



Say YES to more automotive loans.

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# Earnings Supplement

## Q3 2023



# Q3 2023 Financial Highlights

	Q3 2023	Q3 2022
Total Certs	29,959	42,186
Revenue	\$26.0 million	\$50.7 million
Adj. EBITDA <sup>1</sup>	\$10.3 million	\$29.4 million
Adj. Operating Cash Flows <sup>2</sup>	\$20.0 million	\$35.9 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

# Q3 2023 Key Performance Indicators

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Certs</b>				
Credit Union & Bank	22,660	36,446	76,069	113,553
OEM	7,299	5,740	20,652	17,108
<b>Total Certs</b>	<b>29,959</b>	<b>42,186</b>	<b>96,721</b>	<b>130,661</b>
<b>Unit Economics</b>				
Avg. Profit Share Revenue per Cert (1)	\$ 537	\$ 589	\$ 547	\$ 588
Avg. Program Fee Revenue per Cert	\$ 527	\$ 518	\$ 530	\$ 477
<b>Originations</b>				
Facilitated Loan Origination Volume (\$ in 000s)	\$ 883,470	\$ 1,246,250	\$ 2,850,133	\$ 3,722,270
Average Loan Size	\$ 29,489	\$ 29,542	\$ 29,468	\$ 28,488
<b>Channel Overview</b>				
New Vehicle Certs as a % of Total	13.3 %	11.8 %	13.2 %	9.0 %
Used Vehicle Certs as a % of Total	86.7 %	88.2 %	86.8 %	91.0 %
Indirect Certs as a % of Total	75.6 %	55.1 %	72.3 %	50.8 %
Direct Certs as a % of Total	21.1 %	17.0 %	20.3 %	15.8 %
Refinance Certs as a % of Total	3.3 %	28.0 %	7.4 %	33.4 %

(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 \$(8.1) million and \$(8.5) million for the three and nine months ended September 30, 2023, respectively, and \$1.7 million and \$7.1 million, respectively, for the three and nine months ended September 30, 2022, respectively.

# Q3 2023 Financial Update

(\$ in '000s)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Revenue</b>				
Profit share	\$ 8,022	\$ 26,523	\$ 44,433	\$ 83,990
Program fees	15,416	21,845	50,610	62,302
Claims administration and other service fees	2,568	2,293	7,478	6,481
<b>Total revenue</b>	<b>26,006</b>	<b>50,661</b>	<b>102,521</b>	<b>152,773</b>
<b>Cost of services</b>	<b>5,369</b>	<b>5,199</b>	<b>16,917</b>	<b>15,072</b>
<b>Gross profit</b>	<b>20,637</b>	<b>45,462</b>	<b>85,604</b>	<b>137,701</b>
<b>Operating expenses</b>				
General and administrative	9,875	9,335	31,041	24,785
Selling and marketing	4,509	5,981	13,136	13,708
Research and development	1,717	2,355	4,075	6,366
<b>Total operating expenses</b>	<b>16,101</b>	<b>17,671</b>	<b>48,252</b>	<b>44,859</b>
<b>Operating income</b>	<b>4,536</b>	<b>27,791</b>	<b>37,352</b>	<b>92,842</b>
Interest expense	(2,799)	(1,608)	(7,841)	(3,535)
Interest income	2,801	321	7,317	368
Other expense, net	(3)	(239)	(9)	(239)
<b>Income before income taxes</b>	<b>4,535</b>	<b>26,265</b>	<b>36,819</b>	<b>89,436</b>
<b>Income tax expense</b>	<b>1,532</b>	<b>1,736</b>	<b>9,907</b>	<b>18,627</b>
<b>Net income</b>	<b>\$ 3,003</b>	<b>\$ 24,529</b>	<b>\$ 26,912</b>	<b>\$ 70,809</b>

# Reconciliation of GAAP to Non-GAAP Financial Measures

## Adjusted EBITDA

(\$ in 000's)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Net income</b>	\$ 3,003	\$ 24,529	\$ 26,912	\$ 70,809
Non-GAAP adjustments:				
Interest expense	2,799	1,608	7,841	3,535
Income tax expense	1,532	1,736	9,907	18,627
Depreciation and amortization of property and equipment	328	233	824	680
Share-based compensation	2,663	1,295	6,826	3,564
<b>Total adjustments</b>	<b>7,322</b>	<b>4,872</b>	<b>25,398</b>	<b>26,406</b>
<b>Adjusted EBITDA</b>	<b>\$ 10,325</b>	<b>\$ 29,401</b>	<b>\$ 52,310</b>	<b>\$ 97,215</b>
<b>Total revenue</b>	<b>\$ 26,006</b>	<b>\$ 50,661</b>	<b>\$ 102,521</b>	<b>\$ 152,773</b>
<b>Adjusted EBITDA margin</b>	<b>40 %</b>	<b>58 %</b>	<b>51 %</b>	<b>64 %</b>

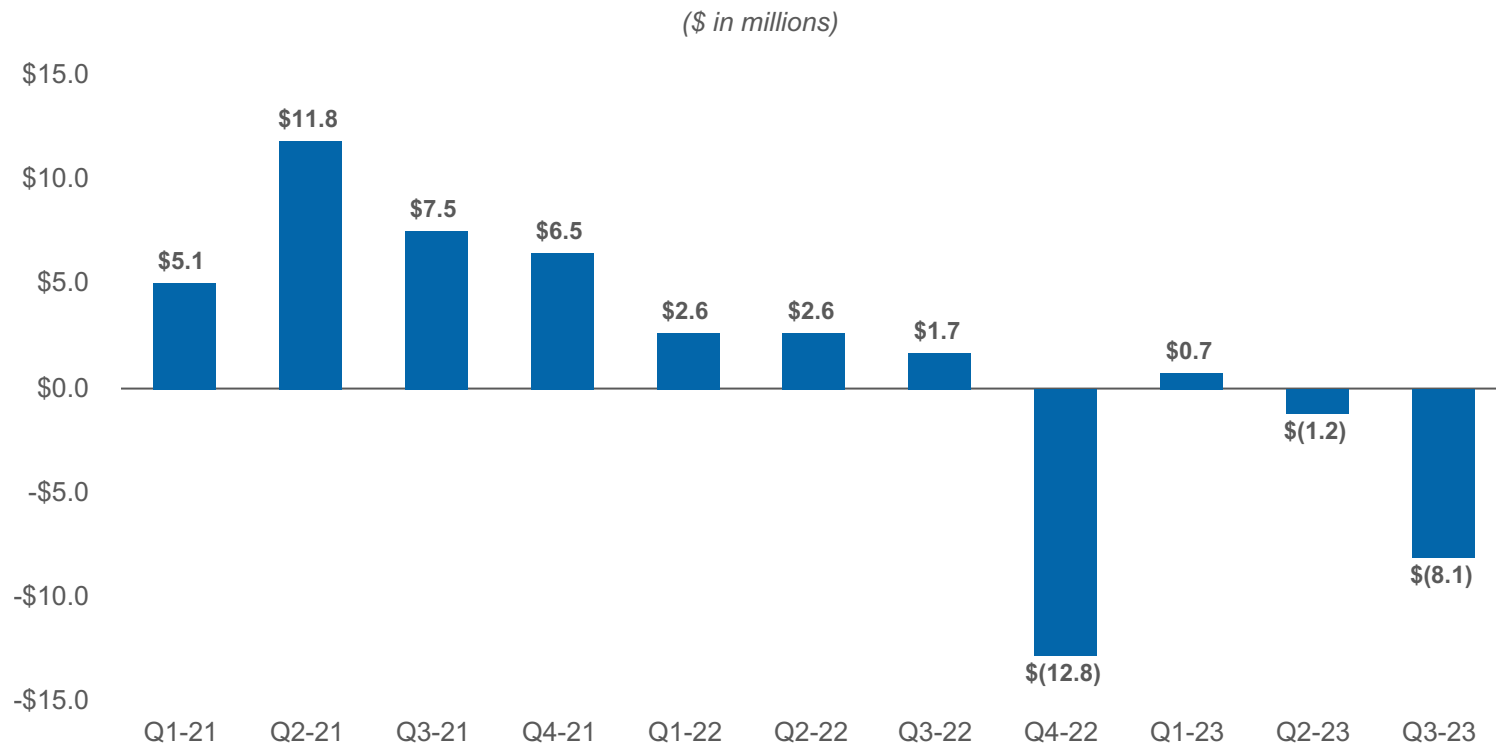
## Adjusted operating cash flows

(\$ in 000's)

<b>Adjusted EBITDA</b>	\$ 10,325	\$ 29,401	\$ 52,310	\$ 97,215
CAPEX	(745)	(273)	(1,588)	(637)
Decrease (increase) in contract assets, net	10,424	6,808	26,199	13,016
<b>Adjusted operating cash flows</b>	<b>\$ 20,004</b>	<b>\$ 35,936</b>	<b>\$ 76,921</b>	<b>\$ 109,594</b>

# Profit Share Revenue Change in Estimate

Q3'23 decrease in contract asset profit share revenue estimate was primarily driven by rising delinquencies leading to higher defaults and claims.



## Total Current Share Count

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<b>Shares</b>	<b>In thousands</b>
<b>Total Shares Outstanding November 7, 2023</b>	<b>119,754</b>
<b>Treasury Shares</b>	<b>8,444</b>
<b>Total Shares Issued</b>	<b>128,198</b>