



Say YES to more automotive loans.

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# Earnings Supplement

## Q4 2022



# Q4 2022 Financial Highlights

	Q4 2022	Q4 2021
Total Certs	34,550	42,639
Revenue	\$26.8 million	\$51.6 million
Adj. EBITDA <sup>1</sup>	\$8.5 million	\$36.6 million
Adj. Operating Cash Flow <sup>2</sup>	\$33.0 million	\$37.5 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

# 2022 Financial Highlights

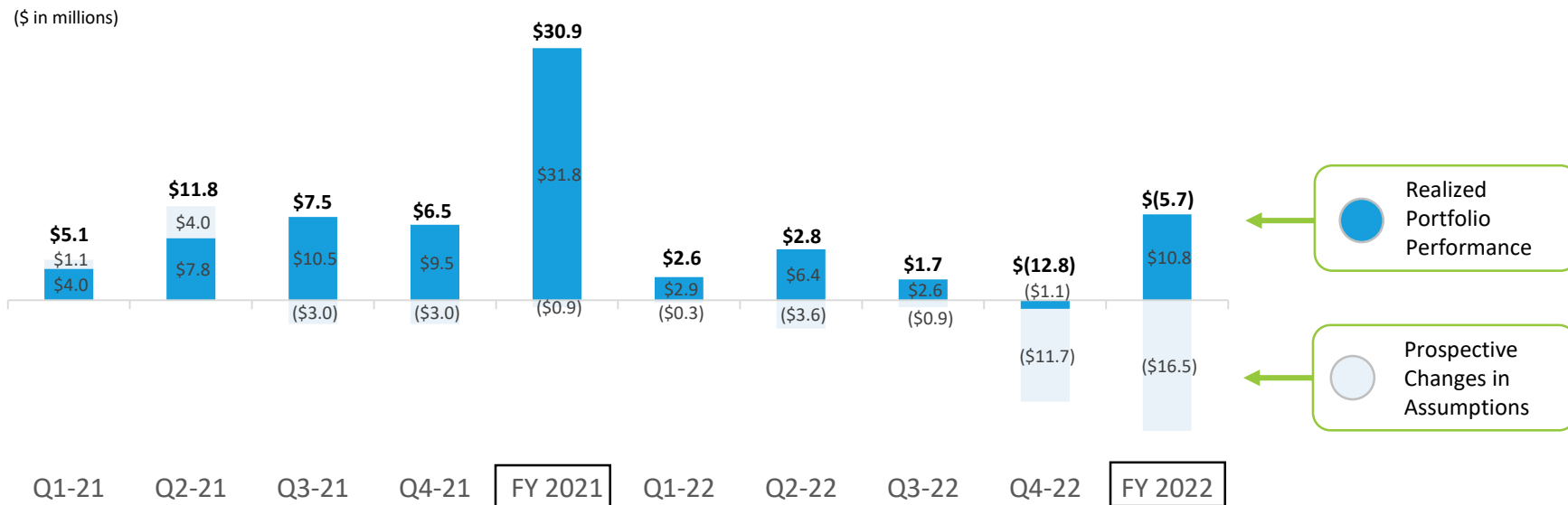
	FY 2022	FY 2021
Total Certs	165,211	171,697
Revenue	\$179.6 million	\$215.7 million
Adj. EBITDA <sup>1</sup>	\$105.7 million	\$155.0 million
Adj. Operating Cash Flow <sup>2</sup>	\$142.6 million	\$129.2 million

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

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

# Contract Asset and Profit Share Revenue Estimates

Changes in Contract Asset and Profit Share Revenue Estimates attributable to **Realized Portfolio Performance** versus **Prospective Changes in Assumptions**



# Q4 2022 Key Performance Indicators

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>Certs</b>				
Credit Unions & Bank Certified Loans (Certs)	28,905	34,385	142,458	123,085
OEM Certs	5,645	8,254	22,753	48,612
<b>Total Certs</b>	<b>34,550</b>	<b>42,639</b>	<b>165,211</b>	<b>171,697</b>
<b>Unit Economics</b>				
Avg. Profit Share Revenue per Cert (1)	\$ 546	\$ 580	\$ 579	\$ 596
Avg. Program Fee Revenue per Cert	\$ 530	\$ 433	\$ 488	\$ 440
<b>Originations</b>				
Facilitated Loan Origination Volume (\$ in '000s)	\$ 1,036,327	\$ 1,112,835	\$ 4,758,597	\$ 4,331,508
Average Loan Size	\$ 29,995	\$ 26,099	28,803	25,228
<b>Channel Overview</b>				
New Vehicle Certs as a % of Total	15.4%	6.4%	10.4%	11.9%
Used Vehicle Certs as a % of Total	84.7%	93.6%	89.7%	88.1%
Indirect Certs as a % of Total	66.5%	50.2%	54.1%	59.7%
Direct Certs as a % of Total	19.2%	15.4%	16.5%	15.8%
Refinance Certs as % of Total	14.4%	34.4%	29.4%	24.5%

(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 (\$12.8) million and \$6.5 million, for the three months ended December 31, 2022 and 2021, respectively, and (\$5.7) million and \$30.9 million, for the years ended December 31, 2022 and 2021, respectively.

# Q4 2022 Financial Update

(\$ in '000s)	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>Revenue</b>				
Profit share	\$ 6,066	\$ 31,196	\$ 90,056	\$ 133,215
Program fees	18,309	18,484	80,611	75,630
Claims administration and other service fees	2,446	1,950	8,927	6,810
<b>Total revenue</b>	<b>26,821</b>	<b>51,630</b>	<b>179,594</b>	<b>215,655</b>
<b>Cost of services</b>	4,896	4,739	19,968	18,621
<b>Gross profit</b>	<b>21,925</b>	<b>46,891</b>	<b>159,626</b>	<b>197,034</b>
<b>Operating expenses</b>				
General and administrative	11,165	6,603	35,950	30,393
Selling and marketing	4,148	3,341	17,856	12,000
Research and development	1,839	1,720	8,205	4,352
<b>Total operating expenses</b>	<b>17,152</b>	<b>11,664</b>	<b>62,011</b>	<b>46,745</b>
<b>Operating income</b>	<b>4,773</b>	<b>35,227</b>	<b>97,615</b>	<b>150,289</b>
Interest expense	(2,297)	(489)	(5,832)	(5,859)
Interest income	1,627	36	1,995	213
Gain on extinguishment of tax receivable agreement (1)	-	-	-	55,422
Loss on extinguishment of debt (2)	-	-	-	(8,778)
Other income (expense)	1	11	(238)	(119)
<b>Income before income taxes</b>	<b>4,104</b>	<b>34,785</b>	<b>93,540</b>	<b>191,168</b>
<b>Income tax expense</b>	8,293	6,945	26,920	45,086
<b>Net income (loss)</b>	<b>\$ (4,189)</b>	<b>\$ 27,840</b>	<b>\$ 66,620</b>	<b>\$ 146,082</b>

(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 prior term loan in March 2021.

# Reconciliation of GAAP to Non-GAAP Financial Measures

## Adjusted EBITDA

(\$ in '000s)

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>Net income (loss)</b>	<b>\$ (4,189)</b>	<b>\$ 27,840</b>	<b>\$ 66,620</b>	<b>\$ 146,082</b>
Non-GAAP adjustments:				
Interest expense	2,297	489	5,832	5,859
Income tax expense	8,293	6,945	26,920	45,086
Depreciation and amortization expense	235	202	915	792
Share-based compensation expense	1,885	1,089	5,449	3,815
Gain on extinguishment of tax receivable agreement (1)	-	-	-	(55,422)
Loss on extinguishment of debt (2)	-	-	-	8,778
<b>Total adjustments</b>	<b>12,710</b>	<b>8,725</b>	<b>39,116</b>	<b>8,908</b>
<b>Adjusted EBITDA</b>	<b>8,521</b>	<b>36,565</b>	<b>105,736</b>	<b>154,990</b>
<b>Total revenue</b>	<b>\$ 26,821</b>	<b>\$ 51,630</b>	<b>\$ 179,594</b>	<b>\$ 215,655</b>
<b>Adjusted EBITDA margin</b>	<b>32%</b>	<b>71%</b>	<b>59%</b>	<b>72%</b>

## Adjusted operating cash flows (3)

<b>Adjusted EBITDA</b>	<b>\$ 8,521</b>	<b>\$ 36,565</b>	<b>\$ 105,736</b>	<b>\$ 154,990</b>
CAPEX	13	(202)	(624)	(1,987)
Decrease (increase) in contract assets	24,511	1,157	37,527	(23,763)
<b>Adjusted operating cash flows</b>	<b>\$ 33,045</b>	<b>\$ 37,520</b>	<b>\$ 142,639</b>	<b>\$ 129,240</b>

- (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 prior term loan in March 2021.
- (3) Adjusted operating cash flow is defined as Adjusted EBITDA, minus CAPEX, +/- change in contract assets.

# Total Current Share Count

<b>Shares</b>	<b>In millions</b>
<b>Total Shares Outstanding February 23, 2023</b>	<b>123.7</b>
<b>Treasury Shares</b>	<b>4.5</b>
<b>Total Shares Issued</b>	<b>128.2</b>