



Say YES to more automotive loans.

Earnings Supplement

Q2 2023



Q2 2023 Financial Highlights

	Q2 2023	Q2 2022
Total Certs	34,354	44,531
Revenue	\$38.2 million	\$52.0 million
Adj. EBITDA ¹	\$20.7 million	\$34.0 million
Adj. Operating Cash Flows ²	\$26.5 million	\$34.6 million

(1) See reconciliation of GAAP to non-GAAP financial measures on page 5

(2) Defined as Adj. EBITDA, minus CAPEX, +/- change in contract assets; see reconciliation of GAAP to non-GAAP financial measures on page 5

Q2 2023 Key Performance Indicators

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Certs				
Credit Unions & Bank Certified Loans (Certs)	27,047	38,587	53,409	77,107
OEM Certs	7,307	5,944	13,353	11,368
Total Certs	34,354	44,531	66,762	88,475
Unit Economics				
Avg. Profit Share Revenue per Cert (1)	\$ 553	\$ 591	\$ 552	\$ 588
Avg. Program Fee Revenue per Cert	\$ 521	\$ 466	\$ 527	\$ 457
Originations				
Facilitated Loan Origination Volume (\$ in 000s)	\$ 1,014,727	\$ 1,293,525	\$ 1,966,665	\$ 2,475,898
Average Loan Size	\$ 29,537	\$ 29,043	\$ 29,458	\$ 27,984
Channel Overview				
New Vehicle Certs as a % of Total	11.8 %	9.8 %	13.2 %	7.7 %
Used Vehicle Certs as a % of Total	88.2 %	90.2 %	86.8 %	92.3 %
Indirect Certs as a % of Total	69.6 %	51.7 %	70.7 %	48.8 %
Direct Certs as a % of Total	19.8 %	15.9 %	20.0 %	15.2 %
Refinance Certs as a % of Total	10.6 %	32.4 %	9.3 %	36.0 %

(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 \$(1.2) million and \$(0.5) million for the three and six months ended June 30, 2023, respectively, and \$2.8 million and \$5.5 million, respectively, for the three and six months ended June 30, 2022, respectively.

Q2 2023 Financial Update

(\$ in '000s)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue				
Profit share	\$ 17,809	\$ 29,157	\$ 36,411	\$ 57,467
Program fees	17,893	20,731	35,194	40,457
Claims administration and other service fees	2,452	2,156	4,910	4,188
Total revenue	38,154	52,044	76,515	102,112
Cost of services	6,117	5,085	11,548	9,873
Gross profit	32,037	46,959	64,967	92,239
Operating expenses				
General and administrative	10,971	7,968	21,166	15,450
Selling and marketing	4,218	3,994	8,627	7,727
Research and development	1,128	2,188	2,358	4,011
Total operating expenses	16,317	14,150	32,151	27,188
Operating income	15,720	32,809	32,816	65,051
Interest expense	(2,655)	(1,124)	(5,042)	(1,927)
Interest income	2,452	22	4,516	47
Other expense, net	(6)	—	(6)	—
Income before income taxes	15,511	31,707	32,284	63,171
Income tax expense	4,140	8,581	8,375	16,891
Net income	\$ 11,371	\$ 23,126	\$ 23,909	\$ 46,280

Reconciliation of GAAP to Non-GAAP Financial Measures

Adjusted EBITDA

(\$ in 000's)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income	\$ 11,371	\$ 23,126	\$ 23,909	\$ 46,280
Non-GAAP adjustments:				
Interest expense	2,655	1,124	5,042	1,927
Income tax expense	4,140	8,581	8,375	16,891
Depreciation and amortization of property and equipment	252	226	496	447
Share-based compensation	2,319	988	4,163	2,269
Total adjustments	9,366	10,919	18,076	21,534
Adjusted EBITDA	\$ 20,737	\$ 34,045	\$ 41,985	\$ 67,814
Total revenue	\$ 38,154	\$ 52,044	\$ 76,515	\$ 102,112
Adjusted EBITDA margin	54 %	65 %	55 %	66 %

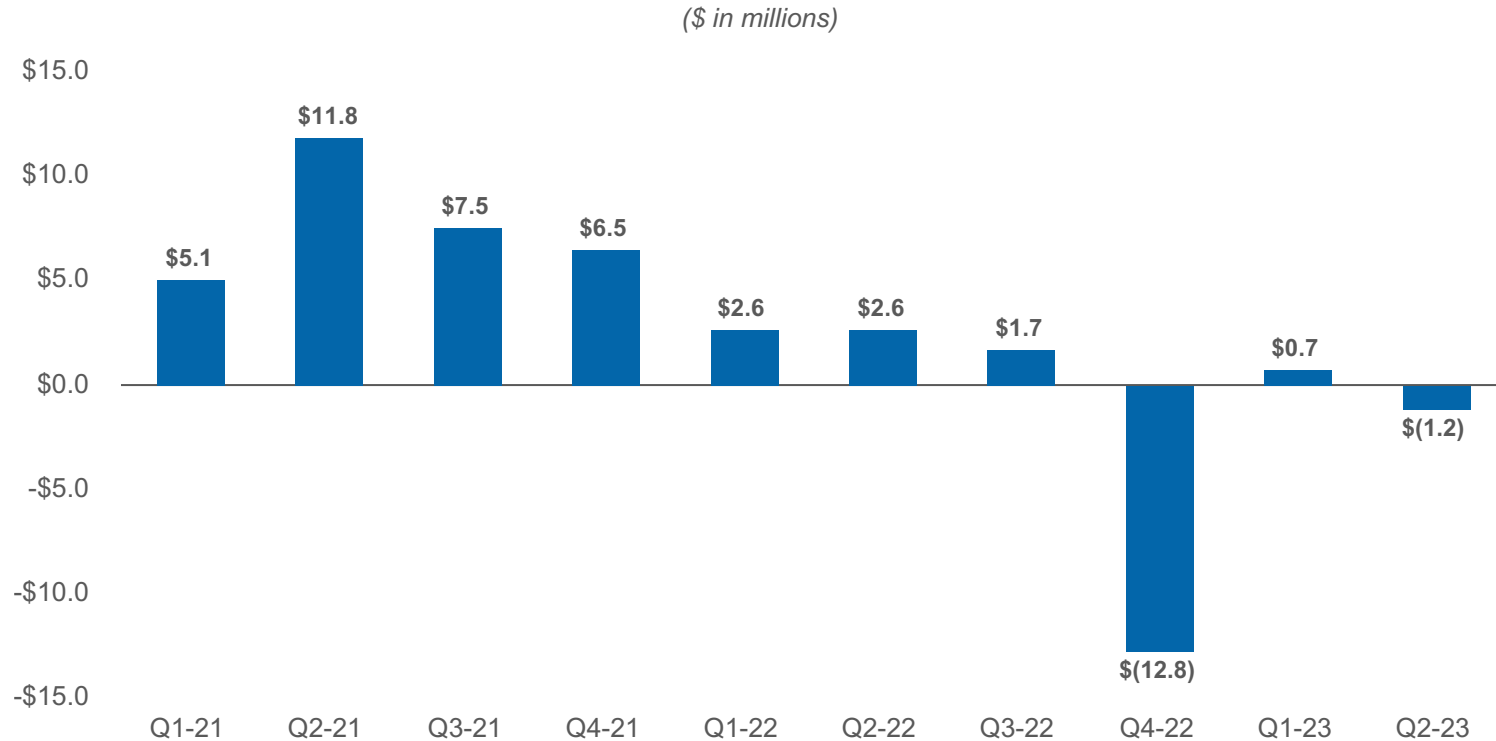
Adjusted operating cash flows

(\$ in 000's)

Adjusted EBITDA	\$ 20,737	\$ 34,045	\$ 41,985	\$ 67,814
CAPEX	(508)	(178)	(843)	(364)
Decrease (increase) in contract assets, net	6,287	704	15,775	6,208
Adjusted operating cash flows	\$ 26,516	\$ 34,571	\$ 56,917	\$ 73,658

Profit Share Revenue Change in Estimate

Changes in Contract Asset from Profit Share Revenue Estimates have stabilized during 2023.



Total Current Share Count

Shares	In thousands
Total Shares Outstanding August 8, 2023	120,698
Treasury Shares	7,500
Total Shares Issued	128,198