



# Earnings Supplement

Q4 and Full Year 2024

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# Q4 2024 Financial Highlights

	Q4 2024	Q4 2023
Total Certs	26,065	26,263
Revenue	\$(56.9) million	\$14.9 million
Adj. EBITDA <sup>1</sup>	\$(73.1) million	\$(2.1) million

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

# 2024 Financial Highlights

	FY 2024	FY 2023
Total Certs	110,652	122,984
Revenue	\$24.0 million	\$117.5 million
Adj. EBITDA <sup>1</sup>	\$(42.9) million	\$50.2 million

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

# Looking Ahead with Our New Chief Executive Officer

At a high level, Jessica Buss, our new CEO, plans to focus on the following goals that are intended to drive value for our business:

- **Unit Economics:**
  - Focusing on profitable unit economics, growth, the right rate for individual loans, and a pricing approach that seeks to enhance predictability and reduce volatility for both current unit economics and our contract asset
- **Pricing Model:**
  - Focusing on a sophisticated, segmented and real-time data-driven pricing model designed to enhance predictability of the profit share component of revenue, given the complex macroeconomic environment
- **Tools and Scorecards:**
  - Continuing to enhance and refine our tools and scorecards in an effort to predict the frequency and severity of defaults
- **Costs and Processes:**
  - Identifying potential cost efficiencies and process improvements throughout the loan life cycle that may further streamline our business, as well as planning to focus our future investments on our core Lenders Protection Program

# Key Performance Indicators

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
<b>Certs</b>				
Credit Union & Bank	22,260	20,541	87,184	96,610
OEM	3,805	5,722	23,468	26,374
<b>Total Certs</b>	<b>26,065</b>	<b>26,263</b>	<b>110,652</b>	<b>122,984</b>
<b>Unit Economics</b>				
Avg. Profit Share Revenue per Cert <sup>(1)</sup>	\$ 314	\$ 501	\$ 479	\$ 538
Avg. Program Fee Revenue per Cert	\$ 536	\$ 519	\$ 515	\$ 527
<b>Originations</b>				
Facilitated Loan Origination Volume (\$ in 000s)	\$ 732,129	\$ 764,149	\$ 3,111,753	\$ 3,614,303
Average Loan Size	\$ 28,089	\$ 29,096	\$ 28,122	\$ 29,388
<b>Channel Overview</b>				
New Vehicle Certs as a % of Total	11.9 %	13.9 %	12.1 %	13.4 %
Used Vehicle Certs as a % of Total	88.1 %	86.1 %	87.9 %	86.6 %
Indirect Certs as a % of Total	77.0 %	77.8 %	78.5 %	73.4 %
Direct Certs as a % of Total	19.3 %	17.2 %	18.1 %	19.7 %
Refinance Certs as a % of Total	3.7 %	5.0 %	3.4 %	6.9 %

<sup>(1)</sup> 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 a reduction of \$81.3 million and \$96.1 million for the three months and year ended December 31, 2024, respectively, and reductions of \$14.3 million and \$22.8 million for the three months and year ended December 31, 2023, respectively.

# Financial Results

(\$ in '000s)

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
<b>Revenue</b>				
Program fees	\$ 13,734	\$ 13,482	\$ 57,040	\$ 64,092
Profit share <sup>(1)</sup>	(73,160)	(1,132)	(43,123)	43,301
Claims administration and other service fees	2,502	2,589	10,107	10,067
<b>Total revenue</b>	<b>(56,924)</b>	<b>14,939</b>	<b>24,024</b>	<b>117,460</b>
<b>Cost of services</b>	6,265	5,365	23,855	22,282
<b>Gross profit (loss)</b>	<b>(63,189)</b>	<b>9,574</b>	<b>169</b>	<b>95,178</b>
<b>Operating expenses</b>				
General and administrative	10,549	12,002	43,867	43,043
Selling and marketing	3,958	4,349	17,218	17,485
Research and development	861	1,500	4,462	5,575
<b>Total operating expenses</b>	<b>15,368</b>	<b>17,851</b>	<b>65,547</b>	<b>66,103</b>
<b>Operating income (loss)</b>	<b>(78,557)</b>	<b>(8,277)</b>	<b>(65,378)</b>	<b>29,075</b>
Interest expense	(2,849)	(2,820)	(11,317)	(10,661)
Interest income	2,812	3,018	12,090	10,335
Other expense, net	—	118	—	109
<b>Income (loss) before income taxes</b>	<b>(78,594)</b>	<b>(7,961)</b>	<b>(64,605)</b>	<b>28,858</b>
Income tax expense (benefit) <sup>(2)</sup>	65,842	(3,119)	70,405	6,788
<b>Net income (loss)</b>	<b>\$ (144,436)</b>	<b>\$ (4,842)</b>	<b>\$ (135,010)</b>	<b>\$ 22,070</b>

<sup>(1)</sup> Profit share revenue was reduced by a change in estimate of historical vintages of \$81.3 million and \$14.3 million for the three months ended December 31, 2024 and 2023, respectively, and \$96.1 million and \$22.8 million for the years ended December 31, 2024 and 2023, respectively.

<sup>(2)</sup> Income tax expense for the three months and year ended December 31, 2024 was impacted by the recording of a valuation allowance on all of our deferred tax assets during the period.

# Reconciliation of GAAP to Non-GAAP Financial Measures

## **Adjusted EBITDA**

*(\$ in 000's)*

	Three Months Ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
<b>Net income (loss)</b>	\$ (144,436)	\$ (4,842)	\$ (135,010)	\$ 22,070
Non-GAAP adjustments:				
Interest expense	2,849	2,820	11,317	10,661
Income tax expense (benefit)	65,842	(3,119)	70,405	6,788
Depreciation and amortization expense	393	335	1,674	1,159
Share-based compensation expense	2,269	2,666	8,677	9,492
<b>Total adjustments</b>	<b>71,353</b>	<b>2,702</b>	<b>92,073</b>	<b>28,100</b>
<b>Adjusted EBITDA</b>	<b>\$ (73,083)</b>	<b>\$ (2,140)</b>	<b>\$ (42,937)</b>	<b>\$ 50,170</b>
<b>Total revenue</b>	<b>\$ (56,924)</b>	<b>\$ 14,939</b>	<b>\$ 24,024</b>	<b>\$ 117,460</b>
<b>Adjusted EBITDA margin</b>	<b>128 %</b>	<b>(14)%</b>	<b>(179)%</b>	<b>43 %</b>

## Total Current Share Count

Shares	In thousands
<b>Total Shares Outstanding March 25, 2025</b>	<b>119,783</b>
<b>Treasury Shares</b>	<b>8,415</b>
<b>Total Shares Issued</b>	<b>128,198</b>