

Total Submitted Policies for the IFP and Other segments were 33,322 and 63,053 for the six months ended June 30, 2021 and 2020, respectively. The decrease was due to a change in strategy to prioritize agents and marketing and advertising spend in the higher margin Medicare segments.

Liquidity and Capital Resources

Overview

Our liquidity needs primarily include working capital and debt service requirements. At June 30, 2021, cash and cash equivalents totaled $112.9 million. On July 17, 2020, we completed our IPO, which resulted in the issuance and sale of 43,500 shares of common stock at the IPO price of $21.00, and generated net proceeds of $852.4 million after deducting underwriting discounts and other offering costs. We believe that our current sources of liquidity, which include cash and cash equivalents and funds available under the Credit Facilities, as described further below, will be sufficient to meet our projected operating and debt service requirements for at least the next 12 months. Short-term liquidity needs will primarily be funded through the Revolving Credit Facilities, as described further below, if necessary. As of June 30, 2021, we had no amounts outstanding under the Revolving Credit Facilities and had a remaining capacity of $200.0 million. To the extent that our current liquidity is insufficient to fund future activities, we may need to raise additional funds, which may include the sale of equity securities or through debt financing arrangements. The incurrence of additional debt financing would result in debt service obligations, and any future instruments governing such debt could provide for operating and financing covenants that could restrict our operations.

The following table presents a summary of cash flows for the six months ended June 30, 2021 and 2020 :

(in thousands)	Six months ended Jun. 30, 2021	Six months ended Jun. 30, 2020
Net cash used in operating activities	$ (32,250)	$ (4,169)
Net cash used in investing activities	$ (7,909)	$ (7,764)
Net cash provided by financing activities	$ 8,888	$ 117,900

Operating Activities

Cash provided by operating activities primarily consists of net loss adjusted for non-cash items including share-based compensation; depreciation and amortization; amortization of intangible assets; change in the fair value of contingent consideration; amortization of debt discount and issuance costs; loss on extinguishment of debt; and the effect of changes in working capital and other activities.

Collection of commissions receivable depends upon the timing of the receipt of commission payments. If there were to be a delay in receiving a commission payment from a carrier within a quarter, the operating cash flows for that quarter could be adversely impacted.

A significant portion of marketing and advertising expense is driven by the number of qualified prospects required to generate the insurance applications submitted to carriers. Marketing and advertising costs are expensed and generally paid as incurred and since commission revenue is recognized upon approval of a submission but commission payments are paid to us over time, there are working capital requirements to fund the upfront cost of acquiring new policies.

Net cash used in operating activities was $32.3 million for the six months ended June 30, 2021, which consisted of a $46.4 million net loss and positive adjustments for non-cash items of $76.1 million, offset by negative adjustments for operating assets and liabilities of $61.9 million. The change in operating assets and liabilities was primarily driven by an increase in commissions receivable of $63.7 million and an increase in prepaid expenses and other assets of $11.8 million, partially offset by an increase in commissions payable of $4.7 million, an increase in accounts payable of $6.1 million and an increase in accrued liabilities of $4.0 million.

Net cash used in operating activities was $4.2 million for the six months ended June 30, 2020, which consisted of $23.8 million in net loss and adjustments for non-cash items of $70.0 million, offset by the effect of changes in operating assets and liabilities representing a $50.4 million use of cash. The change in operating assets and liabilities was primarily driven by an increase in commissions receivable of $58.7 million, a decrease in deferred revenue of $14.2 million, a decrease in accounts payable of $3.5 million, and a decrease in accrued liabilities of $7.6 million, partially offset by a decrease in prepaid expenses and other assets of $1.8 million, a decrease in accounts receivable of $12.4 million and an increase in commissions payable of $18.1 million.

Investing Activities

Net cash used in investing activities was $7.9 million for the six months ended June 30, 2021 and consisted of capitalized internal-use software related to new technology, software, and systems and purchases of property and equipment.

Net cash used in investing activities of $7.8 million for the six months ended June 30, 2020 was primarily attributable to both capitalized internal-use software related to new technology, software, and systems and purchases of property and equipment.

Financing Activities

Net cash provided by financing activities was $8.9 million for the six months ended June 30, 2021 and was primarily due to the borrowings under term loans of $310.0 million and the collection of the short-term advancement to NVX Holdings, partially offset by principal payments under the term loans of $296.8 million and call premium paid for debt extinguishment of $5.9 million as further described below .

Net cash provided by financing activities of $117.9 million for the six months ended June 30, 2020 was due to borrowings under the Incremental Term Loan Facility, which comprised $117.0 million of net cash provided by financing activities and the issuance of common units, which comprised $10.0 million of net cash provided by financing activities, and was partially offset by payments of existing debt and debt issuance costs associated with the Incremental Term Loan Facility and deferred offering costs incurred in connection with the IPO.

Credit Facilities

Term Loan Facilities

On September 13, 2019, in connection with the Acquisition, Norvax ("the Borrower") entered into a first lien credit agreement (the "Credit Agreement") which provided for a $300.0 million aggregate principal amount senior secured term loan facility (the "Initial Term Loan Facility"). During 2020, the Company entered into a series of amendments to the Credit Agreement to provide for, among other items as further described below, $117.0 million of incremental term loans (the "Incremental Term Loan Facility").

On June 11, 2021, the Company entered into Amendment No. 5 to the Credit Agreement and Incremental Facility Agreement ("Amendment No. 5"). Amendment No. 5 creates a new class of incremental term loans (the "2021 Incremental Term Loans") in an aggregate principal amount equal to $310.0 million, which was used to refinance $295.5 million of outstanding principal under the Initial Term Loan Facility, pay the related accrued interest and fund the prepayment premium. In connection with Amendment No. 5 and the refinancing of the Initial Term Loan, the Company recognized an $11.9 million loss on debt extinguishment, representing the 2% prepayment premium of $5.9 million and the write-down of deferred financing costs and debt discounts of $6.0 million. The Company incurred $1.7 million of debt issuance costs associated with Amendment No. 5, which are being amortized over the life of the debt to interest expense using the effective interest method.

The Company collectively refers to the Initial Term Loan Facility, the Incremental Term Loan Facility, and the 2021 Incremental Term Loans as the "Term Loan Facilities".

As of June 30, 2021, the Company had a principal amount of $115.5 million and $310.0 million outstanding under the Incremental Term Loan Facility and the 2021 Incremental Term Loans, respectively. The Incremental Term Loan Facility effective interest rate was 7.5% at both June 30, 2021 and December 31, 2020. The 2021 Incremental Term Loans' effective interest rate was 5.0% at June 30, 2021.

Borrowings under the Initial Term Loan and the Incremental Term Loan Facility are, at the option of the Borrower, either (i) alternate base rate ("ABR") plus 5.50% per annum or (ii) LIBOR plus 6.50% per annum. The 2021 Incremental Term Loans bear interest at either (i) ABR plus 3.00% per annum or (ii) LIBOR plus 4.00% per annum.

The Term Loan Facilities are payable in quarterly installments in the principal amount of 0.25% of the original principal amount. The remaining unpaid balance on the Term Loan Facilities, together with all accrued and unpaid interest thereon, is due and payable on or prior to September 13, 2025.

Revolving Credit Facilities

The Credit Agreement provided for a $30.0 million aggregate principal amount senior secured revolving credit facility (the "Revolving Credit Facility"). During 2020, the Company entered into a series of amendments to the Credit Agreement to provide for $28.0 million of incremental revolving credit (the "Incremental Revolving Credit Facilities").

On May 7, 2021, the Company entered into a fourth amendment to the Credit Agreement, which provided $142.0 million of incremental revolving credit (the "Incremental No. 4 Revolving Credit Facility"), for a total amount of $200.0 million.

The Company collectively refers to the Revolving Credit Facility, the Incremental Revolving Credit Facilities, and the Incremental No. 4 Revolving Credit Facility as the "Revolving Credit Facilities".

Amendment No. 5, as described above, also separates the Revolving Credit Facilities into two classes of revolving commitments consisting of Class A Revolving Commitments in the amount of $30.0 million and Class B Revolving Commitments in the amount of $170.0 million.

Borrowings under the Class A Revolving Commitments bear interest at either ABR plus 5.50% per annum or LIBOR plus 6.50% per annum. Borrowings under the Class B Revolving Commitments bear interest at either ABR plus 3.00% per annum or LIBOR plus 4.00% per annum. The Borrower is required to pay a commitment fee of 0.50% per annum under the Revolving Credit Facilities.

The Company had no amounts outstanding under the Revolving Credit Facilities, which have a remaining capacity of $200.0 million in the aggregate as of June 30, 2021. Outstanding borrowings under the Revolving Credit Facilities do not amortize and are due and payable on September 13, 2024.

Recent Accounting Pronouncements

For a discussion of new accounting pronouncements recently adopted and not yet adopted, see Note 1, “Description Of Business And Significant Accounting Policies,” to the Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q.

Seasonality

The Medicare annual enrollment period occurs from October 15th to December 7th. As a result, we experience an increase in the number of submitted Medicare-related applications during the fourth quarter and an increase in expense related to the Medicare segments during the third and fourth quarters. Additionally, as a result of the annual Medicare Advantage open enrollment period that occurs from January 1st to March 31st, commission revenue is typically second-highest in our first quarter. The second and third quarters are known as special election periods, and are our seasonally smallest quarters. A significant portion of our marketing and advertising expenses is driven by the number of health insurance applications submitted through us. Marketing and advertising expenses are generally higher in the fourth quarter during the Medicare annual enrollment period, but because commissions from approved customers are paid to us over time, our operating cash flows could be adversely impacted by a substantial increase in marketing and advertising expenses as a result of a higher volume of applications submitted during the fourth quarter or positively impacted by a substantial decline in marketing and advertising expenses as a result of lower volume of applications submitted during the fourth quarter.

Critical Accounting Policies and Estimates

The preparation of our Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities and disclosure of contingent assets and liabilities in our financial statements. We regularly assess these estimates; however, actual amounts could differ from those estimates. The most significant items involving management’s estimates include estimates of revenue recognition, commissions receivable, and commissions payable. The impact of changes in estimates is recorded in the period in which they become known.

An accounting policy is considered to be critical if the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and the effect of the estimates and assumptions on financial condition or operating performance. The accounting policies we believe to reflect our more significant estimates, judgments and assumptions that are most critical to understanding and evaluating our reported financial results are: (1) revenue recognition and commissions receivable, (2) share-based compensation, (3) goodwill and intangible assets, (4) income taxes and (5) liabilities pursuant to TRAs.

Our critical accounting policies are described under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies” in our 2020 Form 10-K. During the three and six months ended June 30, 2021, there were no material changes to our critical accounting policies from those discussed in our 2020 Form 10-K.

JOBS Act

We qualify as an “emerging growth company” pursuant to the provisions of the JOBS Act, enacted on April 5, 2012. Section 102 of the JOBS Act provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. We are electing to delay the adoption of new or revised accounting standards, and as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As a result, our Condensed Consolidated Financial Statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

We have elected the other exemptions and reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, as an emerging growth company we are not required to, among other things, (1) provide an auditor's attestation report on our systems of internal controls over financial reporting pursuant to Section 404, (2) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Act, (3) comply with the requirement of the PCAOB regarding the communication of critical audit matters in the auditor's report on the financial statements and (4) disclose certain executive compensation-related items, such as the correlation between executive compensation and performance and comparisons of the Chief Executive Officer's compensation to median employee compensation. These exemptions will apply until we no longer meet the requirements of being an emerging growth company. We will remain an emerging growth company until the earlier of (a) the last day of the fiscal year (i) following the fifth anniversary of the completion of our IPO, (ii) in which we have total annual gross revenue of at least $1.07 billion or (iii) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds $700.0 million as of the last business day of our prior second fiscal quarter, and (b) the date on which we have issued more than $1.0 billion in non-convertible debt over a rolling 36-month period.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

In the normal course of business, we are subject to market risks. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. There have been no material changes to our market risk policies or our market risk-sensitive instruments and positions as described in our 2020 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of June 30, 2021.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the quarter ended June 30, 2021 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 1. LEGAL PROCEEDINGS.

Refer to Note 10, “Commitments And Contingencies,” of the Notes to Condensed Consolidated Financial Statements for information about legal proceedings.

ITEM 1A. RISK FACTORS.

There have been no material changes to the risk factors set forth in our 2020 Form 10-K. Before investing in our Class A common stock, we recommend that investors carefully consider the risks described in the 2020 Form 10-K filed with the SEC, including those under the heading “Item 1A. Risk Factors.” Realization of any of these risks could have a material adverse effect on our financial condition or results of operations. Additional risks and uncertainties not currently known to us or that we deem to be immaterial could also materially adversely affect our business, financial condition, or results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibit Index

Exhibit Number	Description	Incorporated by Reference: Form	File No.	Exhibit	Filing Date	Filed/ Furnished Herewith
3.1	Amended and Restated Certificate of Incorporation of GoHealth, Inc.	10-Q	01-39390	3.1	8/20/2020	
3.2	Amended and Restated Bylaws of GoHealth, Inc.	10-Q	01-39390	3.2	8/20/2020	
4.1	Specimen Stock Certificate evidencing the shares of Class A common stock.	S-1	333-239287	4.1	6/19/2020	
10.1	Amendment No. 4 to the Credit Agreement and Incremental Facility Agreement, dated as of May 7, 2021, among Norvax, LLC, as borrower, Blizzard Midco, LLC, as a guarantor, the other guarantors party thereto, Owl Rock Capital Corporation, as administrative agent, collateral agent and swingline lender and the other lenders from time to time party thereto.	10-Q	01-39390	10.2	5/13/2021	
10.2	Amendment No. 5 to the Credit Agreement and Incremental Facility Agreement, dated as of June 11, 2021, among Norvax, LLC, as borrower, Blizzard Midco, LLC, as a guarantor, the other guarantors party thereto, Owl Rock Capital Corporation, as administrative agent, collateral agent and swingline lender and the other lenders from time to time party thereto.	8-K	01-39390	10.1	6/14/2021	
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a).					*
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a).					*
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350.					**
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.					**
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					*

* Filed herewith.
** Furnished herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	GoHealth, Inc. **(Registrant)**
Date: August 11, 2021	By: /s/ Clinton P. Jones Clinton P. Jones Chief Executive Officer *(Principal Executive Officer)*
Date: August 11, 2021	By: /s/ Travis J. Matthiesen Travis J. Matthiesen Chief Financial Officer *(Principal Financial and Accounting Officer)*

Exhibit 31.1

Certification

I, Clinton P. Jones, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of GoHealth, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) [omitted];

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2021

By: /s/ Clinton P. Jones

Clinton P. Jones
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification

I, Travis J. Matthiesen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of GoHealth, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) [omitted];

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2021

By: /s/ Travis J. Matthiesen

Travis J. Matthiesen
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

Certification Pursuant to
18 U.S.C. Section 1350, as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of GoHealth, Inc. (the “Company”) for the period ended June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	August 11, 2021	By:	/s/ Clinton P. Jones
			Clinton P. Jones Chief Executive Officer *(Principal Executive Officer)*

Exhibit 32.2

Certification Pursuant to
18 U.S.C. Section 1350, as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of GoHealth, Inc. (the “Company”) for the period ended June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	August 11, 2021	By:	/s/ Travis J. Matthiesen
			Travis J. Matthiesen Chief Financial Officer *(Principal Financial and Accounting Officer)*