



Say YES to more automotive loans.

---

# Earnings Supplement Q4 and Full Year 2023

# Q4 2023 Financial Highlights

	Q4 2023	Q4 2022
Total Certs	26,263	34,550
Revenue	\$14.9 million	\$26.8 million
Adj. EBITDA <sup>1</sup>	\$(2.1) million	\$8.5 million
Adj. Operating Cash Flows <sup>2</sup>	\$17.2 million	\$33.0 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; see reconciliation of GAAP to non-GAAP financial measures on page 6

# 2023 Financial Highlights

	FY 2023	FY 2022
Total Certs	122,984	165,211
Revenue	\$117.5 million	\$179.6 million
Adj. EBITDA <sup>1</sup>	\$50.2 million	\$105.7 million
Adj. Operating Cash Flow <sup>2</sup>	\$94.1 million	\$142.6 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; see reconciliation of GAAP to non-GAAP financial measures on page 6

# Key Performance Indicators

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
<b>Certs</b>				
Credit Union & Bank	20,541	28,905	96,610	142,458
OEM	5,722	5,645	26,374	22,753
<b>Total Certs</b>	<b>26,263</b>	<b>34,550</b>	<b>122,984</b>	<b>165,211</b>
<b>Unit Economics</b>				
Avg. Profit Share Revenue per Cert (1)	\$ 501	\$ 546	\$ 538	\$ 579
Avg. Program Fee Revenue per Cert	\$ 519	\$ 530	\$ 527	\$ 488
<b>Originations</b>				
Facilitated Loan Origination Volume (\$ in 000s)	\$ 764,149	\$ 1,036,327	\$ 3,614,303	\$ 4,758,597
Average Loan Size	\$ 29,096	\$ 29,995	\$ 29,388	\$ 28,803
<b>Channel Overview</b>				
New Vehicle Certs as a % of Total	13.9 %	15.3 %	13.4 %	10.3 %
Used Vehicle Certs as a % of Total	86.1 %	84.7 %	86.6 %	89.7 %
Indirect Certs as a % of Total	77.8 %	66.4 %	73.4 %	54.1 %
Direct Certs as a % of Total	17.2 %	19.2 %	19.7 %	16.5 %
Refinance Certs as a % of Total	5.0 %	14.4 %	6.9 %	29.4 %

(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 \$(14.3) million and \$(22.8) million for the three months and year ended December 31, 2023, respectively, and \$(12.8) million and \$(5.7) million, respectively, for the three months and year ended December 31, 2022, respectively.

# Financial Results

(\$ in '000s)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
<b>Revenue</b>				
Program fees	\$ 13,482	\$ 18,309	\$ 64,092	\$ 80,611
Profit share	(1,132)	6,066	43,301	90,056
Claims administration and other service fees	2,589	2,446	10,067	8,927
<b>Total revenue</b>	<b>14,939</b>	<b>26,821</b>	<b>117,460</b>	<b>179,594</b>
<b>Cost of services</b>	5,365	4,896	22,282	19,968
<b>Gross profit</b>	<b>9,574</b>	<b>21,925</b>	<b>95,178</b>	<b>159,626</b>
<b>Operating expenses</b>				
General and administrative	12,002	11,165	43,043	35,950
Selling and marketing	4,349	4,148	17,485	17,856
Research and development	1,500	1,839	5,575	8,205
<b>Total operating expenses</b>	<b>17,851</b>	<b>17,152</b>	<b>66,103</b>	<b>62,011</b>
<b>Operating income (loss)</b>	<b>(8,277)</b>	<b>4,773</b>	<b>29,075</b>	<b>97,615</b>
Interest expense	(2,820)	(2,297)	(10,661)	(5,832)
Interest income	3,018	1,627	10,335	1,995
Other expense, net	118	1	109	(238)
<b>Income (loss) before income taxes</b>	<b>(7,961)</b>	<b>4,104</b>	<b>28,858</b>	<b>93,540</b>
<b>Income tax expense (benefit)</b>	(3,119)	8,293	6,788	26,920
<b>Net income (loss)</b>	<b>\$ (4,842)</b>	<b>\$ (4,189)</b>	<b>\$ 22,070</b>	<b>\$ 66,620</b>

# Reconciliation of GAAP to Non-GAAP Financial Measures

## Adjusted EBITDA

(\$ in 000's)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
<b>Net income (loss)</b>	\$ (4,842)	\$ (4,189)	\$ 22,070	\$ 66,620
Non-GAAP adjustments:				
Interest expense	2,820	2,297	10,661	5,832
Income tax expense (benefit)	(3,119)	8,293	6,788	26,920
Depreciation and amortization of fixed assets	335	235	1,159	915
Share-based compensation expense	2,666	1,885	9,492	5,449
<b>Total adjustments</b>	<b>2,702</b>	<b>12,710</b>	<b>28,100</b>	<b>39,116</b>
<b>Adjusted EBITDA</b>	<b>\$ (2,140)</b>	<b>\$ 8,521</b>	<b>\$ 50,170</b>	<b>\$ 105,736</b>
<b>Total revenue</b>	<b>\$ 14,939</b>	<b>\$ 26,821</b>	<b>\$ 117,460</b>	<b>\$ 179,594</b>
<b>Adjusted EBITDA margin</b>	<b>(14)%</b>	<b>32 %</b>	<b>43 %</b>	<b>59 %</b>

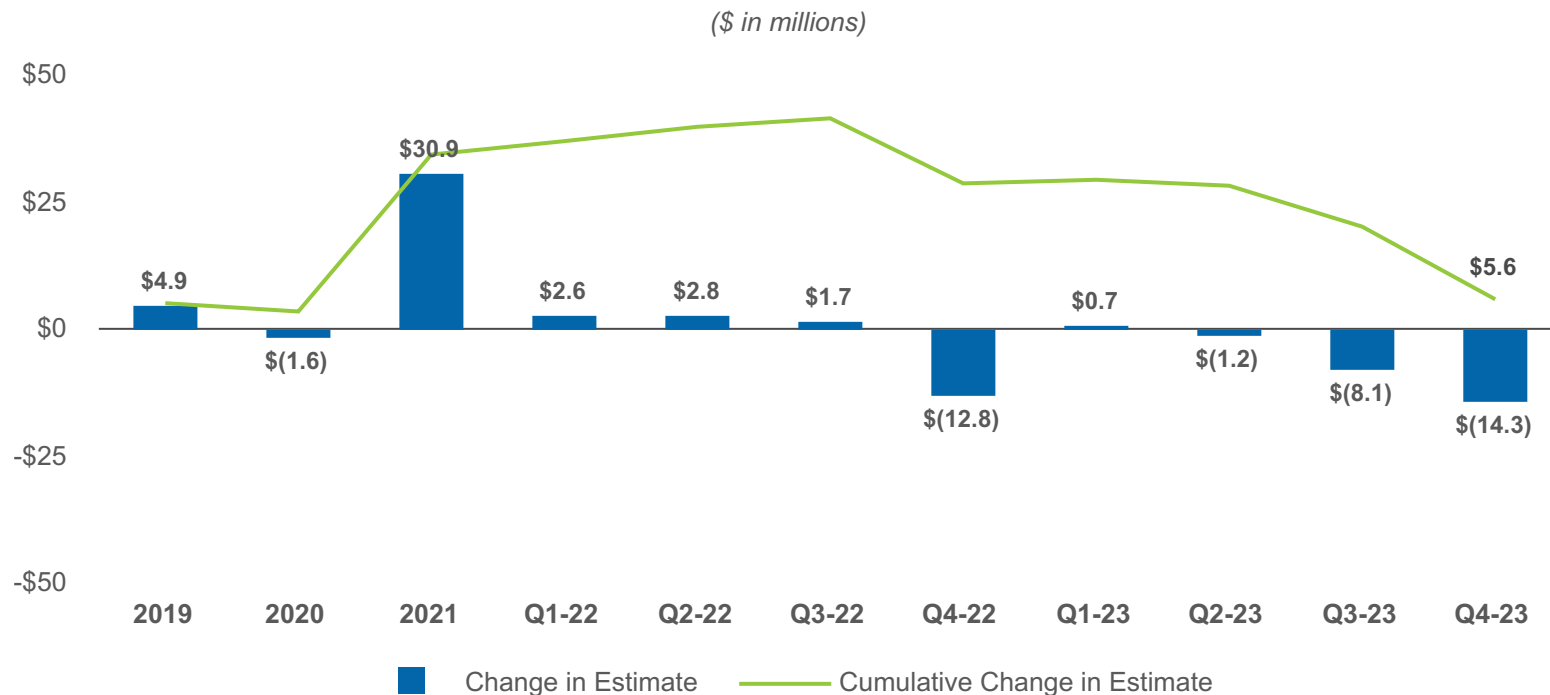
## Adjusted operating cash flows

(\$ in 000's)

<b>Adjusted EBITDA</b>	\$ (2,140)	\$ 8,521	\$ 50,170	\$ 105,736
CAPEX	(590)	13	(2,178)	(624)
Decrease (increase) in contract assets, net	19,917	24,511	46,116	37,527
<b>Adjusted operating cash flows</b>	<b>\$ 17,187</b>	<b>\$ 33,045</b>	<b>\$ 94,108</b>	<b>\$ 142,639</b>

# Profit Share Revenue Change in Estimate

Q4 2023 negative change in estimate of \$14.3 million is associated with cumulative reported profit share revenue of approximately \$380 million<sup>(1)</sup>. Cumulative change in estimate at Q4 2023 is \$5.6 million<sup>(2)</sup>.



<sup>(1)</sup> Cumulative revenue from Accounting Standards Codification ("ASC") 606 implementation in 2019 through Q3 2023.

<sup>(2)</sup> Cumulative change in estimate from ASC 606 implementation in 2019 through Q4 2023.

## Total Current Share Count

Shares	In thousands
<b>Total Shares Outstanding February 27, 2024</b>	<b>118,877</b>
<b>Treasury Shares</b>	<b>9,321</b>
<b>Total Shares Issued</b>	<b>128,198</b>