



Earnings Supplement

Q3 2022



Q3 2022 Financial Highlights

	Q3 2022	Q3 2021
Total Certs	42,186	49,332
Revenue	\$50.7 million	\$58.9 million
Adj. EBITDA ¹	\$29.4 million	\$42.1 million
Adj. Operating Cash Flow ²	\$35.9 million	\$38.8 million

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

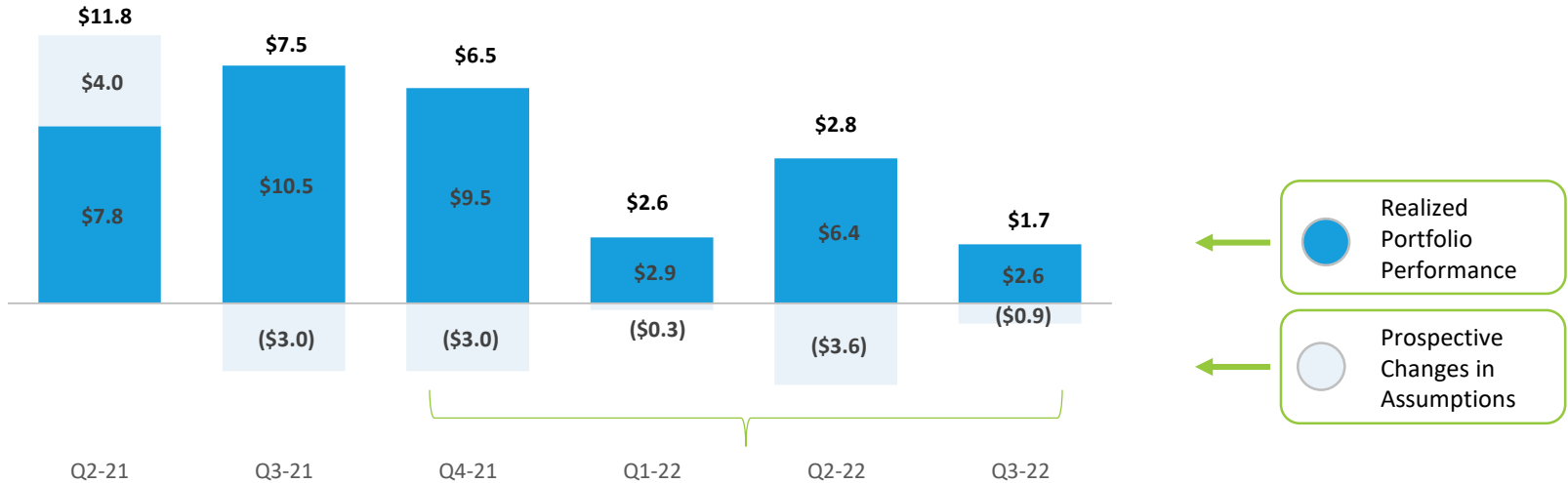
(2) Defined as Adj. EBITDA, minus CAPEX, +/- change in contract assets

Understanding Changes in Contract Assets and Profit Share Revenue

In LTM period on a net basis, **~157% of Changes in Contract Asset Estimates Driven by Realized Portfolio Performance** as Opposed to Changes in Prospective Estimates

Change in Contract Asset Estimates and Profit Share Revenue:

(\$ in millions)



Lower than projected claims and severity of losses in historical periods drove positive changes to contract asset estimates that **in turn drove strong near-term cash flows**

Q3 2022 Key Performance Indicators

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Certs				
Credit Unions & Bank Certified Loans (Certs)	36,446	36,375	113,553	88,700
OEM Certs	5,740	12,957	17,108	40,358
Total Certs	42,186	49,332	130,661	129,058
Unit Economics				
Avg. Profit Share Revenue per Cert (1)	\$ 589	\$ 566	\$ 588	\$ 601
Avg. Program Fee Revenue per Cert	\$ 518	\$ 439	\$ 477	\$ 443
Originations				
Facilitated Loan Origination Volume (\$ in '000s)	\$ 1,246,178	\$ 1,267,809	\$ 3,722,270	\$ 3,218,657
Average Loan Size	\$ 29,542	\$ 25,700	\$ 28,488	\$ 24,940
Channel Overview				
New Vehicle Certs as a % of Total	11.8%	9.3%	9.0%	13.7%
Used Vehicle Certs as a % of Total	88.2%	90.7%	91.0%	86.3%
Indirect Certs as a % of Total	55.1%	55.7%	50.8%	62.8%
Direct Certs as a % of Total	17.0%	15.4%	15.8%	15.9%
Refinance Certs as % of Total	28.0%	28.9%	33.4%	21.3%

(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 \$1.7 million and \$7.5 million, for the three months ended September 30, 2022 and 2021, respectively. The profit share revenue impact related to change in estimates of historical vintages was \$7.1 million and \$24.4 million, for the nine months ended September 30, 2022 and 2021, respectively.

Q3 2022 Financial Update

(\$ in '000s)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	Revenue			
Profit share	\$ 26,523	\$ 35,447	\$ 83,990	\$ 102,019
Program fees	21,845	21,638	62,302	57,146
Claims administration and other service fees	2,293	1,807	6,481	4,860
Total revenue	50,661	58,892	152,773	164,025
Cost of services	5,199	6,380	15,072	13,882
Gross profit	45,462	52,512	137,701	150,143
Operating expenses				
General and administrative	9,335	7,197	24,785	23,790
Selling and marketing	5,981	3,308	13,708	8,659
Research and development	2,355	1,268	6,366	2,632
Total operating expenses	17,671	11,773	44,859	35,081
Operating income	27,791	40,739	92,842	115,062
Interest expense	(1,608)	(959)	(3,535)	(5,370)
Interest income	321	35	368	177
Gain on extinguishment of tax receivable agreement (1)	-	-	-	55,422
Loss on extinguishment of debt (2)	-	-	-	(8,778)
Other expense	(239)	3	(239)	(130)
Income before income taxes	26,265	39,818	89,436	156,383
Income tax expense	1,736	10,404	18,627	38,141
Net income	\$ 24,529	\$ 29,414	\$ 70,809	\$ 118,242

(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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income	\$ 24,529	\$ 29,414	\$ 70,809	\$ 118,242
Non-GAAP adjustments:				
Interest expense	1,608	959	3,535	5,370
Income tax expense	1,736	10,404	18,627	38,141
Depreciation and amortization expense	233	201	680	590
Share-based compensation expense	1,295	1,098	3,564	2,726
Gain on extinguishment of tax receivable agreement (1)	-	-	-	(55,422)
Loss on extinguishment of debt (2)	-	-	-	8,778
Total adjustments	4,872	12,662	26,406	183
Adjusted EBITDA	29,401	42,076	97,215	118,425
Total revenue	\$ 50,661	\$ 58,892	\$ 152,773	\$ 164,025
Adjusted EBITDA margin	58%	71%	64%	72%

Adjusted operating cash flows (3)

Adjusted EBITDA	\$ 29,401	\$ 42,076	\$ 97,215	\$ 118,425
CAPEX	(273)	(944)	(637)	(1,785)
Decrease (increase) in contract assets	6,808	(2,329)	13,016	(24,920)
Adjusted operating cash flows	\$ 35,936	\$ 38,803	\$ 109,594	\$ 91,720

(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

Shares	In millions
Total Shares Outstanding November 2, 2022	126.3
Treasury Shares	1.9
Total Shares Issued	128.2