



Say YES to more automotive loans.



Earnings Supplement

Q2 2022

Q2 2022 Financial Highlights

	Q2 2022	Q2 2021
Total Certs	44,531	46,408
Revenue	\$52.0 million	\$61.1 million
Adj. EBITDA ¹	\$34.0 million	\$46.1 million
Adj. Operating Cash Flow ²	\$34.6 million	\$30.5 million

(1) See reconciliation of GAAP to non-GAAP financial measures on page 6

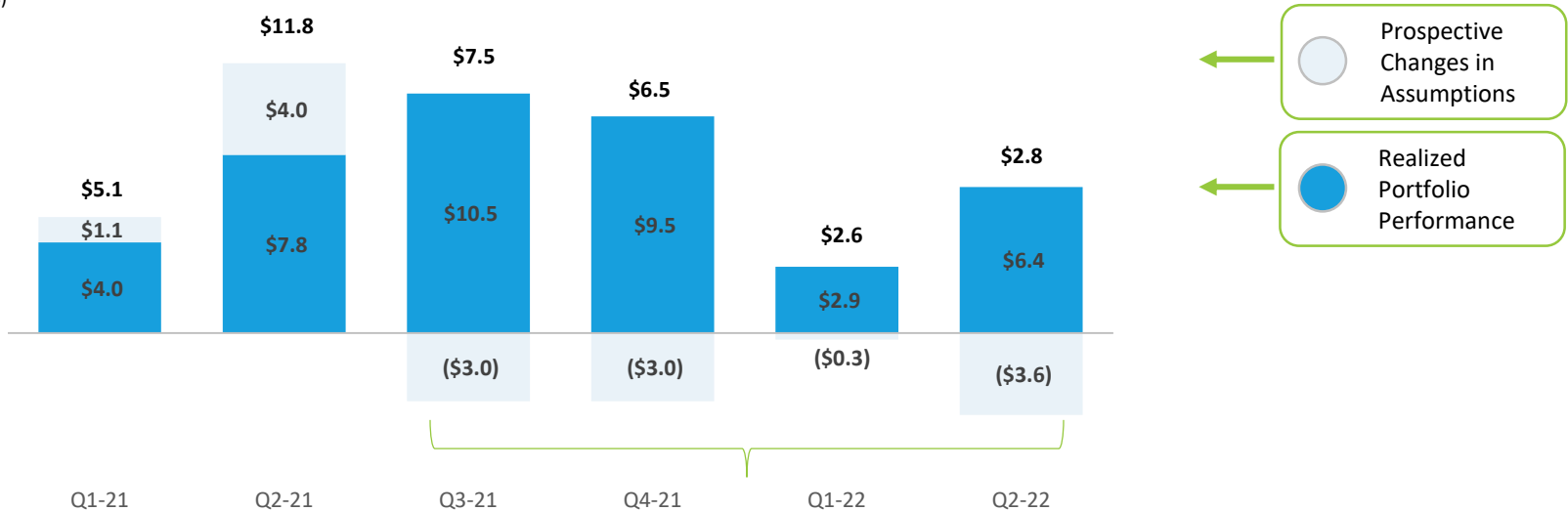
(2) Defined as Adj. EBITDA, minus CAPEX, +/- change in contract assets

Understanding Changes in Contract Assets and Profit Share Revenue

In LTM period on a net basis, **~151% of Changes in Contract Asset Estimates Driven by Realized Portfolio Performance** as Opposed to Changes in Prospective Estimates

Change in Contract Asset Estimates and Profit Share Revenue:

(\$ in millions)



Lower than projected claims and severity of losses in historical periods drove positive changes to contract asset estimates that **in turn drive strong near-term cash flows**

Q2 2022 Key Performance Indicators

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Certs				
Credit Unions & Bank Certified Loans (Certs)	38,587	30,398	77,107	52,325
OEM Certs	5,944	16,010	11,368	27,401
Total Certs	44,531	46,408	88,475	79,726
Unit Economics				
Avg. Profit Share Revenue per Cert (1)	\$ 591	\$ 582	\$ 588	\$ 623
Avg. Program Fee Revenue per Cert	\$ 466	\$ 444	\$ 457	\$ 445
Originations				
Facilitated Loan Origination Volume (\$ in 000)	\$ 1,293,525	\$ 1,170,461	\$ 2,475,898	\$ 1,950,822
Average Loan Size	29,043	25,221	27,984	24,469
Channel Overview				
New Vehicle Certs as a % of Total	9.8%	16.9%	7.7%	16.5%
Used Vehicle Certs as a % of Total	90.2%	83.1%	92.3%	83.5%
Indirect Certs as a % of Total	51.7%	65.8%	48.8%	67.2%
Direct Certs as a % of Total	15.9%	15.6%	15.2%	16.1%
Refinance Certs as % of Total	32.4%	18.6%	36.0%	16.7%

(1) Represents average profit share revenue per certified loan originated in the period excluding the impact of profit share revenue recognized in the period associated with historical vintages. The profit share revenue impact related to change in estimates of historical vintages was \$2.8 million and \$11.8 million, for the six months ended June 30, 2022 and 2021, respectively. The profit share revenue impact related to change in estimates of historical vintages was \$5.5 million and \$16.9 million, for the six months ended June 30, 2022 and 2021, respectively.

Q2 2022 Financial Update

(\$ in 000)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue				
Profit share	\$ 29,157	\$ 38,842	\$ 57,467	\$ 66,572
Program fees	20,731	20,597	40,457	35,508
Claims administration and other service fees	2,156	1,686	4,188	3,053
Total revenue	52,044	61,125	102,112	105,133
Cost of services	5,085	4,140	9,873	7,502
Gross profit	46,959	56,985	92,239	97,631
Operating expenses				
General and administrative	7,968	8,381	15,450	16,593
Selling and marketing	3,994	2,954	7,727	5,351
Research and development	2,188	773	4,011	1,364
Total operating expenses	14,150	12,108	27,188	23,308
Operating income	32,809	44,877	65,051	74,323
Interest expense	(1,124)	(1,122)	(1,927)	(4,411)
Interest income	22	58	47	142
Gain on extinguishment of tax receivable agreement (1)	-	55,422	-	55,422
Loss on extinguishment of debt (2)	-	-	-	(8,778)
Other expense	-	(2)	-	(133)
Income before income taxes	31,707	99,233	63,171	116,565
Income tax expense	8,581	23,267	16,891	27,737
Net income	\$ 23,126	\$ 75,966	\$ 46,280	\$ 88,828

(1) Reflects the gain recognized as a result of the early termination and settlement of the tax receivable agreement.

(2) Reflects unamortized deferred financing costs that were written off in connection with the refinancing of our Term Loan due 2027 on March 19, 2021.

Reconciliation of GAAP to Non-GAAP Financial Measures

Adjusted EBITDA

(\$ in 000)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income	\$ 23,126	\$ 75,966	\$ 46,280	\$ 88,828
Non-GAAP adjustments:				
Interest expense	1,124	1,122	1,927	4,411
Income tax expense	8,581	23,267	16,891	27,737
Depreciation and amortization expense	226	196	447	389
Share-based compensation expense	988	927	2,269	1,628
Gain on extinguishment of tax receivable agreement (1)	-	(55,422)	-	(55,422)
Loss on extinguishment of debt (2)	-	-	-	8,778
Total adjustments	10,919	(29,910)	21,534	(12,479)
Adjusted EBITDA	34,045	46,056	67,814	76,349
Total revenue	\$ 52,044	\$ 61,125	\$ 102,112	\$ 105,133
Adjusted EBITDA margin	65%	75%	66%	73%

Adjusted operating cash flows (3)

Adjusted EBITDA	\$ 34,045	\$ 46,056	\$ 67,814	\$ 76,349
CAPEX	(178)	(838)	(364)	(841)
Decrease (increase) in contract assets	704	(14,715)	6,208	(22,591)
Adjusted operating cash flows	\$ 34,571	\$ 30,503	\$ 73,658	\$ 52,917

- (1) Reflects the gain recognized as a result of the early termination and settlement of the tax receivable agreement.
- (2) Reflects unamortized deferred financing costs that were written off in connection with the refinancing of our Term Loan due 2027 on March 19, 2021.
- (3) Adjusted operating cash flow is defined as Adjusted EBITDA, minus CAPEX, +/- change in contract assets.

Total Current Share Count

Shares	In millions
Total Shares Outstanding August 4, 2022	126.2
Treasury Shares	2.0
Total Shares Issued	128.2