

# Investor Presentation

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November 2020

OP  RTUN<sup>®</sup>

NASDAQ: OPRT



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This presentation includes certain non-GAAP financial measures. We present non-GAAP financial measures in addition to, and not as a substitute for generally accepted accounting principles (“GAAP”) equivalent measures, or superior to, financial measures calculated in accordance with GAAP. These non-GAAP measures should not be considered in isolation or as alternatives to GAAP measures. In addition, the non-GAAP measures we use, as presented, may not be comparable to similar measures used by other companies. All financial information and other metrics used in this presentation are as of September 30, 2020, unless otherwise noted. See the Appendix of this presentation for definitions of our non-GAAP measures and for reconciliations to GAAP figures.

# Oportun at a Glance

Our **mission** is to provide **inclusive, affordable** financial services that **empower** our customers to **build a better future**

**~100 million**

Credit invisible and mis-scored  
U.S. borrowers we seek to serve

**100%**

Centralized and automated decisioning  
provided by data-driven analytics

**\$608 million**

TTM total revenue <sup>(1)</sup>

**5.5% to 8.9%**

Net lifetime loan loss rates  
since 2009

**3.9 million+**

Loans originated,  
disbursing **\$9.3 billion** <sup>(2)</sup>

**5 years**

Consecutive pre-tax profitability  
(2015-2019)

(1) Reflects Fair Value Pro Forma Total Revenue  
(2) Since inception.



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## Company Overview

# Investment Highlights

1

## Large and Growing Market Opportunity

A Large Market That is Not Well Served by Others

2

## Mission-Driven Customer Focus

Our Mission Drives Customer Focus, Product Design, and Positive Perception

3

## Purpose-Built Technology

Purpose-Built Technology Provides Competitive Advantage and Enables Rapid Evolution of Our Business

4

## 100% Centralized & Automated Decisioning

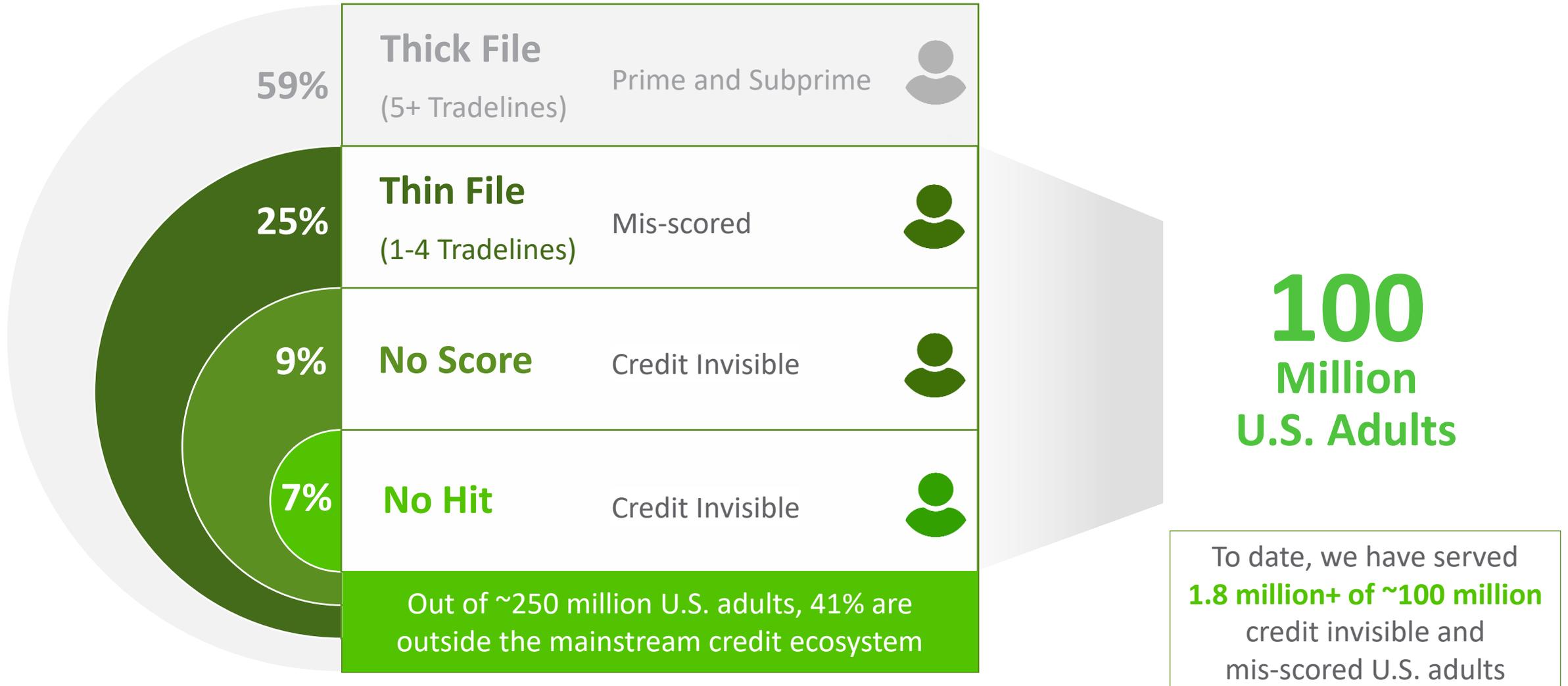
Promotes Customer Access and Superior Credit Quality

5

## Highly Attractive Growth Strategy

Adding New Geographies, Capabilities, Products and Channels to Grow Revenue and Profitability

# 1 Large Target Market



Source: Company estimates based on credit bureau information.

# 1 Our Customers



**\$46K**

Average Gross Income <sup>(1)</sup>



**41%**

Support a Family <sup>(2)</sup>



**~50%**

Have no FICO Score <sup>(3)</sup>

<sup>(1)</sup> As of September 30, 2020.

<sup>(2)</sup> For the three-months ended September 30, 2020.

<sup>(3)</sup> Historical percentage of new customers who do not have a FICO score.

## 2 Responsibly Structured Products Keep Financial Well-Being of Our Customers in Mind

Our core offering is a **simple-to-understand** consumer installment loan

Loan sizes tailored to customers' ability to repay

Sufficient terms to allow customers to repay

Low rates with no prepayment fees, balloon payments or add-on fees

Establishing a credit history extends beyond access to capital

**\$300 - \$10,000**

Average Loan Size for Loans Originated: \$3,089 <sup>(1)</sup>

**6 - 51 Months**

Average Term: 33 Months <sup>(2)</sup>

**36% APR Cap**

and 33.3% Average \$ APR <sup>(3)</sup>

**870,000**

Credit histories established <sup>(4)</sup>



Certified by the US Treasury Department as a Community Development Financial Institution (CDFI) since 2009

Note: All the statistics are related to the personal loan product.

(1) Calculated as Aggregate Originations for the nine-months ended September 30, 2020 divided by the number of loans originated for the period.

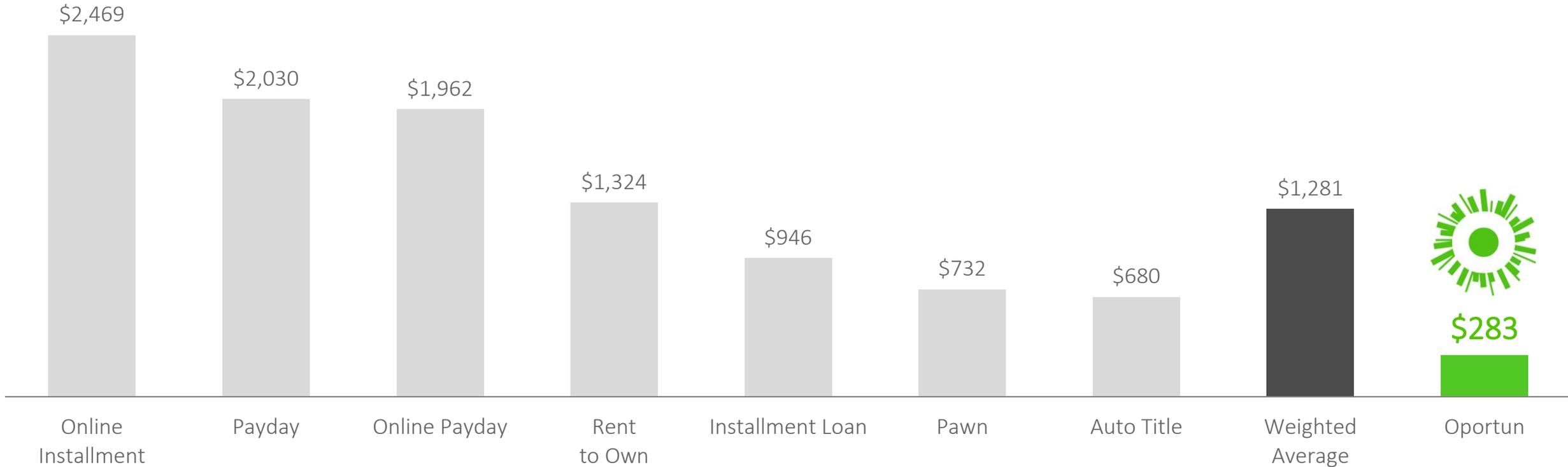
(2) For all active loans in our owned portfolio as of September 30, 2020.

(3) Weighted average annual percentage rate (APR) for loans as of September 30, 2020.

(4) Customers who come to us without a FICO score who have begun establishing a credit history. Reflects new and returning customers. Since inception and as of September 30, 2020.

## 2 We Deliver Significant Savings Compared to Alternatives

### Cost of Borrowing \$1,000

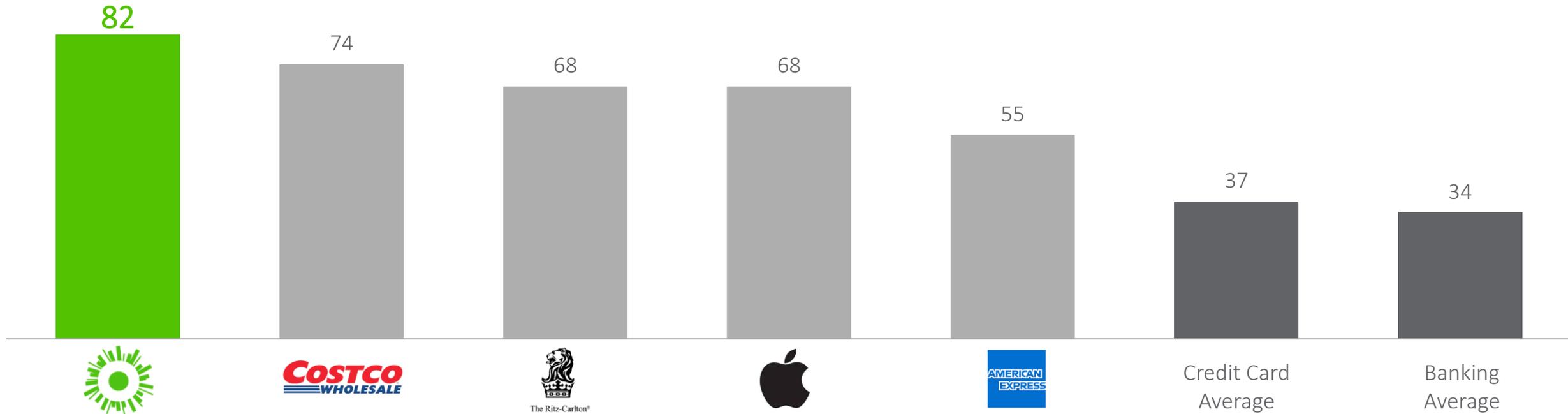


Alternative products are **four times** more expensive on average and some options are up to **eight times** more expensive

Source: "Oportun: The True Cost of a Loan", a study we commissioned and which was conducted by the Financial Health Network (formerly known as the Center for Financial Services Innovation), January 2017, updated as of September 30, 2020.

## 2 Superior Customer Value Proposition that Drives Satisfaction and Loyalty

### Net Promoter Score 2019



Saved **1.8 million+** customers  
an estimated **\$1.8 billion** <sup>(1)</sup>

Helped over **870,000** customers  
establish a credit history <sup>(2)</sup>

Average savings of **~\$1,000**  
per customer on their first loan  
compared to alternatives

Source: Satmetrix; "US Consumer NPS Benchmarks 2019"; Oportun NPS internally measured.

(1) Since inception and as of September 30, 2020.

(2) Customers who come to us without a FICO score who have begun establishing a credit history. Reflects new and returning customers. Since inception and as of September 30, 2020.

### 3 Purpose-Built Technology and Team

#### Core Intellectual Property



- Information on 1.8M+ customers from 15 years of historical performance
- Risk & Fraud Engine consumes 10,000+ data signals in a cascading fashion to provide instant decisions

Competitive Barrier

#### Service-Oriented Architecture



- 300+ APIs <sup>(1)</sup> act as building blocks to assemble new capabilities
- Responsive to business needs with weekly releases, automated model builds, and features shipping in controlled increments

Speed to Market, Reusability, and Rapid Scalability

#### Security & Controls



- Security awareness spans our people, process and technology
- Backup our mission critical applications and production databases daily, minimizing disruption of service in the event of an issue

Resilient and Secure

#### Dedicated Team



- Approximately half of U.S. corporate employees dedicated to technology, risk analytics and data science
- 23+ 'Two-Pizza' teams working in parallel, building cloud-native software to scale, grow, and introduce new products to the business

Competitive Advantage

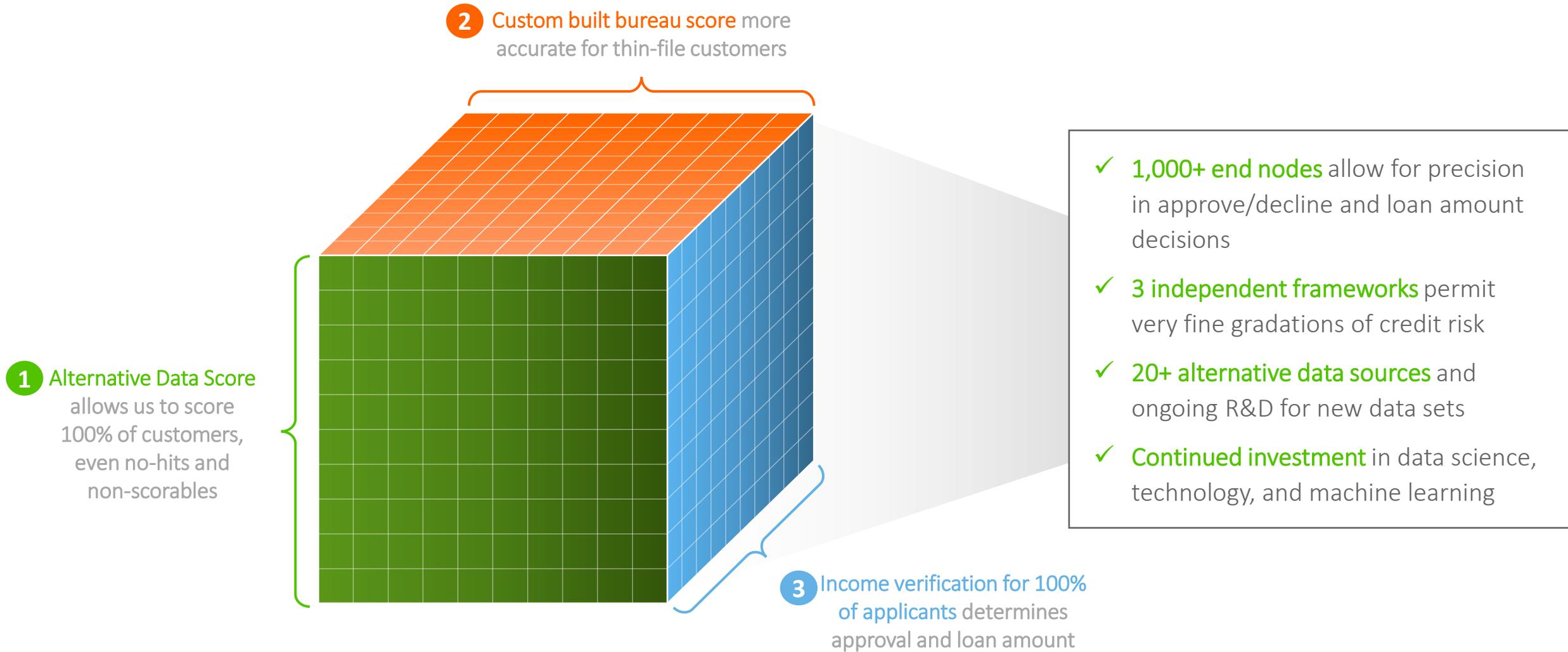
(1) As of September 30, 2020.

### 3 Scalable Platform

As Oportun has scaled its business, our technology has evolved into a platform that services multiple products and channels



## 4 Credit Risk Platform Enables Highly Granular Decision Making and Competitive Advantage



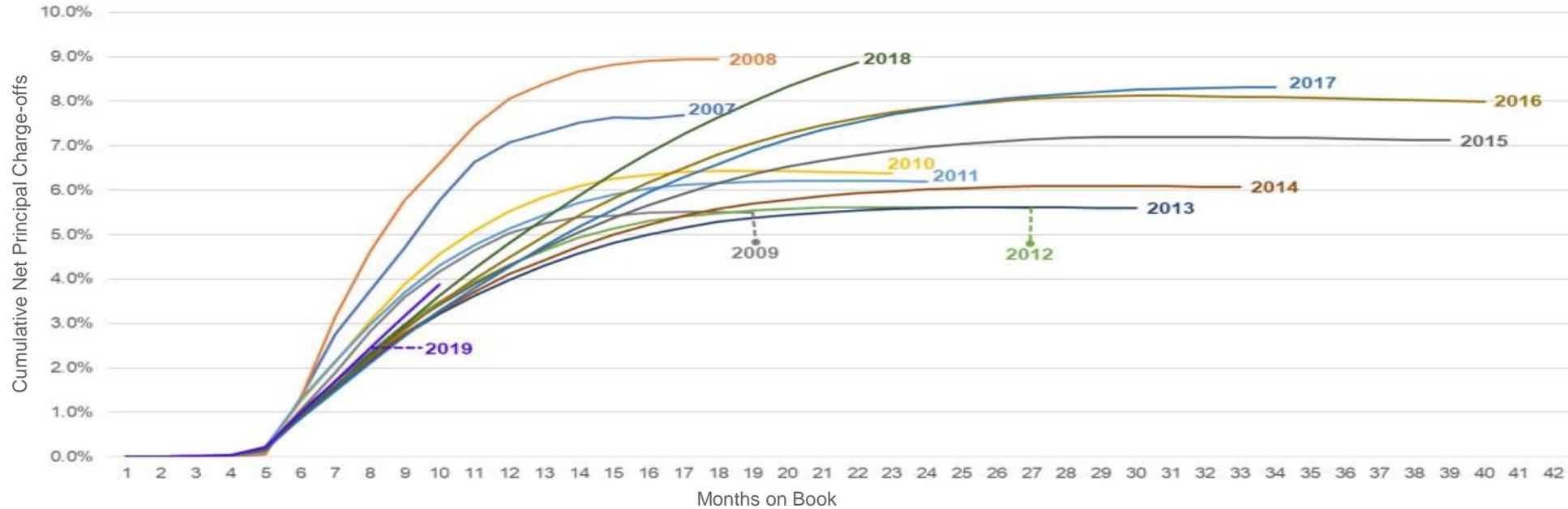
# 4 Maintaining Consistently Strong Credit Performance Across Economic Cycles

## Net Lifetime Loan Loss Rates by Vintage

Credit outcomes are well managed and highly predictable

Low volatility of losses during credit crisis

Maintained during periods of high growth



Year of Origination	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 <sup>(1)</sup>	2019 <sup>(1)</sup>
Net Lifetime Loan Losses as % of Original Principal Balance	7.7%	8.9%	5.5%	6.4%	6.2%	5.6%	5.6%	6.1%	7.1%	8.0%	8.3%	8.9%	3.9%
Outstanding Principal Balance as % of Original Amount Disbursed	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	1.1%	17.3%	62.1%
Dollar Weighted Average Original Term for Vintage (Months)	9.3	9.9	10.2	11.7	12.3	14.5	16.4	19.1	22.3	24.2	26.3	29.0	30.0

(1) Vintage is not yet fully mature from a loss perspective.

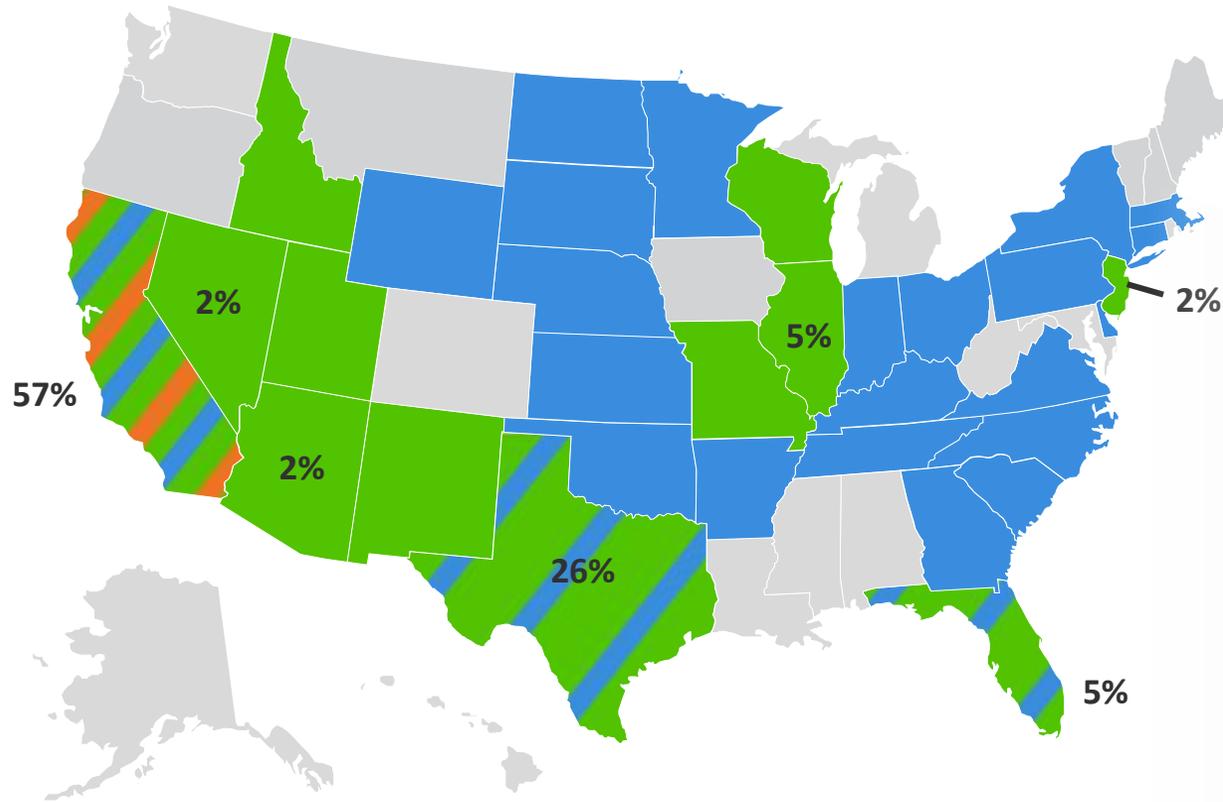
## 5 Our Growth Strategy

Grow revenue and profitability in our existing addressable market by deepening existing capabilities, and expand addressable market by adding new geographies, capabilities, products, and channels



# 5 Serving More Customers and Expanding our Total Addressable Market

Concentration<sup>(1)</sup> by state



+ **MetaBank** 

ADDRESSABLE MARKET <sup>(2)</sup>	
<b>\$62B</b>	Personal Loans
<b>\$55B</b>	Auto Secured Loans
<b>\$49B</b>	Credit Cards
<b>\$31B</b>	Other Financial Products
<b>\$196B</b>	Total Underserved Market

(1) Represents Owned Principal Balance at End of Period by State as a percentage of total Owned Principal Balance at End of Period. All other states combined represent less than 1% of Owned Principal Balance at End of Period as of September 30, 2020.

(2) Source: "2019 Financially Underserved Market Size Study", Financial Health Network, December 2019.

# Experienced Management Team with Expertise Across Products and Industries



**Raul Vazquez**  
Chief Executive Officer and Board Member  
20+ years in High Tech and Retail



**Jonathan Coblenz**  
Chief Financial Officer and Chief Administrative Officer  
25+ years in Consumer Finance



**Patrick Kirscht**  
Chief Credit Officer  
25+ years in Consumer Finance in Risk Management and FP&A



**Matt Jenkins**  
Chief Operations Officer and GM, Personal & Auto Loans  
20+ years in Operations



**David Needham**  
Chief Technology Officer  
15+ years in Technology Development in Retail, e-Commerce and Financial Services



**Joan Aristei**  
General Counsel and Chief Risk Officer  
30+ years in Consumer Finance in Legal, Compliance, Finance and ERM



**Ben Armstrong**  
Chief Marketing Officer  
20+ years in Marketing for Retail, Banking and Tech Clients

McKinsey&Company



**Robin Lykins**  
Chief Human Resources Officer  
25+ years in Human Resources

Verifone®





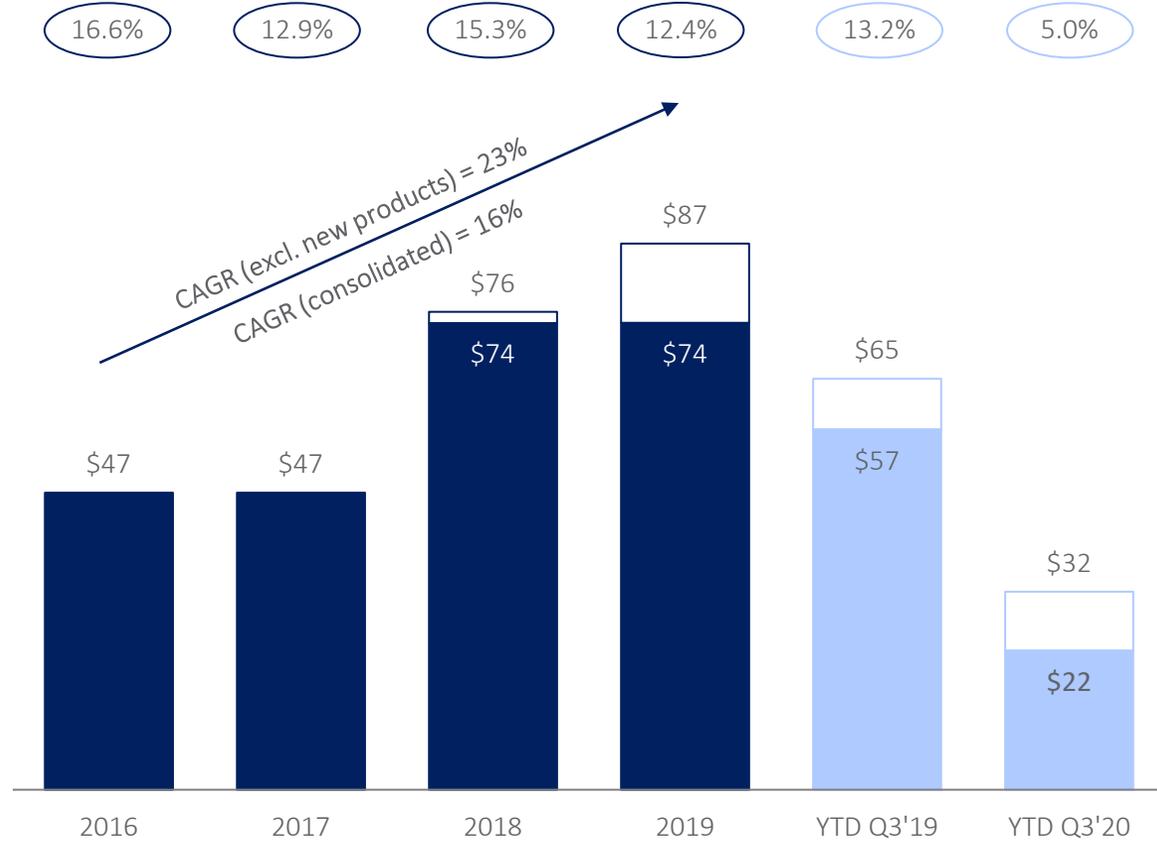
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## Financial Overview

# Profitability Metrics

## Adjusted EBITDA (\$M) <sup>(1)</sup>

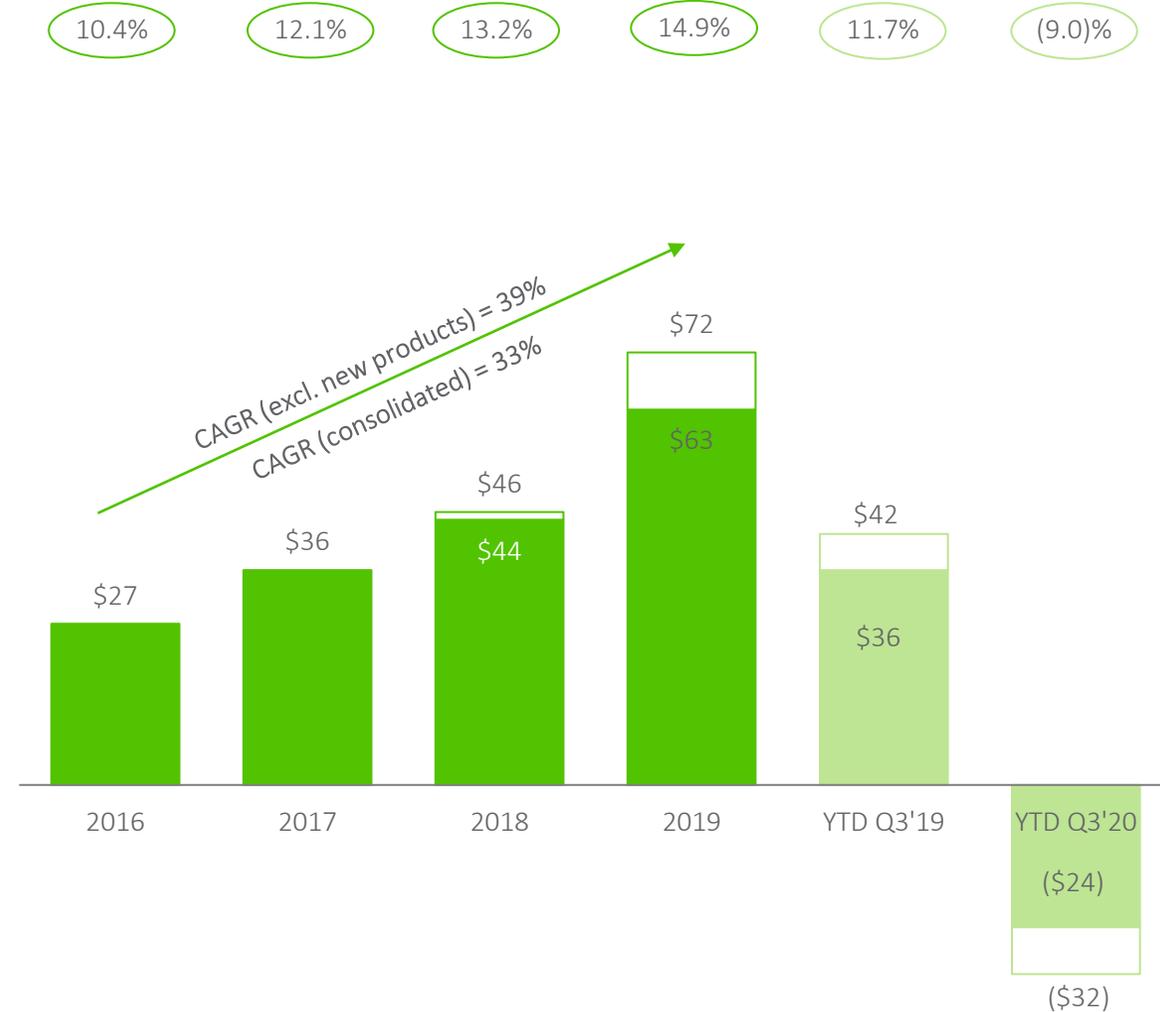
○ Adjusted EBITDA Margin (%) <sup>(1)</sup>



## Adjusted Net Income (\$M) <sup>(1)</sup>

□ P&L Impact from New Products <sup>(2)</sup>

○ Adjusted ROE (%) <sup>(1)</sup>

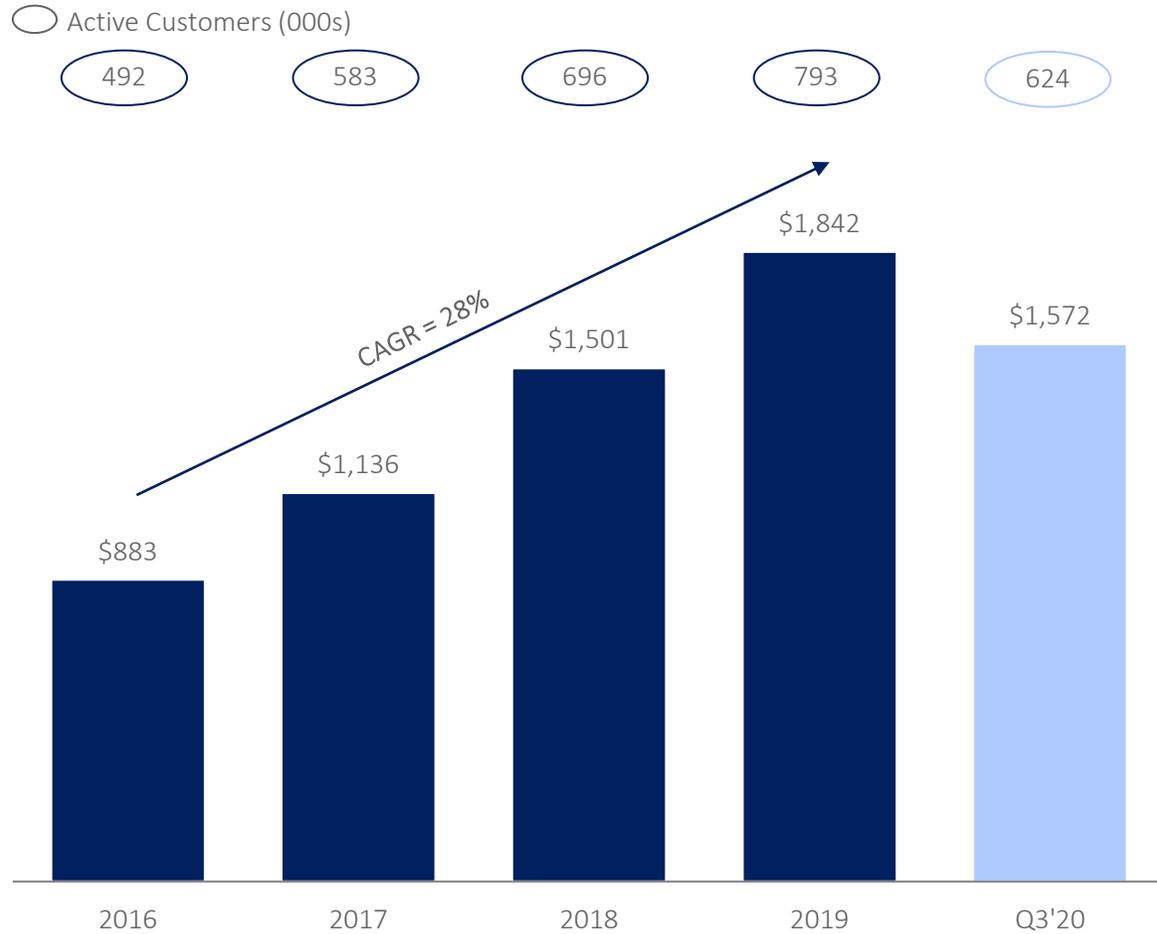


(1) See Appendix for definitions and / or a reconciliation to the most comparable GAAP measure.

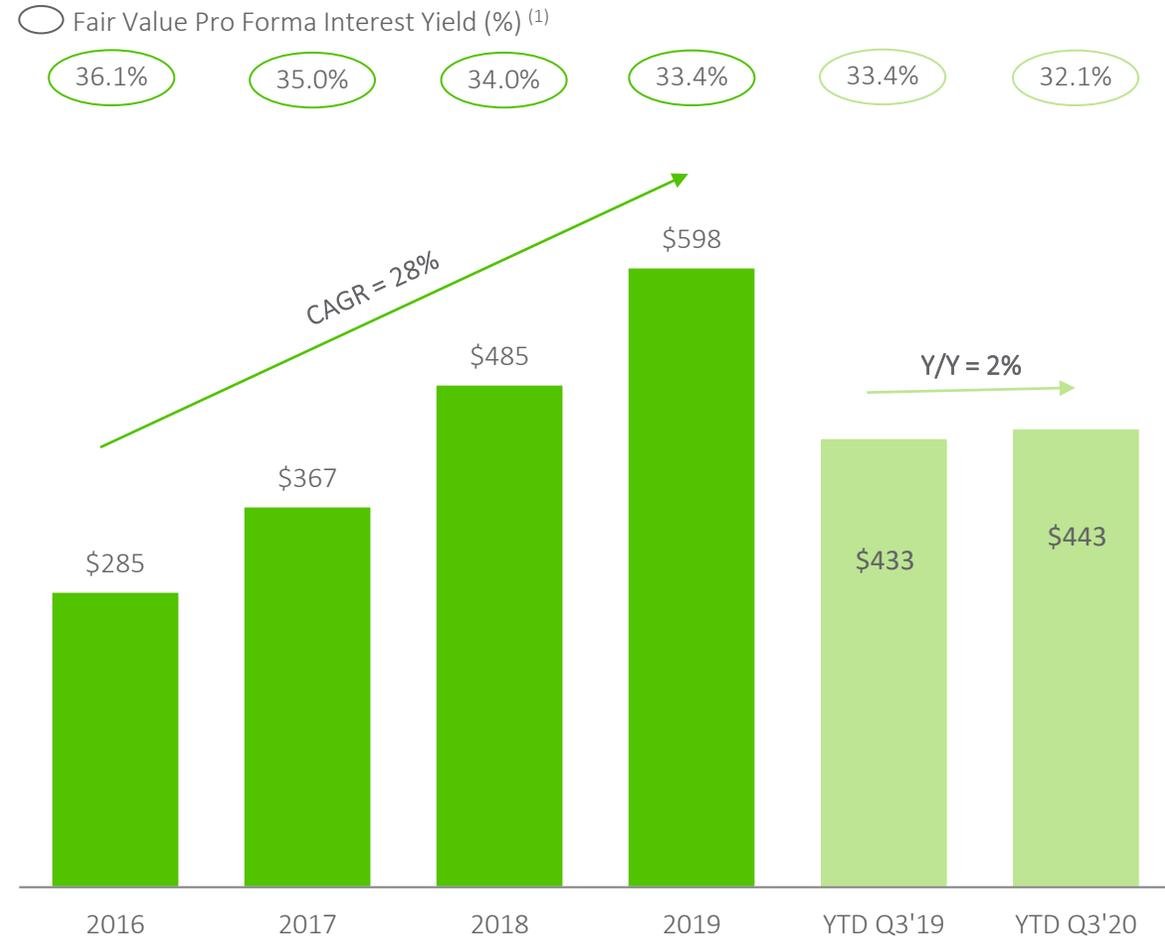
(2) New products include Auto and Credit Card.

# Portfolio and Revenue Growth

## Owned Principal Balance at End of Period (\$M)



## Fair Value Pro Forma Total Revenue (\$M) <sup>(1)</sup>

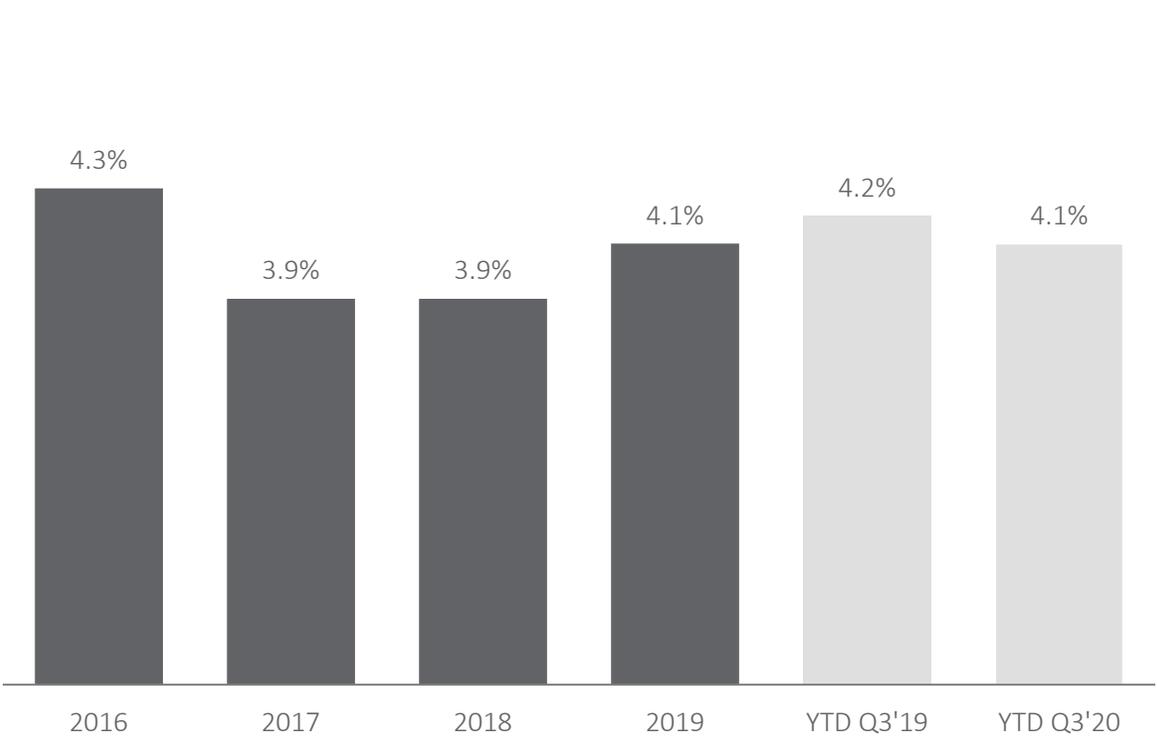


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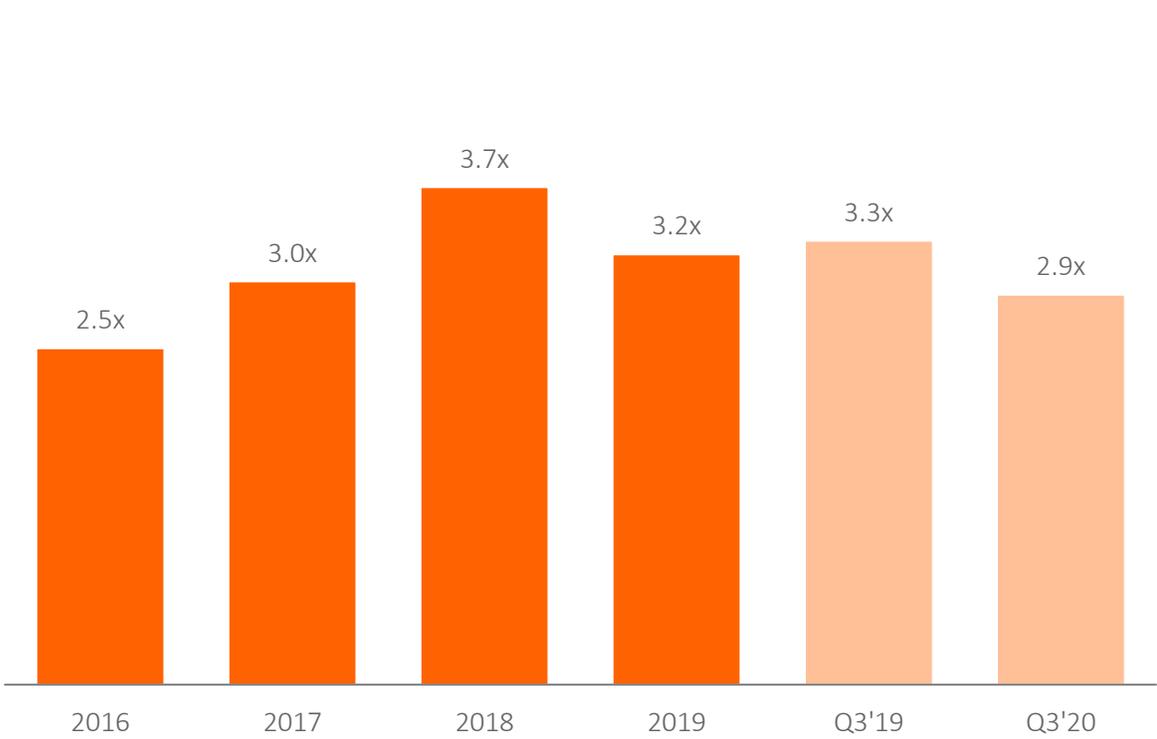
# Well Established Capital Markets Program with Diversified Sources of Funding

- Maintaining 12+ month liquidity runway <sup>(1)</sup>
- \$1.1 billion of asset-backed notes fund future originations at fixed cost of debt for three-year terms
- \$400 million secured line of credit committed through October 2021; \$208 million undrawn as of October 31, 2020
- Sell 10% of core loan originations under whole loan sale agreement at a fixed price committed through Dec. 10, 2020

Fair Value Pro Forma Cost of Debt (%)



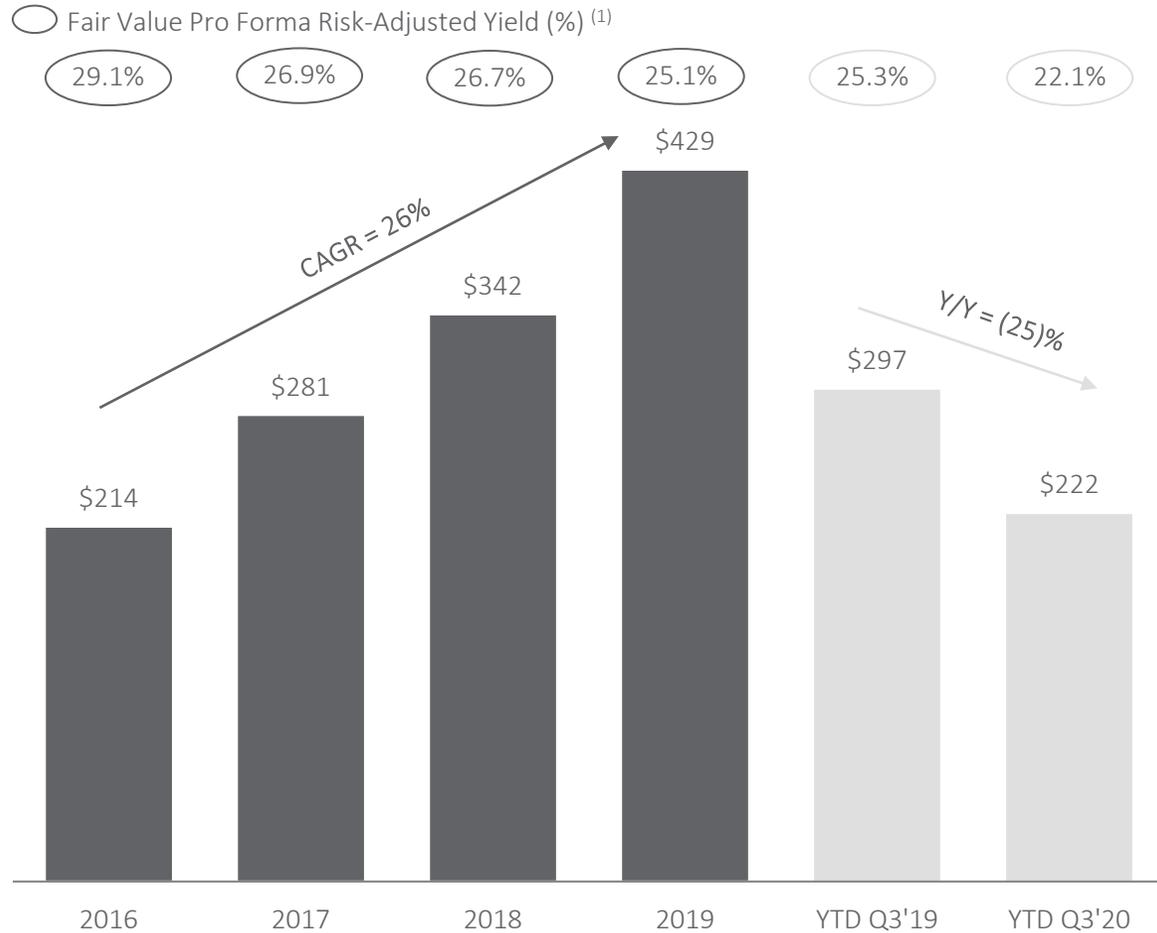
Fair Value Pro Forma Debt to Equity (x)



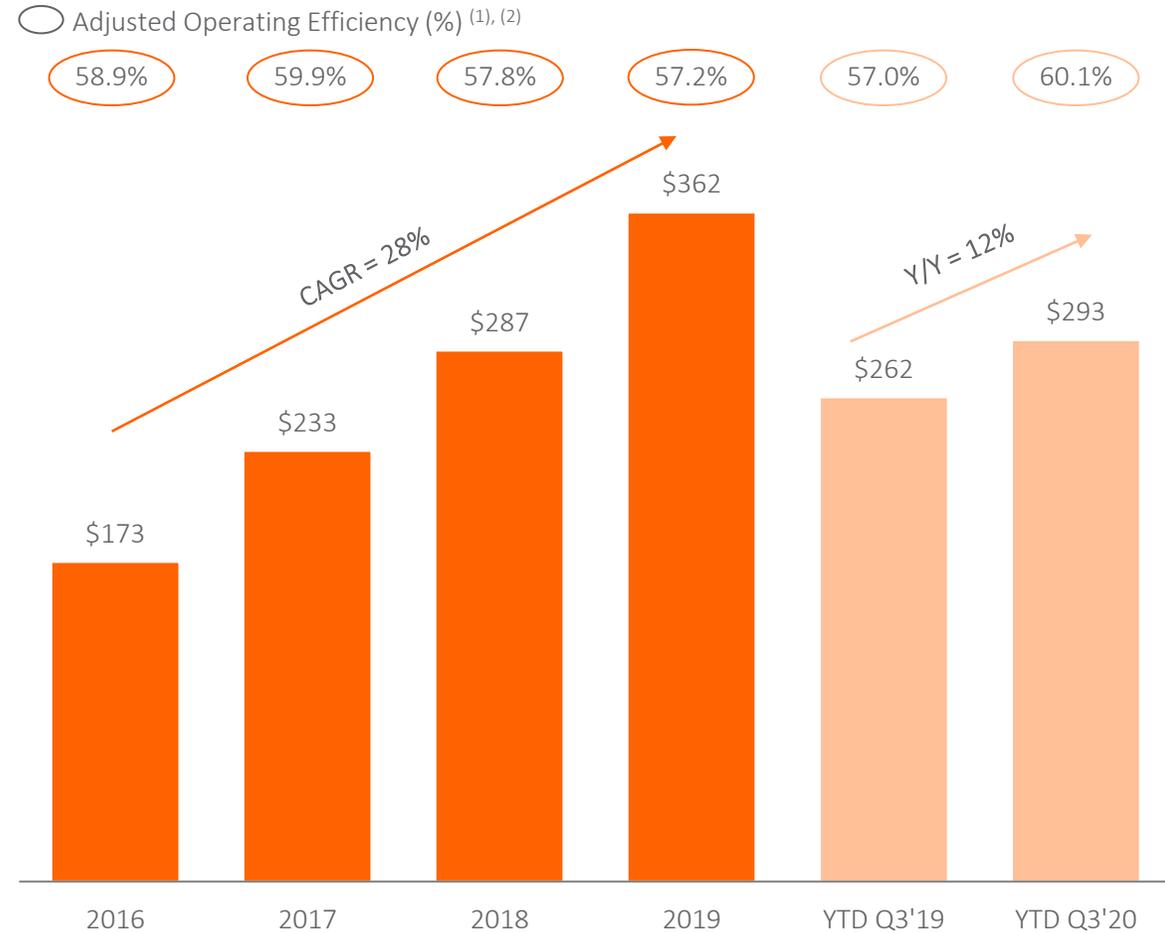
(1) As of September 30, 2020, assumes maintaining operations and covering all upcoming debt obligations.

# Net Revenue and Operating Expense

## Fair Value Pro Forma Net Revenue (\$M) <sup>(1)</sup>



## Fair Value Pro Forma Operating Expense (\$M) <sup>(1) (2)</sup>

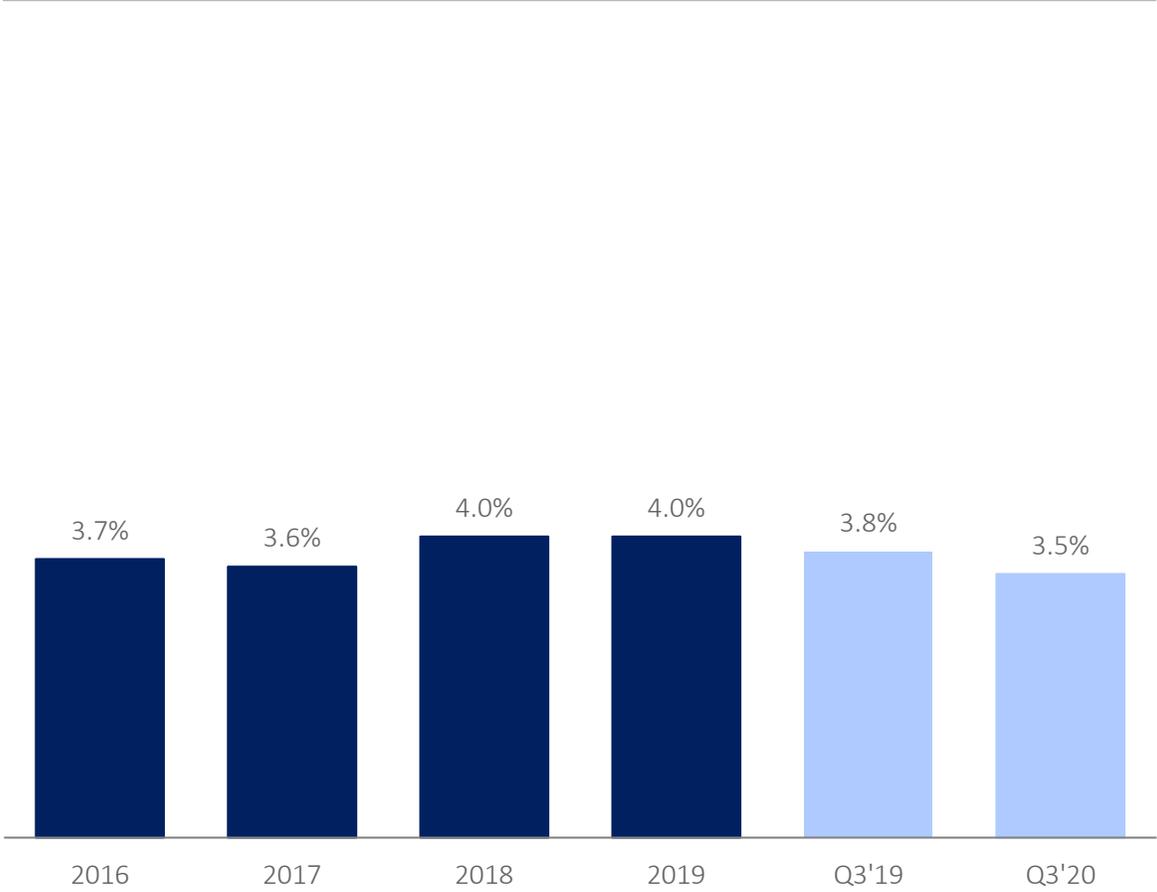


(1) See Appendix for definitions and / or a reconciliation to the most comparable GAAP measure.

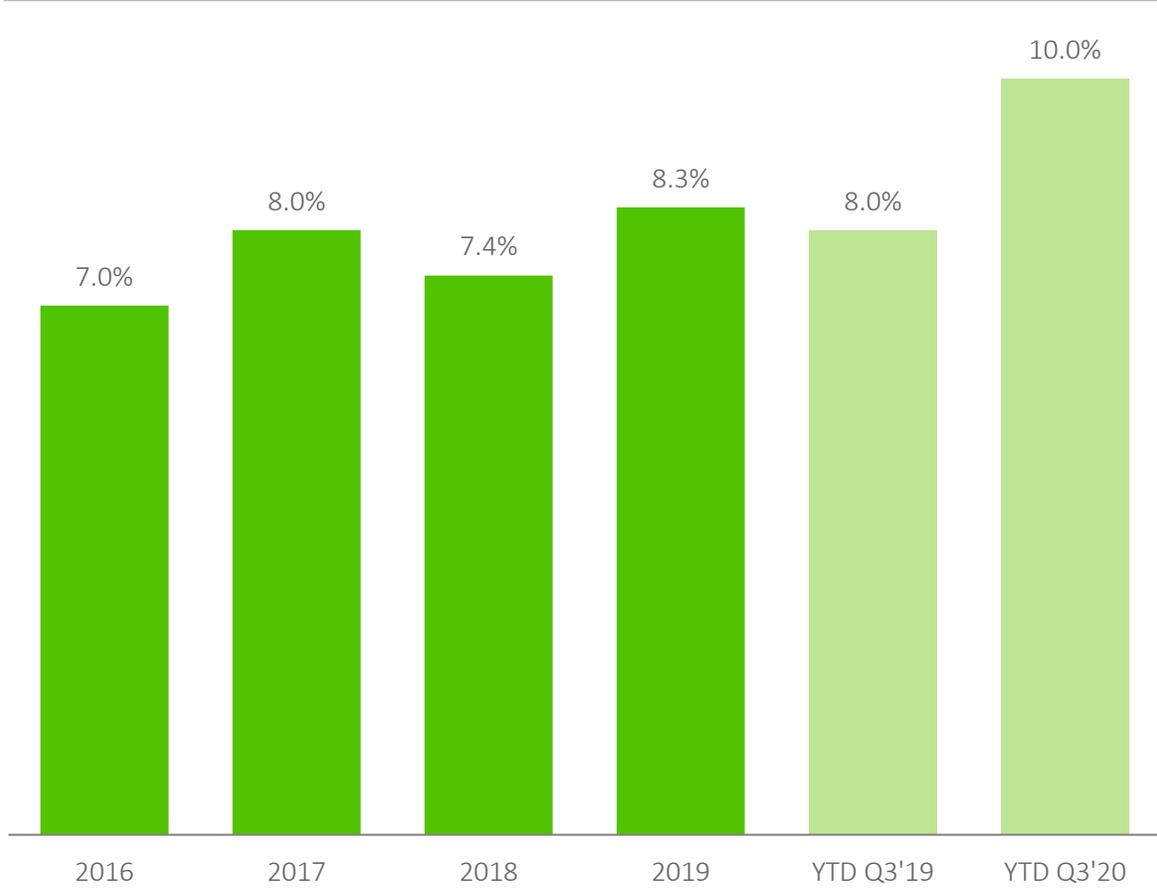
(2) Excludes stock-based compensation, COVID-19 expenses and litigation reserve.

# Credit Metrics

## 30+ Day Delinquency Rate (%)



## Annualized Net Charge-off Rate (%) <sup>(1)</sup> <sup>(2)</sup>



(1) Calculated as net charge-offs divided by Average Daily Principal Balance.

(2) Includes \$11.2 million of accelerated charge-offs recognized in the period-ended September 2020.

# Opportun Continues to Successfully Adapt to the Current Environment

## Normalizing Credit Trends

- Emergency Hardship Deferrals declining
- Delinquency Rates declining
- First Payment Defaults on new originations below 2019 and pre-pandemic levels

## Strong Capital and Liquidity

- Continuing to maintain 12+ months of liquidity runway
- Low leverage (2.9X FVPP Debt/Equity) at September 30, 2020
- \$196 M of total cash and \$400 M warehouse line (\$208 M undrawn) at October 31

## Expense Management

- Disciplined approach to managing operating expenses
- Reducing discretionary spend across the organization
- Continued network optimization of 346 retail locations across the U.S.

## Return to Growth

- Q3'20 aggregate originations up 92% sequentially over Q2'20
- Month-over-month originations growth in July, August, September and October
- Implemented a nationwide APR cap of 36% for all newly-originated loans
- Announced partnerships with MetaBank, N.A. and DolEx

# Detailed Delinquencies and Deferrals

## Percentage of Outstanding Principal Balance of Owned Receivables

Days Delinquent	As of 3/31/2020	As of 4/30/2020	As of 5/31/2020	As of 6/30/2020	As of 7/31/2020	As of 8/31/2020	As of 9/30/2020	As of 10/31/2020
0	88.9%	90.2%	87.8%	89.5%	90.8%	90.0%	90.3%	91.3%
1-7	3.3	2.6	3.5	3.2	2.6	3.2	2.9	2.4
8-14	2.2	1.6	1.9	1.8	1.5	1.5	1.6	1.2
15-29	1.8	1.6	2.8	1.9	1.8	1.8	1.7	1.5
30-59	1.7	1.8	1.7	1.7	1.6	1.8	1.7	1.7
60-89	1.2	1.3	1.3	1.0	1.0	1.0	1.1	1.1
90-119	0.9	1.0	1.0	1.0	0.8	0.7	0.7	0.8
120+ <sup>(1)</sup>	—	—	—	—	—	—	—	—
30+	3.8	4.0	4.0	3.7	3.4	3.5	3.5	3.6
Emergency Hardship Deferrals <sup>(2)</sup>	6.1	14.6	7.6	5.0	3.9	2.8	1.5	1.0

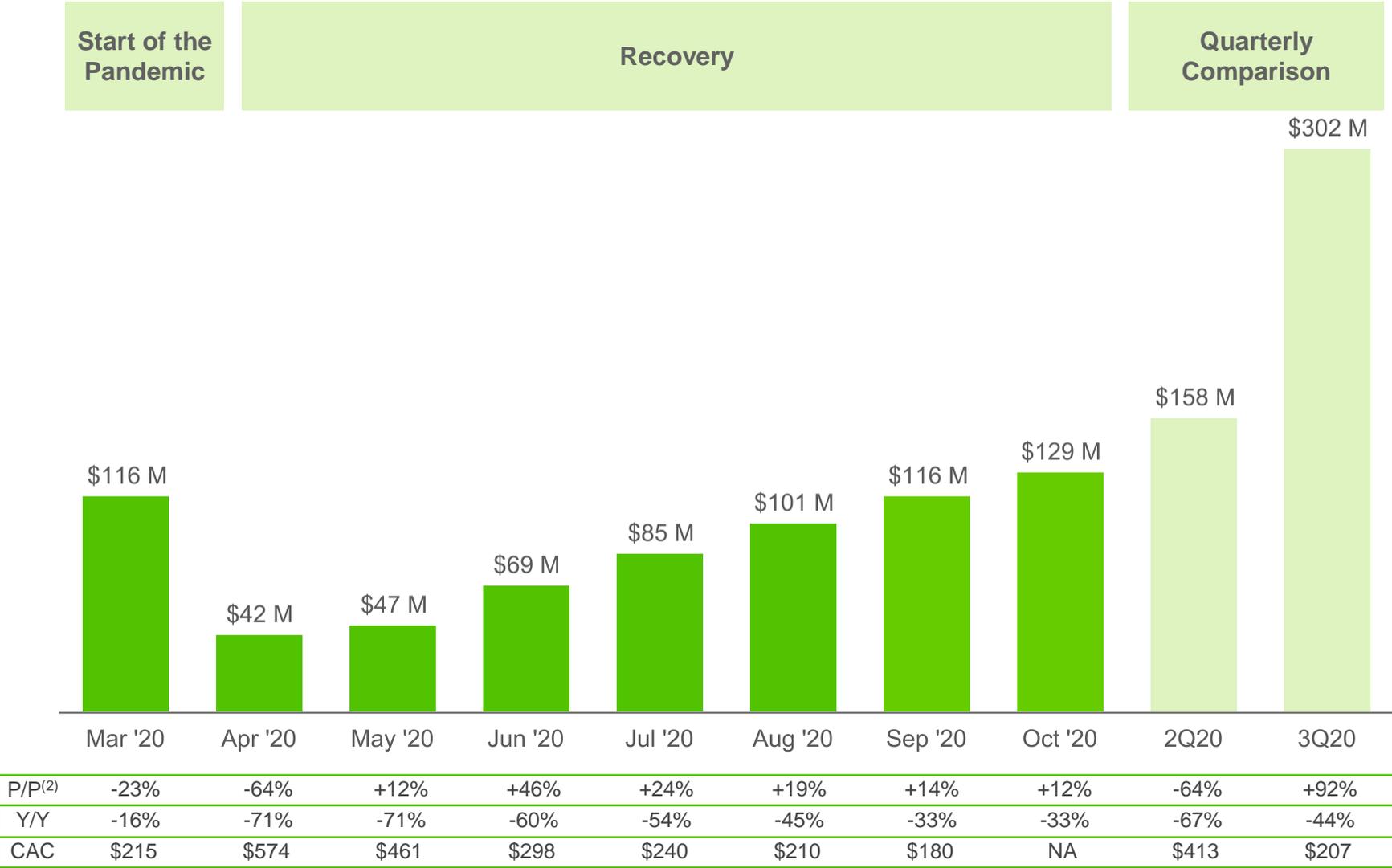
Note: Numbers may not foot or cross-foot due to rounding.

(1) The 120+ day delinquent balances are excluded from the 30+ day delinquency rate and percent current rate calculations because these balances are charged off on the last day of a given month.

(2) Emergency hardship deferrals excluded from delinquent balances.

# Originations Improving Month Over Month<sup>(1)</sup>

(\$ Millions)



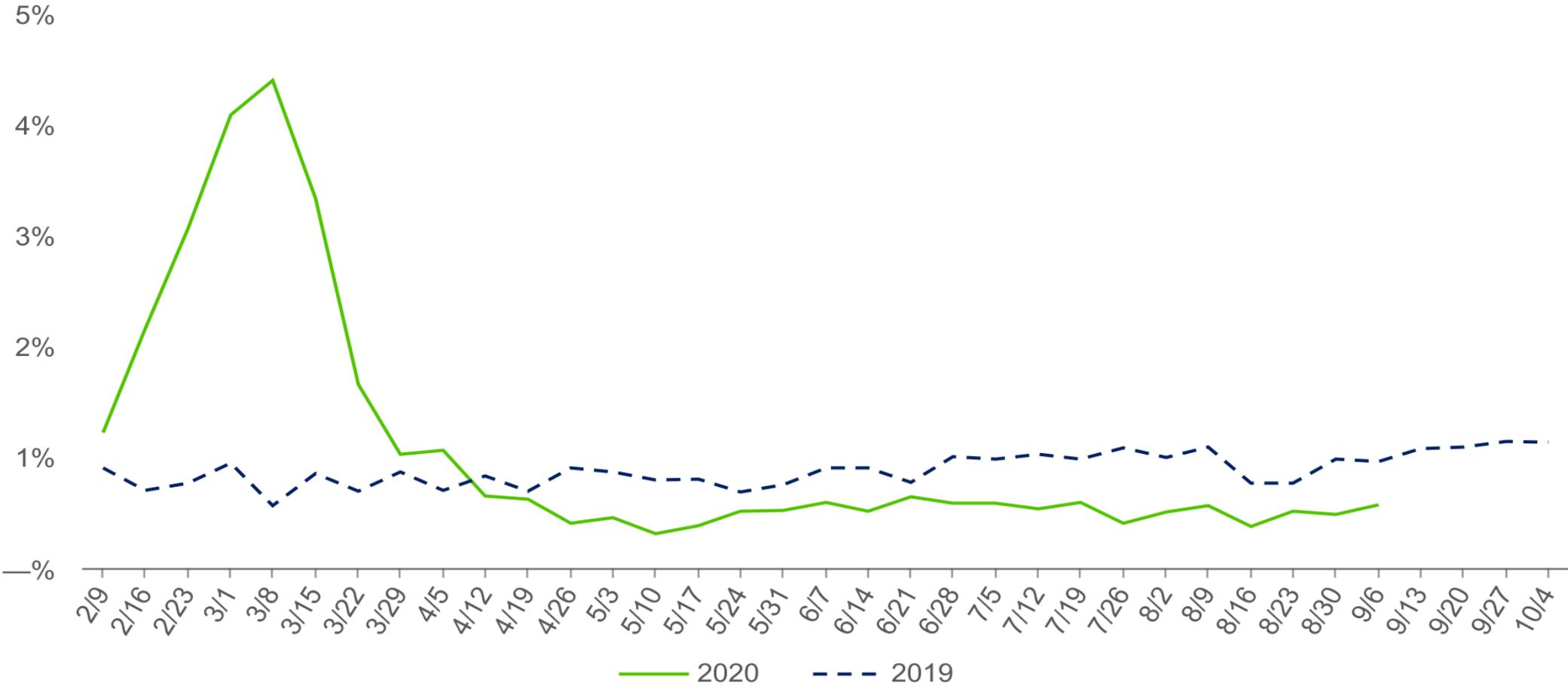
(1) Information provided is as of October 31, 2020, and is unaudited, preliminary and subject to change upon completion of our closing process.

(2) 'P/P' refers to period-over-period and is month-over-month from March '20 through October '20 and quarter-over-quarter for the quarterly comparisons for 2Q20 and 3Q20.

# Credit Trends of New Originations

First Payment Defaults consistently below 2019 levels since tightening underwriting

## First Payment Defaults





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## Appendix

# Key Definitions

- **30+ Day Delinquency Rate** is the unpaid principal balance for our owned loans that are 30 or more calendar days contractually past due as of the end of the period divided by Owned Principal Balance as of such date
- **Access Loan Program:** A program intended to make credit available to select borrowers who do not qualify for credit under Oportun's core loan origination program
- **Active Customers** is the number of customers with an outstanding loan serviced by us at the end of a period. Active Customers includes customers whose loans are owned by us and loans that have been sold that we continue to service. Customers with charged-off accounts are excluded from Active Customers
- **Adjusted EBITDA** is a non-GAAP financial measure calculated as net income (loss), adjusted for the impact of our election of the fair value option and further adjusted to eliminate the effect of the following items: income tax expense (benefit), COVID-19 expenses, stock-based compensation expense, depreciation and amortization, litigation reserve, origination fees for fair value loans, net and fair value mark-to-market adjustment
- **Adjusted EBITDA Margin** is calculated as Adjusted EBITDA divided by Fair Value Pro Forma Total Revenue
- **Adjusted Earnings Per Share (EPS)** is a non-GAAP financial measure calculated by dividing Adjusted Net Income by adjusted weighted-average diluted common shares outstanding. Weighted-average diluted common shares outstanding have been adjusted to reflect the conversion of all convertible preferred shares as of the beginning of each annual period
- **Adjusted Net Income** is a non-GAAP financial measure calculated by adjusting our net income (loss), for the impact of our election of the fair value option, and further adjusted to exclude income tax expense (benefit), COVID-19 expenses, stock-based compensation expense and litigation reserve, net of tax
- **Adjusted Operating Efficiency** is a non-GAAP financial measure calculated by dividing total operating expenses (excluding COVID-19 expenses, stock-based compensation expense and litigation reserve) by Fair Value Pro Forma Total Revenue
- **Adjusted Return on Equity ("ROE")** is a non-GAAP financial measure calculated by dividing annualized Adjusted Net Income by Average Fair Value Pro Forma total stockholders' equity
- **Aggregate Originations** is the aggregate amount disbursed to borrowers during a specific period. Aggregate Originations excludes any fees in connection with the origination of a loan
- **Annualized Net Charge-Off Rate** is calculated as annualized loan principal losses (net of recoveries) divided by the Average Daily Principal Balance of owned loans for the period
- **Average Daily Principal Balance** is the average of outstanding principal balance of owned loans at the end of each calendar day during the period
- **Customer Acquisition Cost** is calculated as sales and marketing expenses, which include the costs associated with various paid marketing channels, including direct mail, digital marketing and brand marketing and the costs associated with our telesales and retail operations divided by number of loans originated to new and returning customers during a period
- **Fair Value Loans (or "Loans Receivable at Fair Value")** are All loans receivable held for investment that were originated on or after January 1, 2018
- **Fair Value Notes** are All asset-backed notes issued by Oportun on or after January 1, 2018
- **Fair Value Pro Forma:** In order to facilitate comparisons to periods prior to January 1, 2018, certain metrics included in this presentation have been shown on a pro forma basis as if we had elected the fair value option since our inception for all loans originated and held for investment and all asset-backed notes issued
- **Fair Value Pro Forma Cost of Debt** is calculated as Fair Value Pro Forma interest expense divided by average Fair Value Pro Forma balance sheet value of debt
- **Fair Value Pro Forma Debt-to-Equity** is calculated as Fair Value Pro Forma total debt divided by Fair Value Pro Forma total equity
- **Fair Value Pro Forma Interest Expense** includes interest paid or accrued on existing debt facilities and unused line fees; financing fees and expenses are recognized in operating expense as incurred

# Key Definitions

- **Fair Value Pro Forma Interest Yield** is calculated as Fair Value Pro Forma interest income divided by Average Daily Principal Balance
- **Fair Value Pro Forma Net Revenue** is calculated by subtracting interest expense from total revenue and adding the net increase (decrease) in fair value
- **Fair Value Pro Forma Operating Expenses** consist of technology and facilities, sales and marketing, personnel, outsourcing and professional fees, direct loan origination expenses, financing expenses related to ABS notes, and general, administrative and other expenses.
- **Fair Value Pro Forma Risk-Adjusted Yield** is calculated as Fair Value Pro Forma Interest Yield less Annualized Net Charge-Off Rate.
- **Fair Value Pro Forma Total Revenue** is calculated as the sum of Fair Value Pro Forma interest income and non-interest income. Fair Value Pro Forma interest income includes interest on loans and fees; origination fees are recognized upon disbursement. Non-interest income includes gain on sales, servicing fees and other income
- **Loans Receivable at Amortized Cost** are loans held for investment that were originated prior to January 1, 2018
- **Loans Receivable at Fair Value (or "Fair Value Loans")** are all loans receivable held for investment that were originated on or after January 1, 2018
- **Managed Principal Balance at End of Period** is the total amount of outstanding principal balance for all loans, including loans sold, which we continue to service, at the end of the period
- **Net Revenue** is calculated by subtracting interest expense and provision (release) for loan losses from total revenue and adding the net increase (decrease) in fair value.
- **Operating Efficiency** is calculated as total operating expenses divided by total revenue
- **Owned Principal Balance at End of Period** is the total amount of outstanding principal balance for all loans, excluding loans sold, at the end of the period
- **Return on Equity** is calculated as annualized net income divided by average stockholders' equity for a period
- **Secured Financing** is the asset-backed revolving debt facility issued by Oportun Funding V, LLC, as amended

# Key Financial and Operating Metrics

	Quarter Ended						Nine Months Ended September 30		
	3Q20	2Q20	1Q20	4Q19	3Q19	Change	2020	2019	Change
						Y / Y			Y / Y
Aggregate Originations <sup>(1)</sup> (Millions)	\$ 302.4	\$ 157.6	\$ 432.8	\$ 619.3	\$ 543.5	(44.4) %	\$ 892.8	\$ 1,432.6	(37.7) %
Number of Loans Originated <sup>(1)</sup>	97,826	48,193	143,150	213,840	192,709	(49.2) %	289,169	513,124	(43.6) %
Active Customers <sup>(1)</sup>	624,205	676,830	777,194	793,254	745,089	(16.2) %	624,205	745,089	(16.2) %
Customer Acquisition Cost <sup>(1)(2)</sup>	\$ 206.7	\$ 413.2	\$ 170.5	\$ 131.3	\$ 128.3	61.2 %	\$ 223.2	\$ 134.6	65.8 %
Owned Principal Balance EOP <sup>(1)</sup> (Millions)	\$ 1,572.0	\$ 1,642.6	\$ 1,831.0	\$ 1,842.9	\$ 1,691.8	(7.1) %	\$ 1,572.0	\$ 1,691.8	(7.1) %
Managed Principal Balance EOP <sup>(1)</sup> (Millions)	\$ 1,835.8	\$ 1,938.4	\$ 2,180.4	\$ 2,199.0	\$ 2,018.6	(9.1) %	\$ 1,835.8	\$ 2,018.6	(9.1) %
Average Daily Principal Balance <sup>(1)</sup> (Millions)	\$ 1,598.1	\$ 1,736.5	\$ 1,862.1	\$ 1,769.2	\$ 1,647.2	(3.0) %	\$ 1,731.7	\$ 1,575.5	9.9 %
Charge-offs, Net of Recoveries <sup>(1)</sup> (Millions)	\$ 41.9	\$ 45.7	\$ 41.4	\$ 40.2	\$ 33.7	24.3 %	\$ 129.0	\$ 94.6	36.4 %
30+ Delinquent Balance EOP <sup>(1)</sup> (Millions)	\$ 54.9	\$ 60.3	\$ 69.9	\$ 73.9	\$ 64.8	(15.3) %	\$ 54.9	\$ 64.8	(15.3) %
30+ Day Delinquency Rate <sup>(1)</sup> (%)	3.5 %	3.7 %	3.8 %	4.0 %	3.8 %		3.5 %	3.8 %	
Annualized Net Charge-Off Rate <sup>(1)</sup> (%)	10.4 %	10.6 %	8.9 %	9.0 %	8.1 %		10.0 %	8.0 %	
Operating Efficiency (%)	74.3 %	65.2 %	60.3 %	60.8 %	65.0 %		66.2 %	60.2 %	
Adjusted Operating Efficiency (%)	63.3 %	60.0 %	57.4 %	57.8 %	57.9 %		60.1 %	57.0 %	
Return on Equity (%)	(5.3) %	(29.4) %	(11.0) %	19.5 %	9.6 %		(15.2) %	12.7 %	
Adjusted Return on Equity (%)	3.7 %	(29.9) %	(1.0) %	22.8 %	14.6 %		(9.0) %	11.7 %	

(1) Sales and marketing expenses divided by the number of new and returning customer loans originated in the respective periods.

Note: Numbers may not foot or cross-foot due to rounding.

# Consolidated GAAP Income Statement

(\$Millions, except share data. Shares in Millions.)

	Quarter Ended							Nine Months Ended September 30			
	3Q20	2Q20	1Q20	4Q19	3Q19	\$ Change	% Change	2020	2019	\$ Change	% Change
						Y / Y	Y / Y			Y / Y	Y / Y
Interest income	\$ 128.7	\$ 136.1	\$ 150.7	\$ 148.3	\$ 139.3	\$ (10.5)	(7.6) %	\$ 415.5	\$ 395.8	\$ 19.7	5.0 %
Non-interest income	8.0	6.6	12.7	17.0	14.6	(6.6)	(45.0) %	27.4	39.0	(11.6)	(29.8) %
<b>Total revenue</b>	<b>\$ 136.8</b>	<b>\$ 142.7</b>	<b>\$ 163.4</b>	<b>\$ 165.3</b>	<b>\$ 153.9</b>	<b>\$ (17.1)</b>	<b>(11.1) %</b>	<b>\$ 442.9</b>	<b>\$ 434.8</b>	<b>\$ 8.1</b>	<b>1.9 %</b>
Less:											
Interest expense	\$ 13.4	\$ 15.1	\$ 16.4	\$ 15.8	\$ 15.5	\$ (2.1)	(13.5) %	\$ 44.9	\$ 44.8	\$ 0.1	0.3 %
Provision (release) for loan losses	—	—	—	(0.7)	(0.4)	0.4	NM	—	(3.8)	3.8	NM
Net increase (decrease) in fair value	(29.6)	(81.5)	(66.5)	(18.7)	(24.3)	(5.3)	21.8 %	(177.6)	(78.6)	(99.0)	NM
<b>Net revenue</b>	<b>\$ 93.7</b>	<b>\$ 46.1</b>	<b>\$ 80.6</b>	<b>\$ 131.6</b>	<b>\$ 114.5</b>	<b>\$ (20.7)</b>	<b>(18.1) %</b>	<b>\$ 220.4</b>	<b>\$ 315.2</b>	<b>\$ (94.8)</b>	<b>(30.1) %</b>
Operating expenses:											
Sales and marketing	\$ 20.6	\$ 20.1	\$ 24.8	\$ 28.1	\$ 24.7	\$ (4.1)	(16.5) %	\$ 65.5	\$ 69.1	\$ (3.6)	(5.2) %
Other operating expenses	80.9	73.0	73.8	72.4	75.3	5.6	7.4 %	227.7	192.9	34.8	18.0 %
<b>Total operating expenses</b>	<b>\$ 101.6</b>	<b>\$ 93.0</b>	<b>\$ 98.6</b>	<b>\$ 100.5</b>	<b>\$ 100.1</b>	<b>\$ 1.5</b>	<b>1.5 %</b>	<b>\$ 293.2</b>	<b>\$ 262.0</b>	<b>\$ 31.2</b>	<b>11.9 %</b>
<b>Income before taxes</b>	<b>\$ (7.8)</b>	<b>\$ (46.9)</b>	<b>\$ (18.0)</b>	<b>\$ 31.2</b>	<b>\$ 14.4</b>	<b>\$ (22.3)</b>	<b>(154.4) %</b>	<b>\$ (72.8)</b>	<b>\$ 53.3</b>	<b>\$ (126.0)</b>	<b>(236.6) %</b>
Income tax provision	(1.8)	(12.7)	(4.7)	8.0	4.4	(6.2)	(140.9) %	(19.2)	14.8	(34.0)	(229.1) %
<b>Net income</b>	<b>\$ (6.0)</b>	<b>\$ (34.2)</b>	<b>\$ (13.3)</b>	<b>\$ 23.2</b>	<b>\$ 10.0</b>	<b>\$ (16.1)</b>	<b>(160.3) %</b>	<b>\$ (53.6)</b>	<b>\$ 38.4</b>	<b>\$ (92.0)</b>	<b>(239.4) %</b>
<b>Memo:</b>											
<b>Earnings (loss) per share</b>	<b>\$ (0.22)</b>	<b>\$ (1.26)</b>	<b>\$ (0.49)</b>	<b>\$ 0.86</b>	<b>\$ (6.39)</b>	<b>\$ 6.17</b>	<b>(96.6) %</b>	<b>\$ (1.97)</b>	<b>\$ —</b>	<b>\$ (1.97)</b>	<b>*</b>
Diluted earnings (loss) per share	\$ (0.22)	\$ (1.26)	\$ (0.49)	\$ 0.81	\$ (6.39)	\$ 6.17	(96.6) %	\$ (1.97)	\$ —	\$ (1.97)	*
<b>Weighted average common shares outstanding - basic</b>	<b>27.5</b>	<b>27.2</b>	<b>27.0</b>	<b>27.0</b>	<b>4.3</b>	<b>23.2</b>	<b>539.5 %</b>	<b>27.2</b>	<b>3.4</b>	<b>23.8</b>	<b>701.7 %</b>
Weighted average common shares outstanding - diluted	27.5	27.2	27.0	28.5	4.3	23.2	539.5 %	27.2	3.4	23.8	701.7 %

Note: Numbers may not foot or cross-foot due to rounding.

# Consolidated Fair Value Pro Forma Income Statement

(\$Millions, except share data. Shares in Millions.)

	Quarter Ended							Nine Months Ended September 30				
	3Q20	2Q20	1Q20	4Q19	3Q19	\$ Change	% Change	2020	2019	\$ Change	% Change	
						Y / Y	Y / Y			Y / Y	Y / Y	
Interest income	\$ 128.7	\$ 136.1	\$ 150.7	\$ 148.2	\$ 139.0	\$ (10.3)	(7.4) %	\$ 415.5	\$ 394.2	\$ 21.3	5.4 %	
Non-interest income	8.0	6.6	12.7	17.0	14.6	(6.6)	(45.0) %	27.4	39.0	(11.6)	(29.8) %	
<b>Total revenue</b>	<b>\$ 136.8</b>	<b>\$ 142.7</b>	<b>\$ 163.4</b>	<b>\$ 165.2</b>	<b>\$ 153.6</b>	<b>\$ (16.8)</b>	<b>(11.0) %</b>	<b>\$ 442.9</b>	<b>\$ 433.2</b>	<b>\$ 9.7</b>	<b>2.2 %</b>	
Less:												
Interest expense	\$ 13.2	\$ 14.9	\$ 15.9	\$ 15.4	\$ 15.1	\$ (1.9)	(12.8) %	\$ 44.0	\$ 43.7	\$ 0.3	0.7 %	
Net increase (decrease) in FV	(31.2)	(90.9)	(54.8)	(18.0)	(27.6)	(3.7)	13.3 %	(176.9)	(92.6)	(84.3)	91.0 %	
<b>Net revenue</b>	<b>\$ 92.4</b>	<b>\$ 36.9</b>	<b>\$ 92.7</b>	<b>\$ 131.8</b>	<b>\$ 110.9</b>	<b>\$ (18.6)</b>	<b>(16.7) %</b>	<b>\$ 222.0</b>	<b>\$ 296.9</b>	<b>\$ (74.9)</b>	<b>(25.2) %</b>	
Operating expenses:												
Sales and marketing	\$ 20.6	\$ 20.1	\$ 24.8	\$ 28.1	\$ 24.7	\$ (4.1)	(16.5) %	\$ 65.5	\$ 69.1	\$ (3.6)	(5.2) %	
Other operating expenses	80.9	73.0	73.8	72.4	75.3	5.6	7.4 %	227.7	192.9	34.8	18.0 %	
<b>Total operating expenses</b>	<b>\$ 101.6</b>	<b>\$ 93.0</b>	<b>\$ 98.6</b>	<b>\$ 100.5</b>	<b>\$ 100.1</b>	<b>\$ 1.5</b>	<b>1.5 %</b>	<b>\$ 293.2</b>	<b>\$ 262.0</b>	<b>\$ 31.2</b>	<b>11.9 %</b>	
<b>Income before taxes</b>	<b>\$ (9.2)</b>	<b>\$ (56.1)</b>	<b>\$ (5.9)</b>	<b>\$ 31.3</b>	<b>\$ 10.9</b>	<b>\$ (20.1)</b>	<b>(184.9) %</b>	<b>\$ (71.2)</b>	<b>\$ 34.9</b>	<b>\$ (106.1)</b>	<b>(303.8) %</b>	
Income tax provision	(2.2)	(15.2)	(1.1)	8.0	3.3	(5.5)	(165.7) %	(18.5)	9.8	(28.3)	(288.8) %	
<b>Net income</b>	<b>\$ (7.0)</b>	<b>\$ (40.9)</b>	<b>\$ (4.8)</b>	<b>\$ 23.3</b>	<b>\$ 7.6</b>	<b>\$ (14.6)</b>	<b>(193.3) %</b>	<b>\$ (52.7)</b>	<b>\$ 25.1</b>	<b>\$ (77.9)</b>	<b>(309.7) %</b>	
<b>Memo:</b>												
<b>Adjusted EBITDA</b>	<b>\$ (1.2)</b>	<b>\$ 4.8</b>	<b>\$ 18.5</b>	<b>\$ 17.0</b>	<b>\$ 18.6</b>	<b>\$ (19.7)</b>	<b>(106.3) %</b>	<b>\$ 22.1</b>	<b>\$ 57.3</b>	<b>\$ (35.2)</b>	<b>(61.4) %</b>	
Adjusted net income	\$ 4.2	\$ (35.1)	\$ (0.8)	\$ 26.9	\$ 15.3	\$ (11.1)	(72.8) %	\$ (31.7)	\$ 35.9	\$ (67.6)	(188.5) %	
<b>Adjusted EPS</b>	<b>\$ 0.15</b>	<b>\$ (1.29)</b>	<b>\$ (0.04)</b>	<b>\$ 0.94</b>	<b>\$ 0.64</b>	<b>\$ (0.50)</b>	<b>(77.4) %</b>	<b>\$ (1.17)</b>	<b>\$ 1.53</b>	<b>\$ (2.69)</b>	<b>(176.3) %</b>	
Basic weighted-average common shares outstanding	27.5	27.2	27.0	27.0	4.3	23.2	539.5 %	27.2	3.4	23.8	701.7 %	
<b>Diluted adjusted weighted-average common shares outstanding</b>	<b>28.7</b>	<b>27.2</b>	<b>27.0</b>	<b>28.5</b>	<b>23.8</b>	<b>4.9</b>	<b>20.5 %</b>	<b>27.2</b>	<b>23.5</b>	<b>3.8</b>	<b>16.0 %</b>	

Note: Numbers may not foot or cross-foot due to rounding.

# Consolidated Fair Value Pro Forma Income Statement Reconciliation

(\$Millions)

	Three Months Ended September 30, 2020			Three Months Ended September 30, 2019			\$ Change Y / Y	% Change Y / Y
	As Reported	FV Adjustment	FV Pro Forma	As Reported	FV Adjustment	FV Pro Forma		
Interest income	\$ 128.7	\$ —	\$ 128.7	\$ 139.3	\$ (0.3)	\$ 139.0	\$ (10.3)	(7.4) %
Non-interest income	8.0	—	8.0	14.6	—	14.6	(6.6)	(45.0) %
<b>Total revenue</b>	<b>\$ 136.8</b>	<b>\$ —</b>	<b>\$ 136.8</b>	<b>\$ 153.9</b>	<b>\$ (0.3)</b>	<b>\$ 153.6</b>	<b>\$ (16.8)</b>	<b>(11.0) %</b>
Less:								
Interest expense	\$ 13.4	\$ (0.2)	\$ 13.2	\$ 15.5	\$ (0.4)	\$ 15.1	\$ (1.9)	(12.8) %
Provision (release) for loan losses	—	—	—	(0.4)	0.4	—	—	NM
Net increase (decrease) in FV	(29.6)	(1.6)	(31.2)	(24.3)	(3.2)	(27.6)	(3.7)	13.3 %
<b>Net revenue</b>	<b>\$ 93.7</b>	<b>\$ (1.4)</b>	<b>\$ 92.4</b>	<b>\$ 114.5</b>	<b>\$ (3.6)</b>	<b>\$ 110.9</b>	<b>\$ (18.6)</b>	<b>(16.7) %</b>
Operating expenses:								
Technology and facilities	\$ 31.6	\$ —	\$ 31.6	\$ 26.8	\$ —	\$ 26.8	\$ 4.9	18.2 %
Sales and marketing	20.6	—	20.6	24.7	—	24.7	(4.1)	(16.5) %
Personnel	26.7	—	26.7	28.6	—	28.6	(2.0)	(6.9) %
Outsourcing and professional fees	11.5	—	11.5	16.0	—	16.0	(4.6)	(28.4) %
General, administrative, and other	11.1	—	11.1	3.9	—	3.9	7.3	186.6 %
<b>Total operating expenses</b>	<b>\$ 101.6</b>	<b>\$ —</b>	<b>\$ 101.6</b>	<b>\$ 100.1</b>	<b>\$ —</b>	<b>\$ 100.1</b>	<b>\$ 1.5</b>	<b>1.5 %</b>
<b>Income before taxes</b>	<b>\$ (7.8)</b>	<b>\$ (1.4)</b>	<b>\$ (9.2)</b>	<b>\$ 14.4</b>	<b>\$ (3.6)</b>	<b>\$ 10.9</b>	<b>\$ (20.1)</b>	<b>(184.9) %</b>
Income tax provision	(1.8)	(0.4)	(2.2)	4.4	(1.1)	3.3	(5.5)	(165.7) %
<b>Net income</b>	<b>\$ (6.0)</b>	<b>\$ (1.0)</b>	<b>\$ (7.0)</b>	<b>\$ 10.0</b>	<b>\$ (2.5)</b>	<b>\$ 7.6</b>	<b>\$ (14.6)</b>	<b>(193.3) %</b>

Note: Numbers may not foot or cross-foot due to rounding.

# Consolidated Fair Value Pro Forma Income Statement Reconciliation

(\$Millions)

	Nine Months Ended September 30, 2020			Nine Months Ended September 30, 2019			\$ Change	% Change
	As Reported	FV Adjustment	FV Pro Forma	As Reported	FV Adjustment	FV Pro Forma	Y / Y	Y / Y
Interest income	\$ 415.5	\$ —	\$ 415.5	\$ 395.8	\$ (1.6)	\$ 394.2	\$ 21.3	5.4 %
Non-interest income	27.4	—	27.4	39.0	—	39.0	(11.6)	(29.8) %
<b>Total revenue</b>	<b>\$ 442.9</b>	<b>\$ —</b>	<b>\$ 442.9</b>	<b>\$ 434.8</b>	<b>\$ (1.6)</b>	<b>\$ 433.2</b>	<b>\$ 9.7</b>	<b>2.2 %</b>
Less:								
Interest expense	\$ 44.9	\$ (0.9)	\$ 44.0	\$ 44.8	\$ (1.1)	\$ 43.7	\$ 0.3	0.7 %
Provision (release) for loan losses	—	—	—	(3.8)	3.8	—	—	*
Net increase (decrease) in FV	(177.6)	0.7	(176.9)	(78.6)	(14.1)	(92.6)	(84.3)	91.0 %
<b>Net revenue</b>	<b>\$ 220.4</b>	<b>\$ 1.6</b>	<b>\$ 222.0</b>	<b>\$ 315.2</b>	<b>\$ (18.3)</b>	<b>\$ 296.9</b>	<b>\$ (74.9)</b>	<b>(25.2) %</b>
Operating expenses:								
Technology and facilities	\$ 93.9	\$ —	\$ 93.9	\$ 72.8	\$ —	\$ 72.8	\$ 21.1	28.9 %
Sales and marketing	65.5	—	65.5	69.1	—	69.1	(3.6)	(5.2) %
Personnel	79.9	—	79.9	66.4	—	66.4	13.5	20.3 %
Outsourcing and professional fees	36.2	—	36.2	42.8	—	42.8	(6.6)	(15.3) %
General, administrative, and other	17.6	—	17.6	10.8	—	10.8	6.8	62.6 %
<b>Total operating expenses</b>	<b>\$ 293.2</b>	<b>\$ —</b>	<b>\$ 293.2</b>	<b>\$ 262.0</b>	<b>\$ —</b>	<b>\$ 262.0</b>	<b>\$ 31.2</b>	<b>11.9 %</b>
<b>Income before taxes</b>	<b>\$ (72.8)</b>	<b>\$ 1.6</b>	<b>\$ (71.2)</b>	<b>\$ 53.3</b>	<b>\$ (18.3)</b>	<b>\$ 34.9</b>	<b>\$ (106.1)</b>	<b>(303.8) %</b>
Income tax provision	(19.2)	0.7	(18.5)	14.8	(5.1)	9.8	(28.3)	(288.8) %
<b>Net income</b>	<b>\$ (53.6)</b>	<b>\$ 0.9</b>	<b>\$ (52.7)</b>	<b>\$ 38.4</b>	<b>\$ (13.3)</b>	<b>\$ 25.1</b>	<b>\$ (77.9)</b>	<b>(309.7) %</b>

Note: Numbers may not foot or cross-foot due to rounding.

# Condensed GAAP Balance Sheet

(\$Millions)

	Quarter Ended					Change	
	3Q20	2Q20	1Q20	4Q19	3Q19	Q / Q	Y / Y
Cash and cash equivalents	\$ 109.7	\$ 139.2	\$ 144.8	\$ 72.2	\$ 154.5	(21.2) %	(29.0) %
Restricted cash	53.8	58.7	61.3	64.0	65.9	(8.4) %	(18.3) %
Loans receivable at fair value	1,605.4	1,635.7	1,760.5	1,882.1	1,681.9	(1.9) %	(4.5) %
Loans receivable at amortized cost, net	—	—	—	38.5	69.0	NM	(100.0) %
Other assets	148.7	141.0	150.7	145.2	121.3	5.4 %	22.6 %
<b>Total assets</b>	<b>\$ 1,917.5</b>	<b>\$ 1,974.6</b>	<b>\$ 2,117.3</b>	<b>\$ 2,201.9</b>	<b>\$ 2,092.6</b>	<b>(2.9) %</b>	<b>(8.4) %</b>
Total debt	1,316.6	1,393.9	1,477.8	1,549.2	1,491.8	(5.5) %	(11.7) %
Other liabilities	147.9	126.4	156.0	163.9	139.6	17.0 %	5.9 %
<b>Total liabilities</b>	<b>\$ 1,464.5</b>	<b>\$ 1,520.3</b>	<b>\$ 1,633.8</b>	<b>\$ 1,713.1</b>	<b>\$ 1,631.5</b>	<b>(3.7) %</b>	<b>(10.2) %</b>
<b>Total stockholders' equity</b>	<b>\$ 453.0</b>	<b>\$ 454.3</b>	<b>\$ 483.5</b>	<b>\$ 488.8</b>	<b>\$ 461.1</b>	<b>(0.3) %</b>	<b>(1.8) %</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,917.5</b>	<b>\$ 1,974.6</b>	<b>\$ 2,117.3</b>	<b>\$ 2,201.9</b>	<b>\$ 2,092.6</b>	<b>(2.9) %</b>	<b>(8.4) %</b>

Note: Numbers may not foot or cross-foot due to rounding.

# Condensed Fair Value Pro Forma Balance Sheet

(\$Millions)

	Quarter Ended					Change	
	3Q20	2Q20	1Q20	4Q19	3Q19	Q / Q	Y / Y
Cash and cash equivalents	\$ 109.7	\$ 139.2	\$ 144.8	\$ 72.2	\$ 154.5	(21.2) %	(29.0) %
Restricted cash	53.8	58.7	61.3	64.0	65.9	(8.4) %	(18.3) %
Loans receivable at fair value	1,605.4	1,635.7	1,760.5	1,925.6	1,756.3	(1.9) %	(8.6) %
Other assets	148.7	141.0	150.7	138.6	115.3	5.4 %	19.1 %
<b>Total assets</b>	<b>\$ 1,917.5</b>	<b>\$ 1,974.6</b>	<b>\$ 2,117.3</b>	<b>\$ 2,200.3</b>	<b>\$ 2,092.0</b>	<b>(2.9) %</b>	<b>(8.3) %</b>
Total debt	1,316.6	1,392.5	1,467.2	1,550.8	1,493.9	(5.5) %	(11.9) %
Other liabilities	148.6	127.5	159.6	162.3	138.6	16.6 %	22.0 %
<b>Total liabilities</b>	<b>\$ 1,465.2</b>	<b>\$ 1,520.0</b>	<b>\$ 1,626.8</b>	<b>\$ 1,713.0</b>	<b>\$ 1,632.5</b>	<b>(3.6) %</b>	<b>(10.3) %</b>
<b>Total stockholders' equity</b>	<b>\$ 452.3</b>	<b>\$ 454.6</b>	<b>\$ 490.5</b>	<b>\$ 487.3</b>	<b>\$ 459.4</b>	<b>(0.5) %</b>	<b>(1.5) %</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,917.5</b>	<b>\$ 1,974.6</b>	<b>\$ 2,117.3</b>	<b>\$ 2,200.3</b>	<b>\$ 2,092.0</b>	<b>(2.9) %</b>	<b>(8.3) %</b>

Note: Numbers may not foot or cross-foot due to rounding.

# Condensed Fair Value Pro Forma Balance Sheet Items Reconciliation

(\$Millions)

	Quarter Ended September 30, 2020			Quarter Ended September 30, 2019		
	As Reported	FV Adjustment	FV Pro Forma	As Reported	FV Adjustment	FV Pro Forma
Cash and cash equivalents	\$ 109.7	\$ —	\$ 109.7	\$ 154.5	\$ —	\$ 154.5
Restricted cash	53.8	—	53.8	65.9	—	65.9
Loans receivable at fair value	1,605.4	—	1,605.4	1,681.9	74.4	1,756.3
Loans receivable at amortized cost, net	—	—	—	69.0	(69.0)	—
Other assets	148.7	—	148.7	121.3	(6.0)	115.3
<b>Total assets</b>	<b>\$ 1,917.5</b>	<b>\$ —</b>	<b>\$ 1,917.5</b>	<b>\$ 2,092.6</b>	<b>\$ (0.6)</b>	<b>\$ 2,092.0</b>
Total debt	1,316.6	—	1,316.6	1,491.8	2.1	1,493.9
Other liabilities	147.9	0.7	148.6	139.6	(1.0)	138.6
<b>Total liabilities</b>	<b>\$ 1,464.5</b>	<b>\$ 0.7</b>	<b>\$ 1,465.2</b>	<b>\$ 1,631.5</b>	<b>\$ 1.1</b>	<b>\$ 1,632.5</b>
<b>Total stockholders' equity</b>	<b>\$ 453.0</b>	<b>\$ (0.7)</b>	<b>\$ 452.3</b>	<b>\$ 461.1</b>	<b>\$ (1.7)</b>	<b>\$ 459.4</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,917.5</b>	<b>\$ —</b>	<b>\$ 1,917.5</b>	<b>\$ 2,092.6</b>	<b>\$ (0.6)</b>	<b>\$ 2,092.0</b>

Note: Numbers may not foot or cross-foot due to rounding.

# Adjusted EBITDA Reconciliation

(\$Millions)

	Quarter Ended						Nine Months Ended September 30			
	3Q20	2Q20	1Q20	4Q19	3Q19	Change Y / Y	2020	2019	Change Y / Y	
Net income	\$ (6.0)	\$ (34.2)	\$ (13.3)	\$ 23.2	\$ 10.0	(160.3) %	\$ (53.6)	\$ 38.4	(239.4) %	
Adjustments:										
Fair Value Pro Forma net income adjustment	\$ (1.0)	\$ (6.6)	\$ 8.5	\$ 0.1	\$ (2.5)	(59.7) %	\$ 0.9	\$ (13.3)	(106.6) %	
Income tax expense (benefit)	(2.2)	(15.2)	(1.1)	8.0	3.3	(165.7) %	(18.5)	9.8	(288.8) %	
COVID-19 expenses	1.0	2.4	0.6	—	—	NM	4.1	—	NM	
Depreciation and amortization	5.1	5.1	4.7	4.4	3.6	42.5 %	14.9	9.7	54.0 %	
Stock-based compensation expense	5.2	5.0	4.2	4.0	11.2	(53.5) %	14.3	15.2	(5.7) %	
Litigation reserve	8.8	—	—	0.9	—	NM	8.8	—	NM	
Origination fees for Fair Value Loans, net	(1.3)	3.3	1.5	(1.5)	(0.9)	42.6 %	3.5	(0.4)	(900.0) %	
Fair value mark-to-market adjustment	(10.7)	45.2	13.4	(22.2)	(6.1)	74.9 %	47.8	(2.0)	(2,473.1) %	
<b>Adjusted EBITDA</b>	<b>\$ (1.2)</b>	<b>\$ 4.8</b>	<b>\$ 18.5</b>	<b>\$ 17.0</b>	<b>\$ 18.6</b>	<b>(106.3) %</b>	<b>\$ 22.1</b>	<b>\$ 57.3</b>	<b>(61.4) %</b>	
<b>Memo:</b>										
Fair Value Pro Forma Total Revenue	136.8	142.7	163.4	165.2	153.6	(11.0) %	442.9	433.2	2.2 %	
<b>Adjusted EBITDA Margin (%)<sup>(1)</sup></b>	<b>(0.9) %</b>	<b>3.4 %</b>	<b>11.3 %</b>	<b>10.3 %</b>	<b>12.1 %</b>		<b>5.0 %</b>	<b>13.2 %</b>		

(1) Calculated as Fair Value Pro Forma Adjusted EBITDA divided by Fair Value Pro Forma Total Revenue.

Note: Numbers may not foot or cross-foot due to rounding.

# Adjusted Net Income Reconciliation

(\$Millions)

	Quarter Ended						Nine Months Ended September 30		
	3Q20	2Q20	1Q20	4Q19	3Q19	Change Y / Y	2020	2019	Change Y / Y
Net income	\$ (6.0)	\$ (34.2)	\$ (13.3)	\$ 23.2	\$ 10.0	(160.3) %	\$ (53.6)	\$ 38.4	(239.4) %
Adjustments:									
Fair Value Pro Forma net income adjustment	(1.0)	(6.6)	8.5	0.1	(2.5)	(59.7) %	0.9	(13.3)	(106.6) %
Income tax expense	(2.2)	(15.2)	(1.1)	8.0	3.3	(165.7) %	(18.5)	9.8	(288.8) %
COVID-19 expenses	1.0	2.4	0.6	—	—	NM	4.1	—	NM
Stock-based compensation expense	5.2	5.0	4.2	4.0	11.2	(53.5) %	14.3	15.2	(5.7) %
Litigation reserve	8.8	—	—	0.9	—	NM	8.8	—	*
<b>Adjusted income before taxes</b>	<b>\$ 5.7</b>	<b>\$ (48.7)</b>	<b>\$ (1.1)</b>	<b>\$ 36.2</b>	<b>\$ 22.0</b>	<b>(73.9) %</b>	<b>\$ (44.1)</b>	<b>\$ 50.1</b>	<b>(188.0) %</b>
Normalized income tax benefit (expense)	(1.6)	13.6	0.5	(9.3)	(6.7)	(76.6) %	12.3	(14.3)	(186.6) %
Income tax rate (%)	27.4 %	27.9 %	29.9 %	25.6 %	30.4 %		28.0 %	27.9 %	0.5 %
<b>Adjusted Net Income</b>	<b>\$ 4.2</b>	<b>\$ (35.1)</b>	<b>\$ (0.6)</b>	<b>\$ 26.9</b>	<b>\$ 15.3</b>	<b>(72.8) %</b>	<b>\$ (31.7)</b>	<b>35.9</b>	<b>(188.5) %</b>
Memo:									
Fair Value Pro Forma stockholders' equity	\$ 452.3	\$ 454.6	\$ 490.5	\$ 487.3	\$ 459.4	(1.5) %	\$ 452.3	459.4	(1.5) %
<b>Adjusted ROE (%)<sup>(1)</sup></b>	<b>3.7 %</b>	<b>(29.9) %</b>	<b>(1.0) %</b>	<b>22.8 %</b>	<b>14.6 %</b>		<b>(9.0) %</b>	<b>11.7 %</b>	

(1) Calculated as Adjusted Net Income divided by Average Fair Value Pro Forma Shareholders' Equity. ROE has been annualized.

Note: Numbers may not foot or cross-foot due to rounding.

# GAAP Basic and Diluted Earnings (Loss) Per Share Reconciliation

(\$Millions, except per share data. Shares in Millions.)

	Quarter Ended					Change Y / Y	Nine Months Ended September 30		
	3Q20	2Q20	1Q20	4Q19	3Q19		2020	2019	Change Y / Y
Net income (loss)	\$ (6.0)	\$ (34.2)	\$ (13.3)	\$ 23.2	\$ 10.0	(160.3) %	\$ (53.6)	\$ 38.4	(239.4) %
Less: Additional common stock issued to Series G shareholders	—	—	—	—	(37.5)	NM	—	(37.5)	*
Less: Net income allocated to participating securities <sup>(1)</sup>	—	—	—	—	—	NM	—	(1.0)	(100.0) %
<b>Net income (loss) attributable to common stockholders</b>	<b>\$ (6.0)</b>	<b>\$ (34.2)</b>	<b>\$ (13.3)</b>	<b>\$ 23.2</b>	<b>\$ (27.4)</b>	<b>(78.0) %</b>	<b>\$ (53.6)</b>	<b>\$ —</b>	<b>*</b>
Basic weighted-average common shares outstanding	27.5	27.2	27.0	27.0	4.3	539.5 %	27.2	3.4	701.7 %
Weighted average effect of dilutive securities:									
Stock options	—	—	—	1.1	—	NM	—	—	*
Restricted stock units	—	—	—	0.4	—	NM	—	—	*
Warrants	—	—	—	—	—	NM	—	—	*
<b>Diluted weighted-average common shares outstanding</b>	<b>27.5</b>	<b>27.2</b>	<b>27.0</b>	<b>28.5</b>	<b>4.3</b>	<b>539.5 %</b>	<b>27.2</b>	<b>3.4</b>	<b>701.7 %</b>
Earnings (loss) per share:									
<b>Basic</b>	<b>\$ (0.22)</b>	<b>\$ (1.26)</b>	<b>\$ (0.49)</b>	<b>\$ 0.86</b>	<b>\$ (6.39)</b>	<b>(96.6) %</b>	<b>\$ (1.97)</b>	<b>\$ —</b>	<b>*</b>
Diluted	\$ (0.22)	\$ (1.26)	\$ (0.49)	\$ 0.81	\$ (6.39)	(96.6) %	\$ (1.97)	\$ —	*

# Adjusted Earnings (Loss) Per Share Reconciliation

(\$Millions, except per share data. Shares in Millions.)

	Quarter Ended						Nine Months Ended September 30			
	3Q20	2Q20	1Q20	4Q19	3Q19	Change Y / Y	2020	2019	Change Y / Y	
Diluted earnings (loss) per share	\$ (0.22)	\$ (1.26)	\$ (0.49)	\$ 0.81	\$ (6.39)	(96.6) %	\$ (1.97)	\$ —	— %	
<b>Adjusted EPS</b>										
<b>Adjusted Net Income (Loss)</b>	<b>\$ 4.2</b>	<b>\$ (35.1)</b>	<b>\$ (1.2)</b>	<b>\$ 26.9</b>	<b>\$ 15.3</b>	<b>(72.8) %</b>	<b>\$ (31.7)</b>	<b>\$ 35.9</b>	<b>(188.5) %</b>	
Basic weighted-average common shares outstanding	27.5	27.2	27.0	27.0	4.3	539.5 %	27.2	3.4	701.7 %	
Weighted-average common shares outstanding based on assumed convertible preferred conversion	—	—	—	—	18.0	NM	—	18.7	(100.0) %	
Weighted average effect of dilutive securities:										
Stock options	1.2	—	—	1.1	1.4	NM	—	1.3	(100.0) %	
Restricted stock units	0.1	—	—	0.4	0.1	NM	—	—	*	
Warrants	—	—	—	—	—	(100.0) %	—	—	(100.0) %	
<b>Diluted adjusted weighted-average common shares outstanding</b>	<b>28.7</b>	<b>27.2</b>	<b>27.0</b>	<b>28.5</b>	<b>23.8</b>	<b>20.5 %</b>	<b>27.2</b>	<b>23.5</b>	<b>16.0 %</b>	
<b>Adjusted EPS</b>	<b>\$ 0.15</b>	<b>\$ (1.29)</b>	<b>\$ (0.04)</b>	<b>\$ 0.94</b>	<b>\$ 0.64</b>	<b>(77.4) %</b>	<b>\$ (1.17)</b>	<b>\$ 1.53</b>	<b>(176.3) %</b>	

# GAAP Book Value Per Share Reconciliation

(\$Millions, except per share data. Shares in Millions.)

	Quarter Ended					Change
	3Q20	2Q20	1Q20	4Q19	3Q19	Y / Y
Stockholders' equity	\$ 453.0	\$ 454.3	\$ 483.5	\$ 488.8	\$ 461.1	(1.8) %
Less: total preferred stockholders' equity <sup>(1)</sup>	—	—	—	—	—	NM
Less: total preferred stock warrants <sup>(2)</sup>	—	—	—	—	—	NM
<b>Stockholders' equity available to common stockholders</b>	<b>\$ 453.0</b>	<b>\$ 454.3</b>	<b>\$ 483.5</b>	<b>\$ 488.8</b>	<b>\$ 461.1</b>	<b>(1.8) %</b>
Total common shares outstanding at end of period <sup>(1)</sup>	27.6	27.3	27.1	27.0	27.0	2.2 %
<b>Book Value Per Share</b>	<b>\$ 16.42</b>	<b>\$ 16.62</b>	<b>\$ 17.81</b>	<b>\$ 18.10</b>	<b>\$ 17.08</b>	<b>(3.8) %</b>

(1) Prior to our IPO, the book value of equity available to common stockholders excludes the book value of convertible preferred equity and convertible preferred stock warrants. On the date of our IPO, these convertible preferred shares converted to common shares. Therefore, beginning in 3Q19 the number of common shares reflects this conversion and the book value of preferred equity is zero.

(2) Comprised of outstanding Series F-1 and G preferred warrants. Subsequent to our IPO, remaining Series G warrants converted to common stock warrants.

Note: Numbers may not foot or cross-foot due to rounding.

# Adjusted Tangible Book Value Per Share Reconciliation

(\$Millions, except per share data. Shares in Millions.)

	Quarter Ended					Change
	3Q20	2Q20	1Q20	4Q19	3Q19	Y / Y
Stockholders' equity	\$ 453.0	\$ 454.3	\$ 483.5	\$ 488.8	\$ 461.1	(1.8) %
Adjustments:						
Fair Value Pro Forma stockholders' equity adjustment	(0.7)	0.3	7.0	(1.5)	(1.7)	(59.7) %
Intangible assets, net <sup>(1)</sup>	(27.2)	(24.8)	(21.7)	(18.5)	(14.6)	86.8 %
<b>Adjusted Tangible Book Value</b>	<b>\$ 425.1</b>	<b>\$ 429.8</b>	<b>\$ 468.8</b>	<b>\$ 468.8</b>	<b>\$ 444.9</b>	<b>(4.4) %</b>
Total common shares outstanding at end of period	27.6	27.3	27.1	27.0	27.0	2.2 %
Additional common shares outstanding based on assumed convertible preferred conversion	—	—	—	—	—	NM
<b>Adjusted total outstanding shares</b>	<b>27.6</b>	<b>27.3</b>	<b>27.1</b>	<b>27.0</b>	<b>27.0</b>	<b>2.2 %</b>
<b>Adjusted Tangible Book Value Per Share</b>	<b>\$ 15.41</b>	<b>\$ 15.73</b>	<b>\$ 17.27</b>	<b>\$ 17.36</b>	<b>\$ 16.48</b>	<b>(6.5) %</b>

(1) Intangible assets, net consists of trademarks and internally developed software, net.  
Note: Numbers may not foot or cross-foot due to rounding.

# Fair Value Pro Forma Fair Value Estimate Methodology

	Quarter Ended							Change Y / Y
	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19	
<b>Weighted average portfolio yield over the remaining life of the loans</b>	30.50 %	30.78 %	30.74 %	31.47 %	31.89 %	32.37 %	32.45 %	(1.39) %
Less: Servicing fee	(5.00) %	(5.00) %	(5.00) %	(5.00) %	(5.00) %	(5.00) %	(5.00) %	— %
<b>Net portfolio yield</b>	<b>25.50 %</b>	<b>25.78 %</b>	<b>25.74 %</b>	<b>26.47 %</b>	<b>26.89 %</b>	<b>27.37 %</b>	<b>27.45 %</b>	<b>(1.39) %</b>
Multiplied by: Weighted average life in years	0.775	0.797	0.903	0.804	0.765	0.764	0.754	0.9 %
<b>Pre-loss cash flow</b>	<b>19.75 %</b>	<b>20.54 %</b>	<b>23.25 %</b>	<b>21.28 %</b>	<b>20.71 %</b>	<b>20.80 %</b>	<b>20.59 %</b>	<b>(0.96) %</b>
Less: Remaining cumulative charge-offs	(10.61) %	(12.73) %	(14.56) %	(9.51) %	(9.83) %	(9.94) %	(9.83) %	(0.78) %
<b>Net cash flow</b>	<b>9.14 %</b>	<b>7.81 %</b>	<b>8.69 %</b>	<b>11.77 %</b>	<b>10.88 %</b>	<b>10.86 %</b>	<b>10.76 %</b>	<b>(1.74) %</b>
Less: Discount rate multiplied by average life	(6.07) %	(7.04) %	(11.54) %	(6.25) %	(6.11) %	(6.37) %	(6.65) %	0.03 %
<b>Gross fair value premium as a percentage of loan principal balance</b>	<b>3.07 %</b>	<b>0.77 %</b>	<b>(2.85) %</b>	<b>5.52 %</b>	<b>4.77 %</b>	<b>4.49 %</b>	<b>4.11 %</b>	<b>(1.70) %</b>
Less: Accrued interest and fees as a percentage of loan principal balance	(1.15) %	(1.35) %	(1.11) %	(1.04) %	(0.96) %	(0.92) %	(0.96) %	(0.19) %
<b>Fair value premium as a percentage of loan principal balance</b>	<b>1.92 %</b>	<b>(0.58) %</b>	<b>(3.96) %</b>	<b>4.48 %</b>	<b>3.81 %</b>	<b>3.57 %</b>	<b>3.15 %</b>	<b>(1.89) %</b>
Discount rate	7.84 %	8.84 %	12.78 %	7.77 %	7.93 %	8.38 %	8.86 %	(0.09) %

# Our Values Continue to Guide our Actions

Our **mission** is to provide **inclusive, affordable** financial services that **empower** our customers to **build a better future**

## Supporting our Employees

- Corporate teams working remotely until Summer 2021
- Committed to strengthening Diversity & Inclusion efforts
- Enhanced employee assistance programs and committed \$100,000 to our Employee Assistance Fund
- Expanded health and wellness programs and increased benefits, including sick leave and cash advances
- Mobilize hundreds of employees to virtually volunteer for various United Way chapters

## Serving our Customers

- Voluntarily and permanently capped our APR at 36%
- Continue to help customers impacted by the pandemic by offering payment deferrals and adjusted payment plans
- Provide free financial coaching to more than 1,500 customers through our partnership with UnidosUS
- Keep our retail stores open and safe for our customers
- Help more than 870,000 people build their credit history
- Saved our customers more than \$1.8 billion in interest and fees

## Strengthening our Communities

- Further financial inclusion for low- and moderate-income (LMI) individuals and communities of color by disbursing over \$9.0 billion in affordable loans into traditionally underserved communities
- Advance social justice efforts by donating \$100,000 to nonprofit organizations supporting racial equity
- Total donations of \$613,000 through September in charitable grants to Education, Health Services, Civil Rights, and Community Development efforts

