



# 4Q 2023 Earnings Presentation

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March 12, 2024

# Forward-looking statements

This presentation and the accompanying oral presentation contain forward-looking statements. All statements other than statements of historical fact contained in this presentation and the accompanying oral presentation, including statements as to future performance, results of operations and financial position; statements related to the effectiveness of the Company's cost reduction measures and the impacts on the Company's business; the anticipated size, timing and effectiveness of operational efficiencies and expense reductions; our planned products and services; strategic options regarding our credit card portfolio; the ability to access diverse sources of capital; our expectation regarding the sale of certain personal loan originations; achievement of our strategic priorities and goals; our expectation regarding macroeconomic conditions and future growth opportunities; our profitability and future growth opportunities; the effect of tightening our underwriting standards on credit outcomes; our expectation regarding the effect of fair value mark-to-market adjustments on our loan portfolio and asset-backed notes; first quarter and full-year 2024 outlook; business strategy; and plans and objectives of management for future operations of Oportun Financial Corporation ("Oportun," "we," "us," "our," or the "Company"), are forward-looking statements. These statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the Company's actual results and financial position, as well as our plans, objectives and expectations for our performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks and uncertainties include those risks described in Oportun's filings with the Securities and Exchange Commission under the caption "Risk Factors", including the Company's most recent annual report on Form 10-K, and include, but are not limited to: our ability to retain existing members and attract new members; our ability to accurately predict demand for, and develop, our financial products and services; the effectiveness of our A.I. model; macroeconomic conditions, including rising inflation and market interest rates; Oportun's future financial performance, including trends in revenue, net revenue, operating expenses, and net income; increases in loan non-payments, delinquencies and charge-offs; Oportun's ability to operate successfully in a highly regulated industry; Oportun's ability to increase market share and enter into new markets; Oportun's ability to realize the benefits from acquisitions and integrate acquired technologies, including the Digit acquisition; the risk of security breaches or incidents affecting the Company's information technology systems or those of the Company's third-party vendors or service providers; Oportun's ability to successfully offer loans in additional states; Oportun's ability to compete successfully with companies that are currently in, or may in the future enter, our industry; changes in Oportun's ability to obtain additional financing on acceptable terms or at all; and Oportun's potential need to seek additional strategic alternatives, including restructuring or refinancing its debt, seeking additional debt or equity capital, or reducing or delaying its business activities.

In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "should," "target," "will," "would," or the negative of these terms or other similar words. These forward-looking statements are subject to the safe harbor provisions under the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934, as amended. These statements are only predictions. Oportun has based these forward-looking statements on its current expectations and projections about future events, financial trends and risks and uncertainties that it believes may affect its business, financial condition and results of operations. Also, these forward-looking statements represent the Company's estimates and assumptions only as of the date of this presentation. The Company assumes no obligation to update any forward-looking statements after the date of this presentation, except as required by law.

This presentation also contains estimates and other statistical data made by independent parties and by the Company relating to market size and growth and other industry data. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. The Company has not independently verified the statistical and other industry data generated by independent parties and contained in this presentation and, accordingly, it cannot guarantee their accuracy or completeness. In addition, projections, assumptions and estimates of its future performance and the future performance of the industries in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by Oportun.

You should view this presentation and the accompanying oral presentation with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect.

This presentation includes certain non-GAAP financial measures. Non-GAAP financial measures are presented in addition to, and not as a substitute for, and are not superior to, financial measures calculated in accordance with GAAP. The Company believes these Non-GAAP measures can be useful measures for period-to-period comparisons of our core business and provide useful information to investors and others in understanding and evaluating our operating results. Non-GAAP financial measures are provided in addition to, and not as a substitute for, and are not superior to, financial measures calculated in accordance with GAAP. In addition, the non-GAAP measures we use, as presented, may not be comparable to similar measures used by other companies. See the Appendix for a reconciliation of non-GAAP financial measures to the most comparable measure, calculated in accordance with GAAP.

All financial information and other metrics used in this presentation are as of December 31, 2023, unless otherwise noted.

# 4Q23 Earnings Overview

Solid 4Q23 execution, markedly improved profitability anticipated for 2024

- ▶ **Total revenue of \$263M, bringing FY23 to record \$1.1B, up 11% Y/Y**
- ▶ **Quarterly operating expense of \$129M including \$7M of severance, down 15% Y/Y**  
\$101M adjusted operating expense is lowest in 2.5 years; new post-IPO low 38.4% Adjusted Operating Efficiency
- ▶ **\$40M Y/Y increase in Adjusted EBITDA driven by cost reductions**
- ▶ **Credit discipline is driving improved performance**  
Annualized net charge-off rate improved by ~50 bps Y/Y in Q423
- ▶ **\$200M asset backed securitization completed**  
ABS notes 10x oversubscribed at ~160 bps lower rate than October transaction
- ▶ **Further reducing OpEx by \$30M on an annualized basis; target level of \$97.5M by 4Q24**  
Approximately \$240M in annualized reductions since 2023
- ▶ **2024 full year guidance reflects markedly improved profitability<sup>(1)</sup>**  
Expect \$40-\$50M in Y/Y Adjusted EBITDA improvement and to be Adjusted Net Income profitable

# 2024 Strategic Priorities

## Improving Credit Outcomes

- Maintaining tight credit posture initiated in July 2022; tightened further in 4Q23
- Launched V12 risk model built on performance indicators and factors learned during inflationary environment
- February 2024 month-end 1-29 day delinquencies running lower than 2023

## Fortifying Business Economics

- Targeting \$97.5 million in 4Q24 operating expenses, a 38% reduction from 2Q22 initiation of expense reductions, ~\$240M of savings on an annualized basis
- Continuing to increase portfolio yield while maintaining 36% APR cap
- February ABS ~160 bps lower rate than October transaction

## Identifying High-Quality Originations

- FY2024 originations to be flat Y/Y; 1Q24 to decline less Y/Y than 4Q23
- Shifting originations towards higher Vantage score borrowers: 4Q23: 51% at 660+
- Ramping up Secured Personal Loans program, which had ~350 bps lower 2023 loss rates than Unsecured Personal Loans

# Focused on three differentiated core products: Personal Loans, Secured Personal Loans and Savings



## Unsecured Personal Loans

- Primary focus and largest component of Oportun
- Have saved members \$2.4 billion in interest and fees
- Enhancing profitability, growing at prudent levels



## Secured Personal Loans

- Expansion opportunity of up to 40 states by end of 2025
- Enables more member approvals, larger loans
- FY23 charge-offs ~350 bps lower than unsecured



## Savings

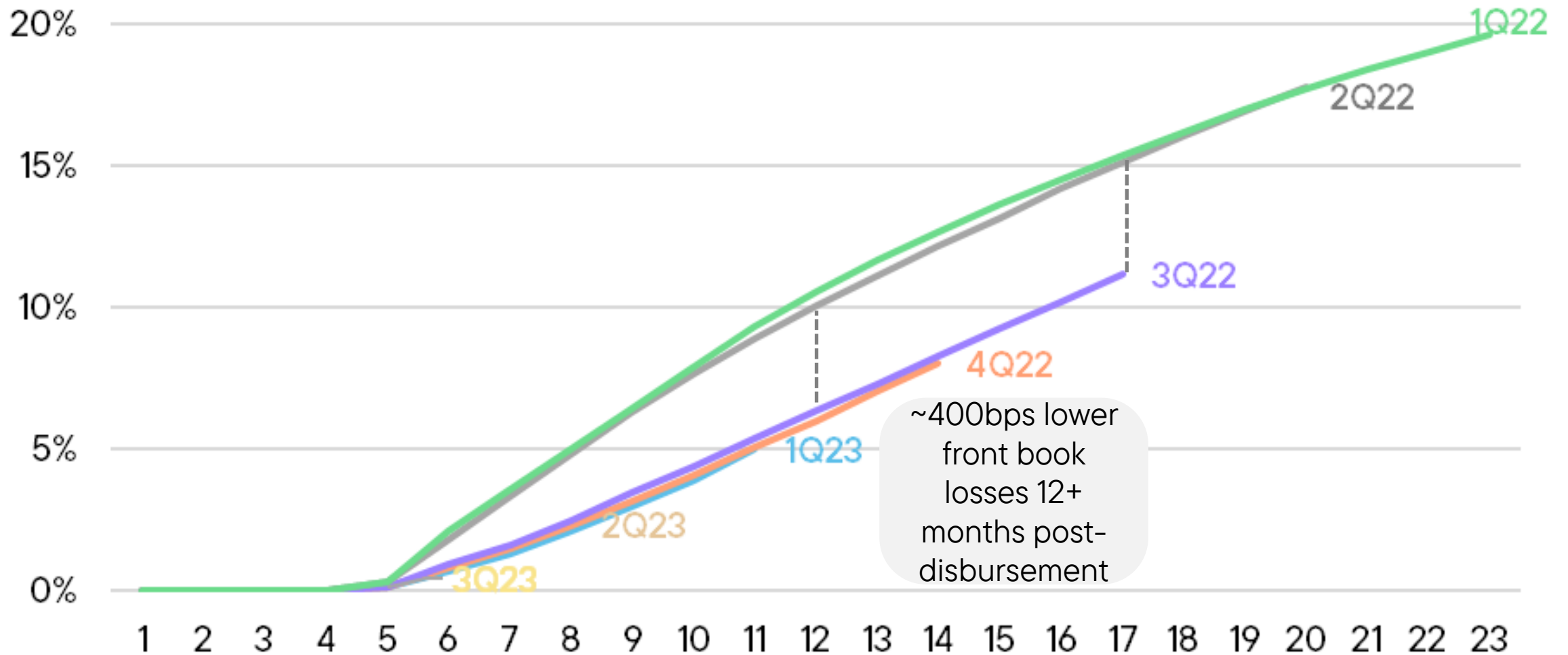
- #1 savings app of 2023 according to Bankrate
- \$10.2 billion in aggregate savings by members
- Long-term member engagement
- Cash flow profitable



## 2023 Product Streamlining

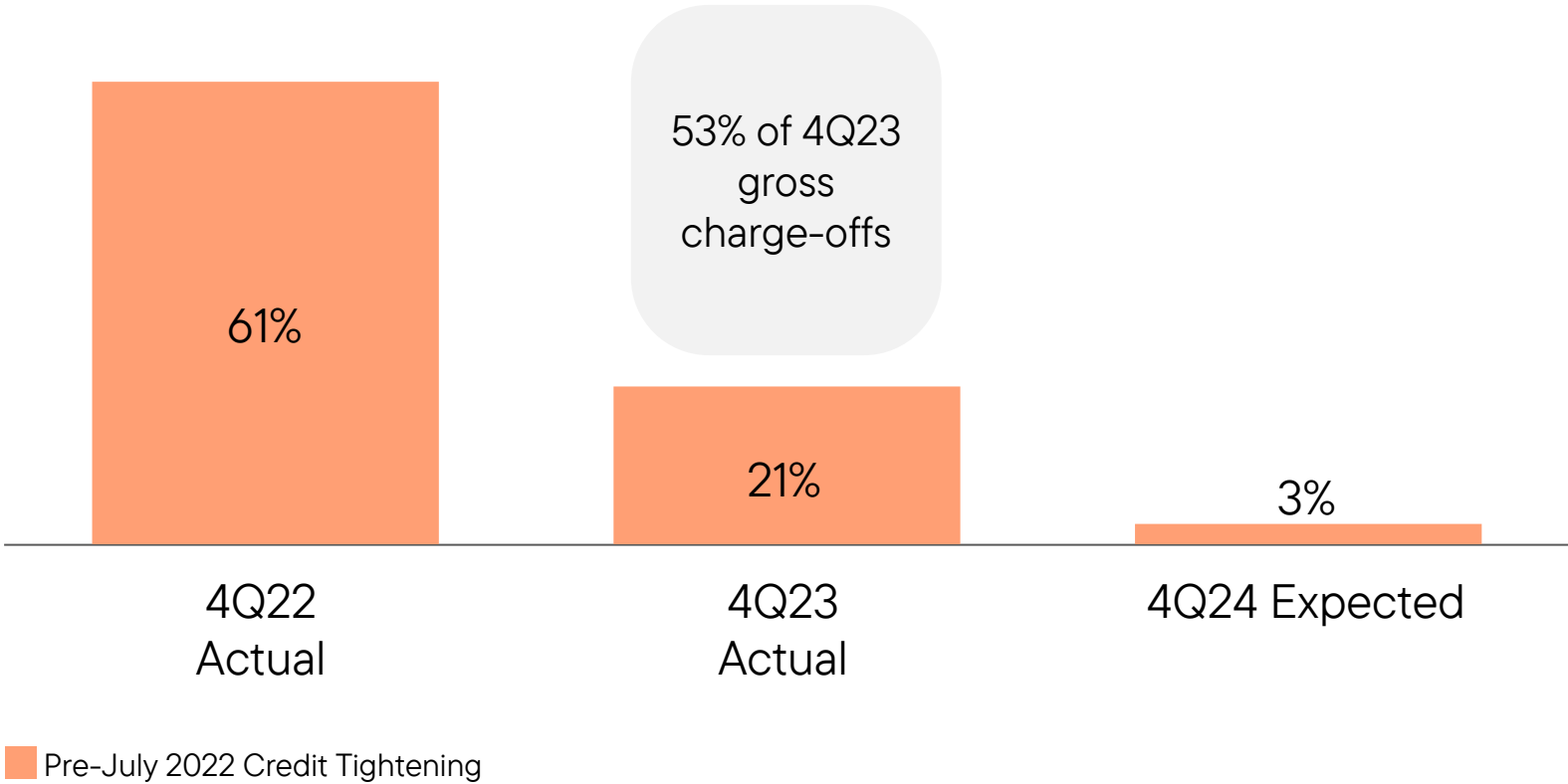
- Credit card strategic review progressing well
- Wound down during 2023:
  - Checking
  - Investing
  - Retirement
  - Embedded finance

# Post-July 2022 credit tightening quarterly vintages are outperforming prior vintages in net lifetime loss rate by month on book<sup>(1)</sup>



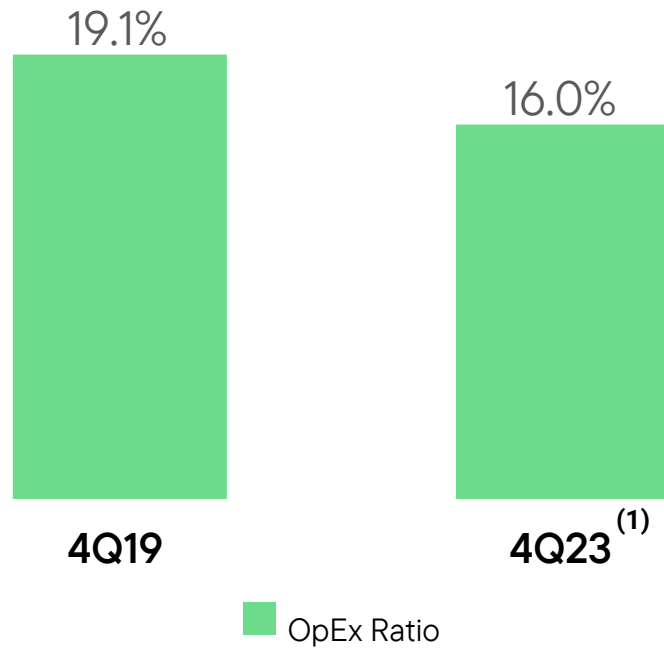
# Pre-July 2022 credit tightening back book continues to shrink

Quarter-End Back Book Portfolio % of Owned Principal Balance Outstanding <sup>(1)</sup>

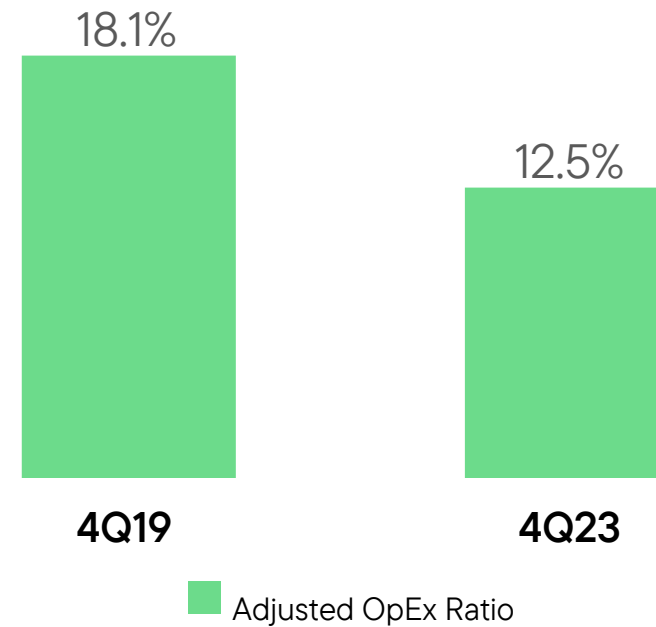


# Significantly more efficient than 2019

OpEx to Average Managed Principal Balance (%)



Adjusted OpEx to Average Managed Principal Balance (%)<sup>(2)</sup>



(1) 4Q23 includes \$7M in non-recurring severance costs

(2) See Appendix for Key Definitions and non-GAAP reconciliation to the most comparable GAAP measure; numbers may not foot or cross due to rounding.



## Fourth quarter performance vs. guidance

|                                    | 4Q 2023 Guidance        | 4Q 2023 Actual   |
|------------------------------------|-------------------------|------------------|
| Total Revenue                      | <b>\$260 - \$265 M</b>  | ✓ <b>\$263 M</b> |
| Annualized Net Charge-off Rate (%) | <b>12.3% +/- 15 bps</b> | ✓ <b>12.3%</b>   |
| Adjusted EBITDA <sup>(1)</sup>     | <b>\$5 - \$10 M</b>     | ✓ <b>\$6 M</b>   |

(1) See Appendix for Key Definitions and non-GAAP reconciliation to the most comparable GAAP measure

# Fourth quarter 2023 highlights

## Financial Highlights

**Total Revenue**  
\$263M

**GAAP Net Income**  
\$(42)M

**Adjusted EBITDA<sup>(1)</sup>**  
\$6.1M

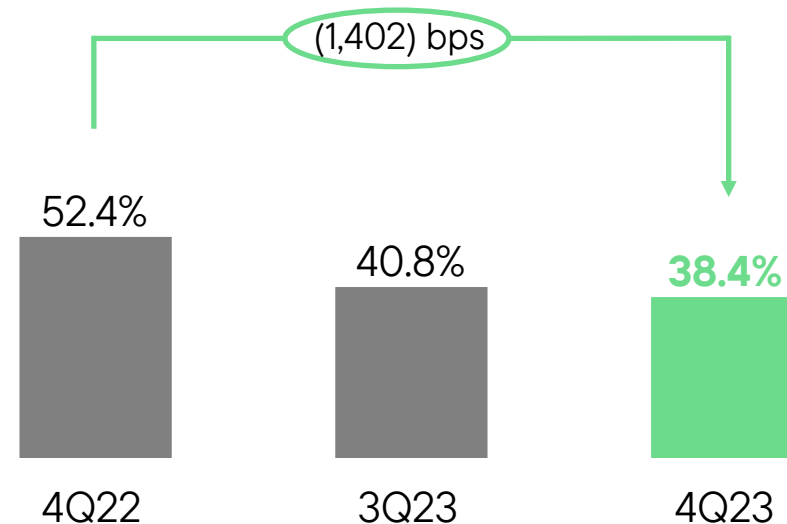
**Adjusted Net Income<sup>(1)</sup>**  
\$(21)M

**GAAP Diluted EPS**  
\$(1.09)

**Adjusted EPS<sup>(1)</sup>**  
\$(0.54)

**Annualized Net Charge-Off Rate (NCO)<sup>(1)</sup>**  
12.3%

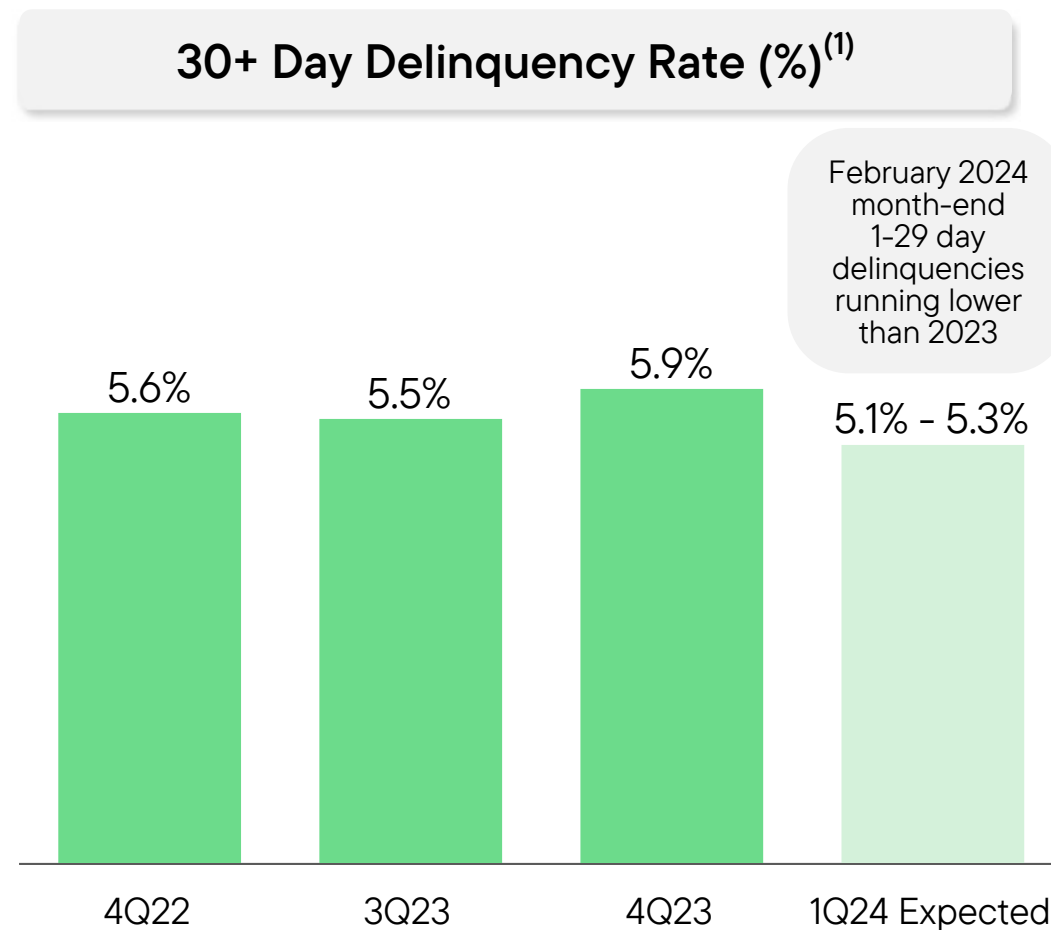
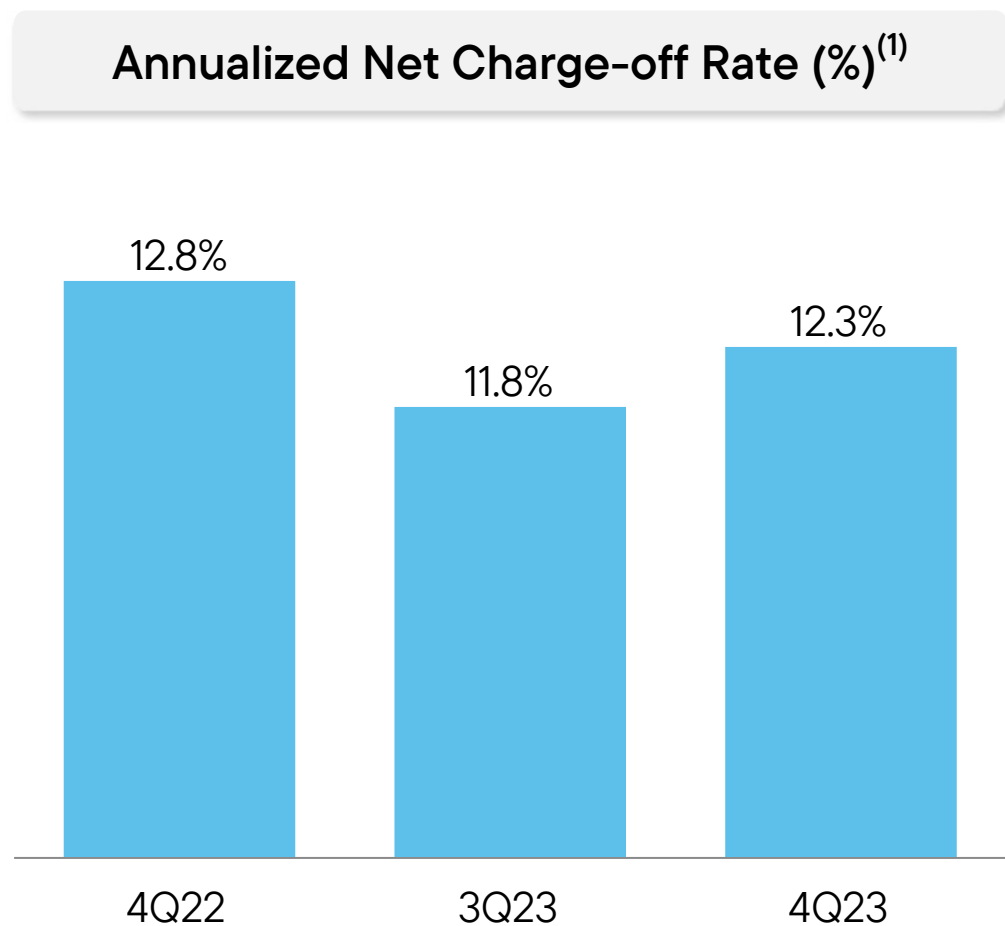
## Adjusted Operating Efficiency<sup>(1)</sup>



|                            |        |        |        |
|----------------------------|--------|--------|--------|
| Total revenue              | \$262M | \$268M | \$263M |
| Adjusted operating expense | \$137M | \$110M | \$101M |

# Credit performance

Annualized Net Charge-off Rate improved by ~50bps year-over-year in 4Q23

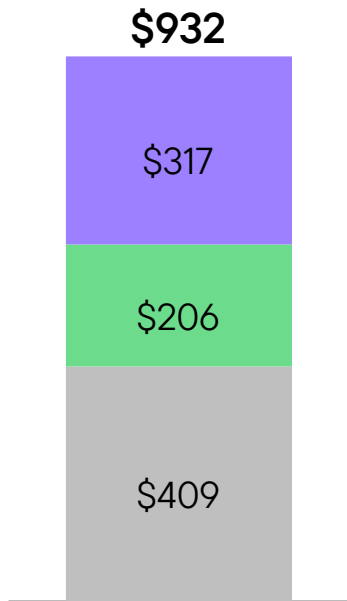


<sup>(1)</sup> See Appendix for definition of 30+ Day Delinquency Rate and Annualized Net Charge-Off Rate.

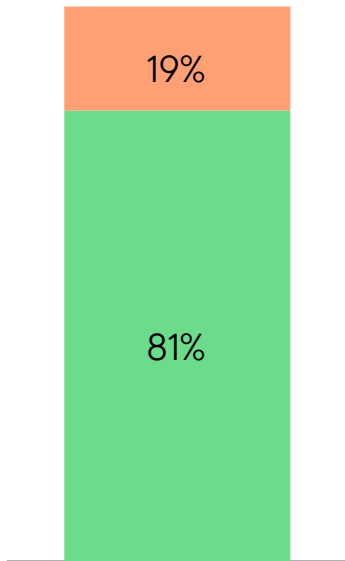
# Fourth quarter 2023 capital and liquidity

\$200 million February asset backed securitization priced 160 bps lower than October ABS;  
recently amended senior secured term loan to obtain asset coverage ratio<sup>(1)</sup> covenant flexibility

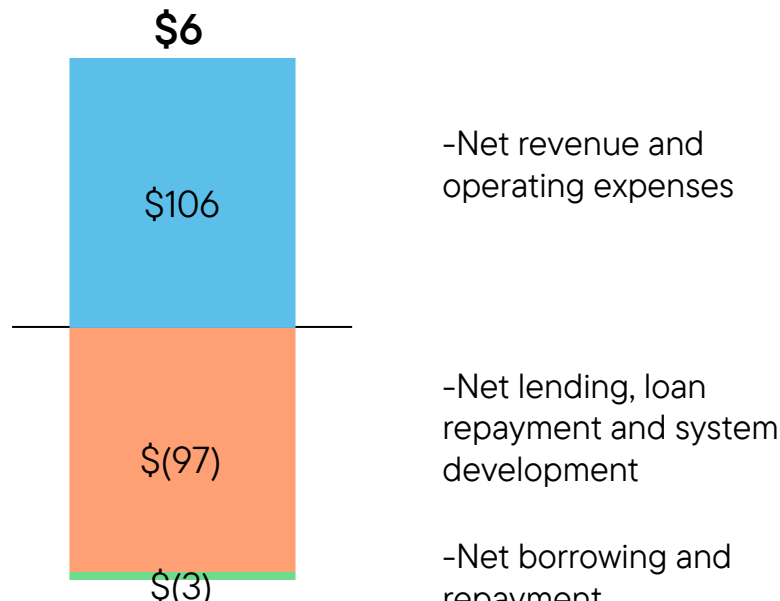
Sources of Liquidity (\$M)



Fixed Rate Debt (%)



Net Change in Cash and Primary Drivers (\$M)

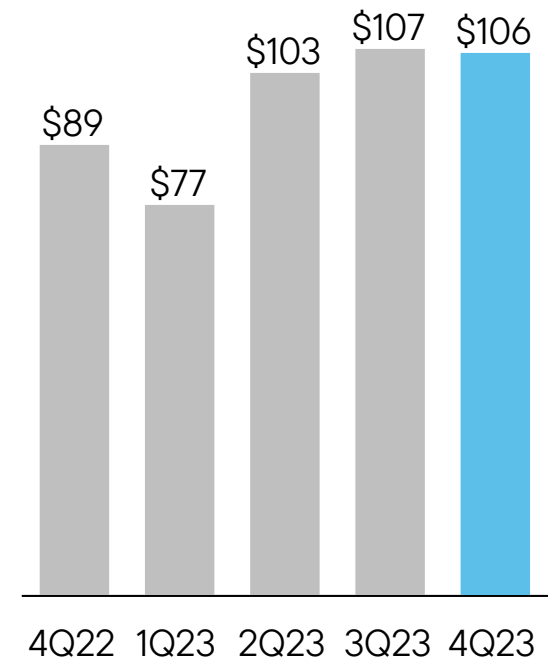


-Net revenue and operating expenses

-Net lending, loan repayment and system development

-Net borrowing and repayment

Operating Cash Flow Trend (\$M)



Total Liquidity Available

Fixed Rate Debt

Total Change

- WLS Agmts Rmng<sup>(2)</sup>
- Total Cash
- Warehouse Lines<sup>(3)</sup>

- Floating rate
- Fixed rate

- Operating
- Investing
- Financing

<sup>(1)</sup> The asset coverage ratio is the ratio of our unrestricted cash and equity in certain financing facilities, to the senior secured term loan balance.

<sup>(2)</sup> WLS Agmts Rmng - 12/31/23 combined sale targets on forward flow whole loan sale agreements.

<sup>(3)</sup> Warehouse Lines - 12/31/23 combined undrawn capacity on our secured financing facilities.

# Revised adjusted profitability metrics

Revisions starting with 2024 reporting to better align with how management evaluates operational performance

## Revised Adjusted Net Income <sup>(1)</sup>

- Excludes fair value mark-to-market adjustments on asset-backed notes at fair value, which aligns with our elections made in 2023 to account for new asset-backed borrowings at amortized cost
- Adjustment for acquisition and integration related expenses relating to Dec 2021 Digit acquisition excludes interest on the Acquisition Financing and amortization of acquired intangibles

### Adjusted Net Income Revised Calculation (\$ Millions)

|  | FY23       | FY22      |
|--|------------|-----------|
| <b>As Reported</b>                         | \$ (124.1) | \$ 69.4   |
| <i>Revisions (after tax)</i>               |            |           |
| Acquisition and Integration expenses       | (20.2)     | (17.4)    |
| Mark-to-Market on Asset-Backed Notes at FV | 73.0       | (135.0)   |
| <b>Revised Calculation</b>                 | \$ (71.3)  | \$ (82.9) |

## Revised Adjusted EBITDA <sup>(1)(2)</sup>

- Includes origination fees, which simplifies Adjusted EBITDA by aligning origination fees with GAAP

### Adjusted EBITDA Revised Calculation (\$ Millions)

|                                      | FY23                 | FY22      |
|--------------------------------------|----------------------|-----------|
| <b>As Reported</b>                   | \$ 1.7               | \$ (10.3) |
| <i>Revisions</i>                     |                      |           |
| Acquisition and Integration expenses | (1.6) <sup>(3)</sup> | —         |
| Origination fees                     | 18.5                 | 26.8      |
| <b>Revised Calculation</b>           | \$ 18.6              | \$ 16.6   |

(1) See Appendix for 'Key Definitions' and a reconciliation to the most comparable GAAP measure.

(2) Interest expense and amortization associated with acquisition and integration related expenses will continue to be excluded from Adjusted EBITDA along with other interest on corporate financing and depreciation and amortization.

(3) For FY23, \$1.6M of acquisition and integration expenses were not reallocated to corporate interest expense or depreciation and amortization.

# First quarter and Full Year 2024 guidance

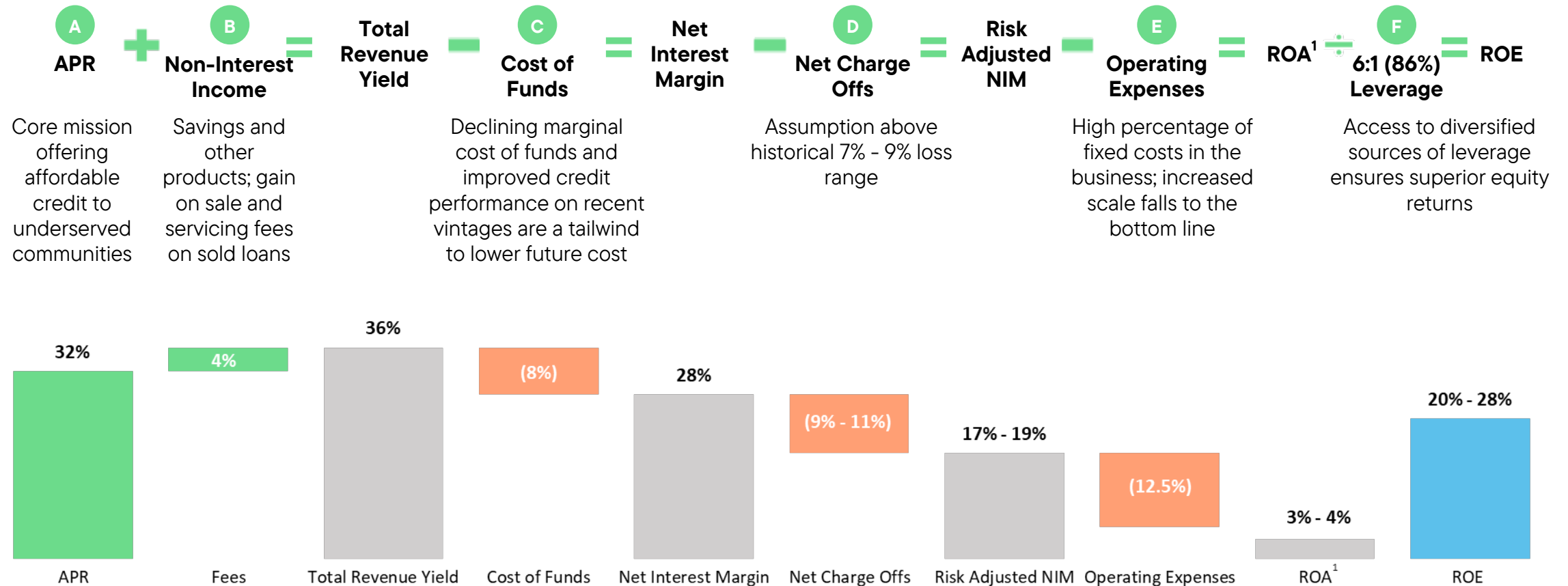
|                                    | 1Q 2024E          | FY 2024E          |
|------------------------------------|-------------------|-------------------|
| Total Revenue                      | \$233 - \$238 M   | \$975 - \$1,000 M |
| Annualized Net Charge-off Rate (%) | 12.1% +/- 15 bps  | 11.9% +/- 50 bps  |
| Adjusted EBITDA <sup>(1)</sup>     | \$(14) - \$(12) M | \$60 - \$70 M     |

# Attractive unit economic model

Business structured to deliver strong ROEs in a normalized environment

## Illustrative Unit Economics - % of Owned Principal Balance

## Corporate Level Profitability



# Appendix



# Key definitions

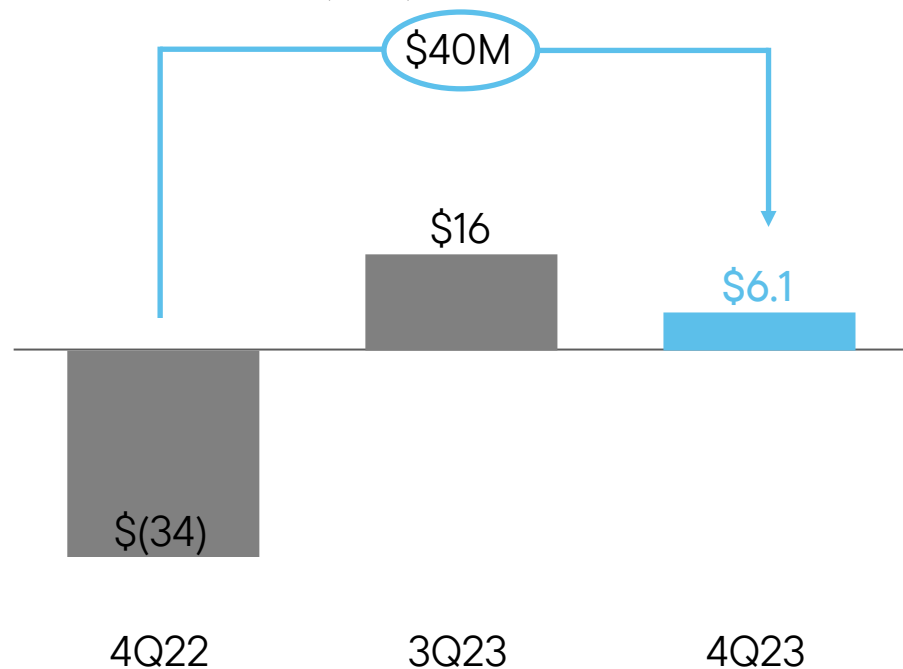
- **30+ Day Delinquency Rate** is the unpaid principal balance for our owned loans and credit card receivables that are 30 or more calendar days contractually past due as of the end of the period divided by Owned Principal Balance as of such date
- **Adjusted EBITDA** is a non-GAAP financial measure calculated as net income (loss), adjusted to eliminate the effect of the following items: income tax expense (benefit), stock-based compensation expense, depreciation and amortization, interest expense from corporate financing, certain non-recurring charges, origination fees for Fair Value loans, net and fair value mark-to-market adjustment
- **Adjusted EBITDA Margin** is calculated as Adjusted EBITDA divided by total revenue
- **Adjusted Earnings Per Share (EPS)** is a non-GAAP financial measure calculated by dividing Adjusted Net Income by diluted adjusted weighted-average common shares outstanding
- **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), stock-based compensation expense, and certain non-recurring charges
- **Adjusted Operating Efficiency** is a non-GAAP financial measure calculated by dividing total operating expenses (excluding stock-based compensation expense and certain non-recurring charges) by total revenue
- **Adjusted Operating Expense** is a non-GAAP financial measure calculated by adjusting total operating expenses to exclude stock-based compensation expense and certain non-recurring charges
- **Adjusted Opex Ratio** is calculated as Adjusted Operating Expense divided by Average Managed Principal Balance
- **Adjusted Return on Equity ("ROE")** is a non-GAAP financial measure calculated by dividing annualized Adjusted Net Income by average total stockholders' equity; prior to January 1, 2020, Adjusted ROE was calculated by dividing annualized Adjusted Net Income by average total FVPF stockholders' equity
- **Aggregate Originations** is the aggregate amount disbursed to borrowers and credit granted on credit cards during a specified period, including amounts originated by us through our Lending as a Service partners or under our bank partnership programs. Aggregate Originations exclude any fees in connection with the origination of a loan
- **Annualized Net Charge-Off Rate ("NCO")** is calculated as annualized loan and credit card principal losses (net of recoveries) divided by the Average Daily Principal Balance of owned loans and credit card receivables for the period
- **Average Daily Debt Balance** is the average of outstanding debt principal balance at the end of each calendar day during the period
- **Average Daily Principal Balance** is the average of outstanding principal balance of owned loans and credit card receivables at the end of each calendar day during the period
- **Corporate Financing** is a senior secured term loan secured by the assets of the Company and certain of its subsidiaries guaranteeing the term loan, including pledges of the equity interests of certain subsidiaries that are directly or indirectly owned by the Company
- **Cost of Debt** is calculated as annualized interest expense divided by Average Daily Debt Balance

## Key definitions (cont'd)

- **Customer Acquisition Cost (or "CAC")** 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 and new credit cards activated to new and returning borrowers during a period
- **Fair Value Pro Forma (or "FVPP")** 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, or the Fair Value Pro Forma, 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. Beginning in 2021, the Company no longer includes any Fair Value Pro Forma adjustments because all loans originated and held for investment and asset backed notes issued are recorded at fair value
- **First Payment Defaults** are calculated as the principal balance of any loan whose first payment becomes 30 days past due, divided by the aggregate principal balance of all loans originated during that same period
- **Loans Receivable at Fair Value** are all loans receivable held for investment. Loans Receivable at Fair Value include loans receivable on our unsecured and secured personal loan products and credit card receivable balances
- **Managed Principal Balance at End of Period** is the total amount of outstanding principal balance for all loans and credit card receivables, including loans sold, which we continue to service, at the end of the period. Managed Principal Balance at End of Period also includes loans and accounts originated under a bank partnership program that we service
- **Members** include borrowers with an outstanding or successfully paid off loan, originated by us or under a bank partnership program that we service, or individuals who have been approved for a credit card issued under a bank partnership program. Members also include individuals who have signed-up to use or are using any of our Digit Savings, Digit Direct, Digit Investing and/or Digit Retirement products
- **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 and credit card receivables, including finance receivables pledged as part of a secured borrowing and excluding loans and receivables sold or retained by a bank partner, at the end of the period
- **Portfolio Yield** is annualized interest income as a percentage of Average Daily Principal Balance
- **Products** refers to the aggregate number of personal loans and/or credit card accounts that our Members have had or been approved for that have been originated by us or through one of our bank partners. Products also include the aggregate number of digital banking products we offer as a result of our acquisition of Digit, including Digit Savings, Digit Direct, Digit Investing and Digit Retirement, that our Members use or have signed-up to use
- **Return on Equity** is calculated as annualized net income divided by average stockholders' equity for a period

# Adjusted EBITDA up \$40M Y/Y; FY23 up \$12M Y/Y

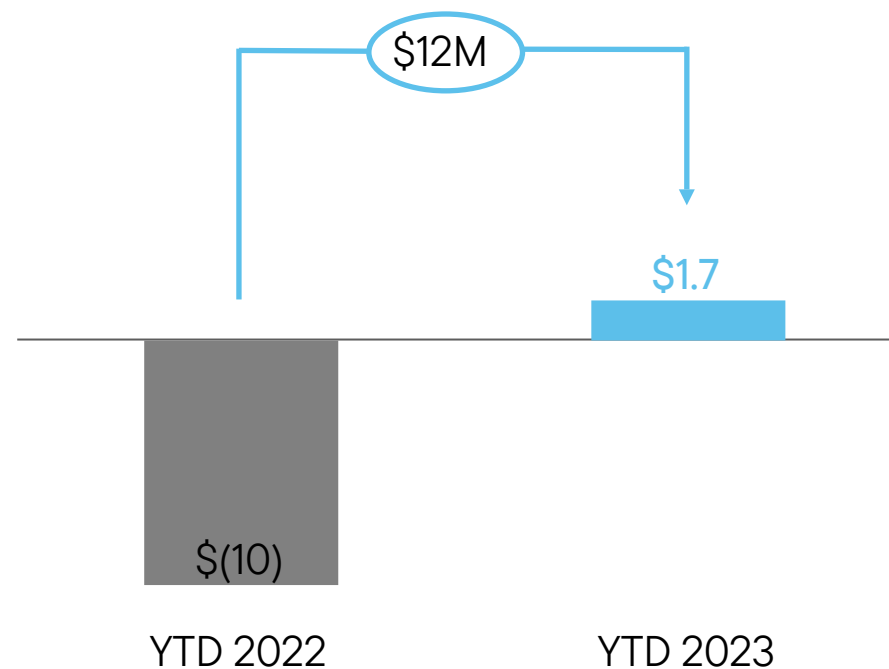
Adjusted EBITDA (\$M)<sup>(1)</sup>



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

|         |      |      |
|---------|------|------|
| (12.8)% | 5.8% | 2.3% |
|---------|------|------|

\$12M



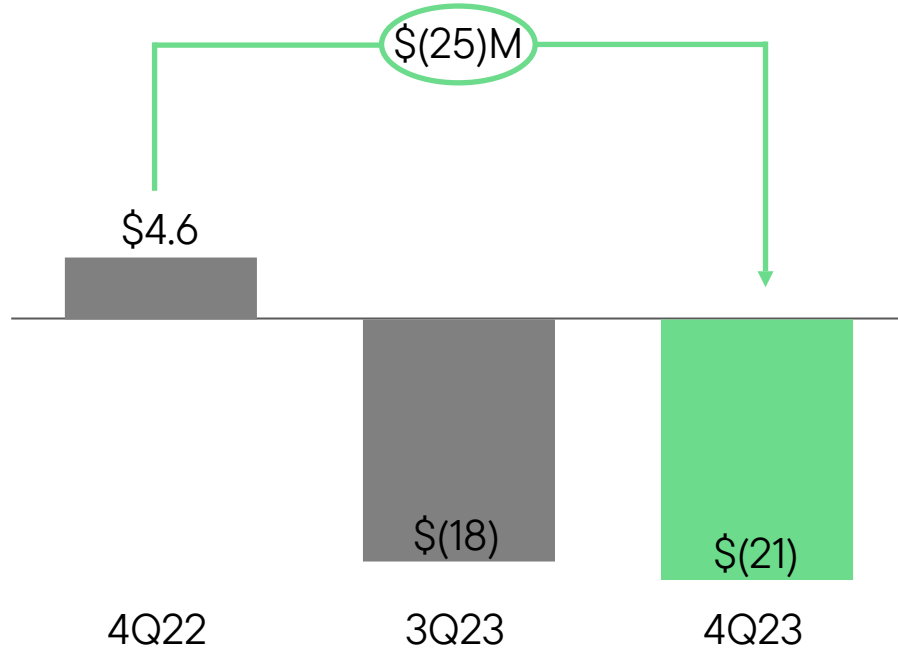
Adjusted EBITDA Margin (%)<sup>(1)</sup>

|        |      |
|--------|------|
| (1.1)% | 0.2% |
|--------|------|

(1) See Appendix for Key Definitions and non-GAAP reconciliation to the most comparable GAAP measure; numbers may not foot or cross due to rounding.

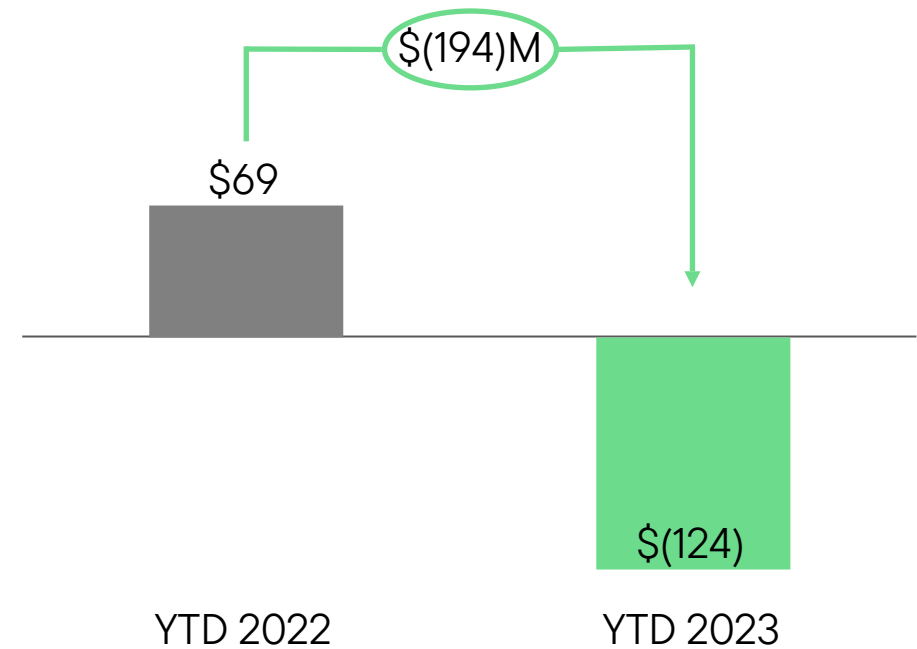
# 4Q Adjusted Net Loss driven by non-cash fair value marks and higher interest expense

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



Adjusted ROE (%)<sup>(1)</sup>

|      |         |         |
|------|---------|---------|
| 3.3% | (15.5)% | (19.3)% |
|------|---------|---------|



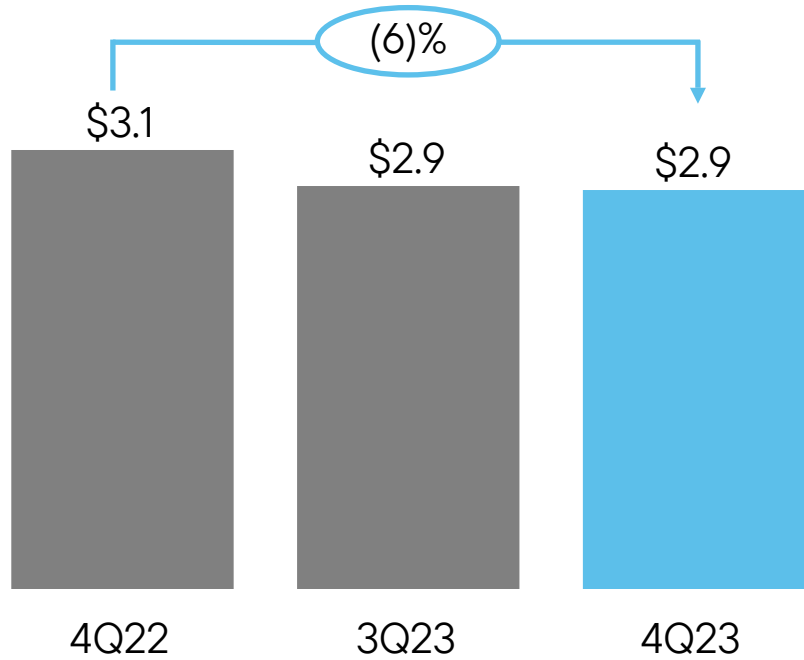
Adjusted ROE (%)<sup>(1)</sup>

|       |         |
|-------|---------|
| 12.1% | (26.1)% |
|-------|---------|

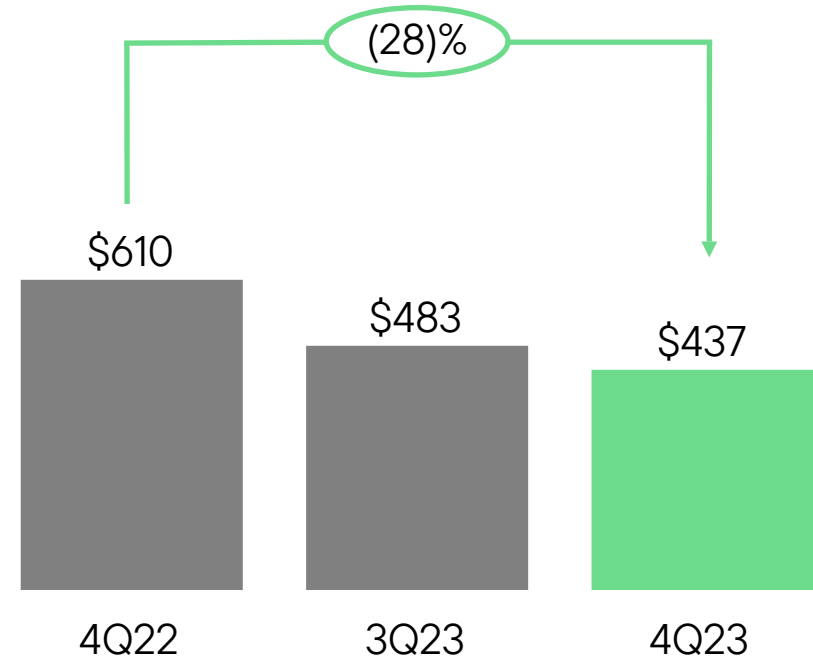
(1) See Appendix for Key Definitions and non-GAAP reconciliation to the most comparable GAAP measure; numbers may not foot or cross-foot due to rounding.

# Owned Principal Balance and Aggregate Originations decreased year-over-year given tightened credit underwriting

Owned Principal Balance at EOP (\$B)



Aggregate Originations (\$M)



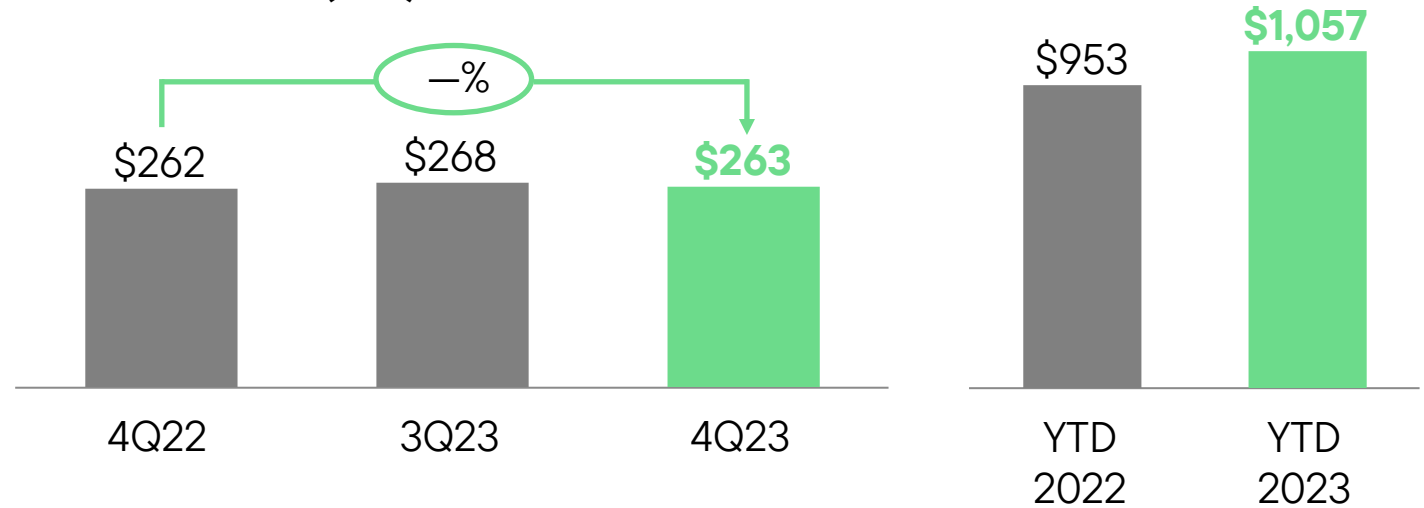
# 4Q total revenue flat Y/Y; FY23 up 11% Y/Y

## 4Q23 Highlights

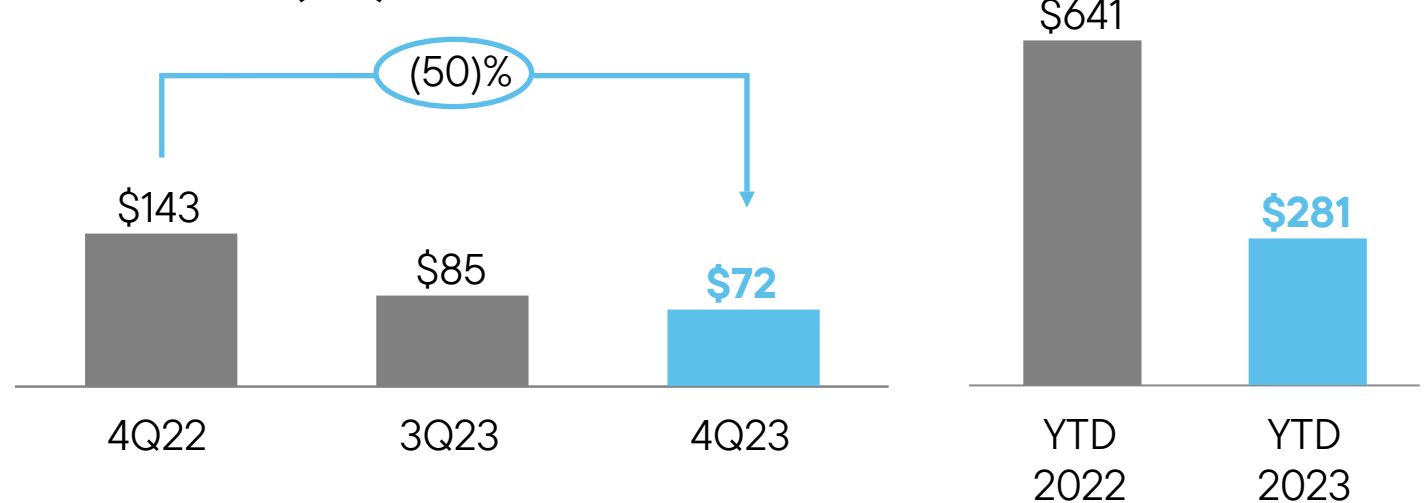
Total Revenue: \$263M, flat Y / Y; higher portfolio yield offsetting lower average daily principal balance

Net Revenue: \$72M, down 50% Y / Y due to non-cash fair value marks, higher net charge-offs and interest expense

### Total Revenue (\$M)



### Net Revenue (\$M)



# Key financial & operating metrics

|                                    | Quarter Ended |           |           |           |           |         | Year Ended December 31 |            |         |
|------------------------------------|---------------|-----------|-----------|-----------|-----------|---------|------------------------|------------|---------|
|                                    | 4Q23          | 3Q23      | 2Q23      | 1Q23      | 4Q22      | Change  | 2023                   | 2022       | Change  |
|                                    |               |           |           |           |           | Y / Y   |                        |            | Y / Y   |
| Members                            | 2,224,302     | 2,098,172 | 2,005,008 | 1,911,592 | 1,877,260 | 18.5 %  | 2,224,302              | 1,877,260  | 18.5 %  |
| Products                           | 2,387,745     | 2,259,464 | 2,155,240 | 2,059,007 | 2,006,245 | 19.0 %  | 2,387,745              | 2,006,245  | 19.0 %  |
| Aggregate Originations (Millions)  | \$ 437.3      | \$ 482.7  | \$ 485.1  | \$ 408.0  | \$ 610.4  | (28.4)% | \$ 1,813.1             | \$ 2,922.9 | (38.0)% |
| Portfolio Yield (%)                | 32.7 %        | 32.5 %    | 32.2 %    | 31.4 %    | 31.7 %    |         | 32.2 %                 | 32.0 %     |         |
| 30+ Day Delinquency Rate (%)       | 5.9 %         | 5.5 %     | 5.3 %     | 5.5 %     | 5.6 %     |         | 5.9 %                  | 5.6 %      |         |
| Annualized Net Charge-Off Rate (%) | 12.3 %        | 11.8 %    | 12.5 %    | 12.1 %    | 12.8 %    |         | 12.2 %                 | 10.1 %     |         |
| Return on Equity (%)               | (39.2)%       | (18.6)%   | (13.1)%   | (82.5)%   | (6.1)%    |         | (37.8)%                | (13.5)%    |         |
| Adjusted Return on Equity (%)      | (19.3)%       | (15.5)%   | 2.0 %     | (71.3)%   | 3.3 %     |         | (26.1)%                | 12.1 %     |         |

| Other Useful Metrics                       | Quarter Ended |            |            |            |            |        | Year Ended December 31 |            |        |
|--|---------------|------------|------------|------------|------------|--------|------------------------|------------|--------|
|  | 4Q23          | 3Q23       | 2Q23       | 1Q23       | 4Q22       | Change | 2023                   | 2022       | Change |
|  |               |            |            |            |            | Y / Y  |                        |            | Y / Y  |
| Managed Principal Balance EOP (Millions)   | \$ 3,182.1    | \$ 3,231.0 | \$ 3,253.3 | \$ 3,281.9 | \$ 3,407.0 | (6.6)% | \$ 3,182.1             | \$ 3,407.0 | (6.6)% |
| Owned Principal Balance EOP (Millions)     | \$ 2,904.7    | \$ 2,927.9 | \$ 2,963.2 | \$ 3,005.0 | \$ 3,098.6 | (6.3)% | \$ 2,904.7             | \$ 3,098.6 | (6.3)% |
| Average Daily Principal Balance (Millions) | \$ 2,940.5    | \$ 2,967.7 | \$ 2,993.6 | \$ 3,069.9 | \$ 3,058.3 | (3.8)% | \$ 2,992.6             | \$ 2,740.3 | 9.2 %  |
| Customer Acquisition Cost <sup>(1)</sup>   | \$ 141        | \$ 155     | \$ 163     | \$ 192     | \$ 152     | (7.0)% | \$ 161                 | \$ 144     | 11.8 % |

<sup>(1)</sup> Sales and marketing expenses divided by the number of new and returning member loans originated in the respective periods.

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

# Condensed consolidated income statement

|   | Quarter Ended    |                  |                  |                   |                 | Change<br>Y / Y | Year Ended December 31 |                  |                 |
|---|------------------|------------------|------------------|-------------------|-----------------|-----------------|------------------------|------------------|-----------------|
|   | 4Q23             | 3Q23             | 2Q23             | 1Q23              | 4Q22            |                 | 2023                   | 2022             | Change<br>Y / Y |
| <i>(\$ Millions, except per share data. Shares in Millions)</i> |                  |                  |                  |                   |                 |                 |                        |                  |                 |
| Interest income   | \$ 242.2         | \$ 243.3         | \$ 240.5         | \$ 237.6          | \$ 244.1        | (0.8)%          | \$ 963.5               | \$ 876.1         | 10.0 %          |
| Non-interest income   | 20.5             | 25.0             | 26.1             | 21.9              | 17.8            | 14.7 %          | 93.4                   | 76.4             | 22.2 %          |
| <b>Total revenue</b>  | <b>\$ 262.6</b>  | <b>\$ 268.2</b>  | <b>\$ 266.6</b>  | <b>\$ 259.5</b>   | <b>\$ 261.9</b> | <b>0.3 %</b>    | <b>\$ 1,056.9</b>      | <b>\$ 952.5</b>  | <b>11.0 %</b>   |
| Less:   |                  |                  |                  |                   |                 |                 |                        |                  |                 |
| Interest expense  | \$ 52.0          | \$ 47.0          | \$ 41.4          | \$ 39.0           | \$ 35.6         | 46.1 %          | \$ 179.4               | \$ 93.0          | 92.8 %          |
| Net increase (decrease) in fair value                           | (138.5)          | (136.1)          | (106.5)          | (215.7)           | (82.9)          | (67.1)%         | (596.8)                | (218.8)          | (172.7)%        |
| <b>Net Revenue</b>  | <b>\$ 72.1</b>   | <b>\$ 85.1</b>   | <b>\$ 118.6</b>  | <b>\$ 4.8</b>     | <b>\$ 143.4</b> | <b>(49.7)%</b>  | <b>\$ 280.7</b>        | <b>\$ 640.7</b>  | <b>(56.2)%</b>  |
| Operating expenses:   |                  |                  |                  |                   |                 |                 |                        |                  |                 |
| Sales and marketing   | \$ 18.1          | \$ 18.9          | \$ 19.2          | \$ 19.2           | \$ 21.3         | (15.4)%         | \$ 75.3                | \$ 110.0         | (31.6)%         |
| Other operating expenses  | 111.3            | 103.7            | 116.9            | 127.2             | 130.0           | (14.4)%         | 459.0                  | 497.4            | (7.7)%          |
| Goodwill impairment   | —                | —                | —                | —                 | —               | NM              | —                      | 108.5            | NM              |
| <b>Total operating expenses</b>                                 | <b>\$ 129.4</b>  | <b>\$ 122.5</b>  | <b>\$ 136.1</b>  | <b>\$ 146.3</b>   | <b>\$ 151.4</b> | <b>(14.5)%</b>  | <b>\$ 534.3</b>        | <b>\$ 715.9</b>  | <b>(25.4)%</b>  |
| <b>Income (loss) before taxes</b>                               | <b>\$ (57.3)</b> | <b>\$ (37.4)</b> | <b>\$ (17.5)</b> | <b>\$ (141.5)</b> | <b>\$ (7.9)</b> | <b>(623.1)%</b> | <b>\$ (253.7)</b>      | <b>\$ (75.3)</b> | <b>(236.9)%</b> |
| Income tax provision (benefit)                                  | (15.5)           | (16.2)           | (2.6)            | (39.4)            | 0.5             | NM              | (73.7)                 | 2.5              | NM              |
| <b>Net income (loss)</b>  | <b>\$ (41.8)</b> | <b>\$ (21.1)</b> | <b>\$ (14.9)</b> | <b>\$ (102.1)</b> | <b>\$ (8.4)</b> | <b>(396.5)%</b> | <b>\$ (180.0)</b>      | <b>\$ (77.7)</b> | <b>(131.5)%</b> |
| <b>Memo:</b>  |                  |                  |                  |                   |                 |                 |                        |                  |                 |
| Earnings (loss) per share                                       | \$ (1.09)        | \$ (0.55)        | \$ (0.41)        | \$ (3.00)         | \$ (0.25)       | (336.0)%        | \$ (4.88)              | \$ (2.37)        | (105.9)%        |
| Diluted earnings (loss) per share                               | \$ (1.09)        | \$ (0.55)        | \$ (0.41)        | \$ (3.00)         | \$ (0.25)       | (336.0)%        | \$ (4.88)              | \$ (2.37)        | (105.9)%        |
| Weighted average common shares outstanding - basic              | 38.5             | 38.3             | 36.7             | 34.0              | 33.2            | 15.8 %          | 36.9                   | 32.8             | 12.3 %          |
| Weighted average common shares outstanding - diluted            | 38.5             | 38.3             | 36.7             | 34.0              | 33.2            | 15.8 %          | 36.9                   | 32.8             | 12.3 %          |

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



# Condensed consolidated balance sheet

| (\$ Millions)                                     | Quarter Ended     |                   |                   |                   |                   | Change<br>Y / Y |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
|   | 4Q23              | 3Q23              | 2Q23              | 1Q23              | 4Q22              |                 |
| Cash and cash equivalents                         | \$ 91.2           | \$ 81.9           | \$ 73.4           | \$ 74.1           | \$ 98.8           | (7.7)%          |
| Restricted cash                                   | 114.8             | 117.8             | 129.0             | 127.8             | 105.0             | 9.4 %           |
| <b>Total cash</b>                                 | <b>\$ 206.0</b>   | <b>\$ 199.6</b>   | <b>\$ 202.3</b>   | <b>\$ 201.9</b>   | <b>\$ 203.8</b>   | <b>1.1 %</b>    |
| Loans receivable at fair value                    | 2,962.4           | 2,940.9           | 2,985.1           | 3,012.7           | 3,143.7           | (5.8)%          |
| Other assets                                      | 243.5             | 289.4             | 284.6             | 287.4             | 266.2             | (8.5)%          |
| <b>Total assets</b>                               | <b>\$ 3,411.9</b> | <b>\$ 3,429.9</b> | <b>\$ 3,472.0</b> | <b>\$ 3,502.1</b> | <b>\$ 3,613.7</b> | <b>(5.6)%</b>   |
| Total debt  | 2,910.2           | 2,894.0           | 2,902.3           | 2,935.7           | 2,928.1           | (0.6)%          |
| Other liabilities                                 | 97.3              | 94.6              | 111.3             | 110.2             | 138.0             | (29.5)%         |
| <b>Total liabilities</b>                          | <b>\$ 3,007.5</b> | <b>\$ 2,988.6</b> | <b>\$ 3,013.6</b> | <b>\$ 3,045.9</b> | <b>\$ 3,066.1</b> | <b>(1.9)%</b>   |
| <b>Total stockholders' equity</b>                 | <b>\$ 404.4</b>   | <b>\$ 441.4</b>   | <b>\$ 458.4</b>   | <b>\$ 456.1</b>   | <b>\$ 547.6</b>   | <b>(26.1)%</b>  |
| <b>Total liabilities and stockholders' equity</b> | <b>\$ 3,411.9</b> | <b>\$ 3,429.9</b> | <b>\$ 3,472.0</b> | <b>\$ 3,502.1</b> | <b>\$ 3,613.7</b> | <b>(5.6)%</b>   |

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

# Adjusted EBITDA reconciliation

| (\$ Millions)                                     | Quarter Ended |                |               |                  |                  | Change<br>Y / Y | Year Ended December 31, |                 |                 |
|---|---------------|----------------|---------------|------------------|------------------|-----------------|-------------------------|-----------------|-----------------|
|   | 4Q23          | 3Q23           | 2Q23          | 1Q23             | 4Q22             |                 | 2023                    | 2022            | Change<br>Y / Y |
| Net income (loss)                                 | \$ (41.8)     | \$ (21.1)      | \$ (14.9)     | \$ (102.1)       | \$ (8.4)         | (396.5)%        | \$(180.0)               | \$(77.7)        | (131.5)%        |
| Adjustments:                                      |               |                |               |                  |                  |                 |                         |                 |                 |
| Income tax expense (benefit)                      | (15.5)        | (16.2)         | (2.6)         | (39.4)           | 0.5              | NM              | (73.7)                  | 2.5             | NM              |
| Interest on corporate financing <sup>(1)(2)</sup> | 11.2          | 11.5           | 8.9           | 6.3              | 5.1              | 119.4 %         | 37.7                    | 6.0             | 529.4 %         |
| Depreciation and amortization                     | 10.8          | 11.0           | 10.8          | 10.4             | 9.9              | 9.6 %           | 43.0                    | 35.2            | 22.2 %          |
| Stock-based compensation expense                  | 4.8           | 4.3            | 4.4           | 4.5              | 6.9              | (30.3)%         | 18.0                    | 27.6            | (34.8)%         |
| Workforce optimization expenses                   | 6.8           | 0.5            | 8.4           | 6.8              | —                | NM              | 22.5                    | 1.9             |                 |
| Acquisition and integration related expenses      | 6.6           | 6.9            | 7.2           | 7.0              | 7.3              | (9.7)%          | 27.6                    | 29.7            | (6.9)%          |
| Other non-recurring charges <sup>(1)(2)(3)</sup>  | 10.8          | 1.6            | 0.6           | 2.3              | —                | NM              | 15.5                    | 111.2           | (86.0)%         |
| Origination fees for Fair Value Loans, net        | (4.0)         | 0.8            | (10.6)        | (4.7)            | (9.1)            | 56.1 %          | (18.5)                  | (26.8)          | 31.0 %          |
| Fair value mark-to-market adjustment              | 16.4          | 16.5           | (7.8)         | 84.5             | (45.6)           | NM              | 109.5                   | (119.7)         | NM              |
| <b>Adjusted EBITDA</b>                            | <b>\$ 6.1</b> | <b>\$ 15.6</b> | <b>\$ 4.3</b> | <b>\$ (24.5)</b> | <b>\$ (33.5)</b> | <b>NM</b>       | <b>\$1.7</b>            | <b>\$(10.3)</b> | <b>NM</b>       |
| <b>Memo:</b>                                      |               |                |               |                  |                  |                 |                         |                 |                 |
| Total revenue                                     | 262.6         | 268.2          | 266.6         | 259.5            | 261.9            | 0.3 %           | 1,056.9                 | 952.5           | 11.0 %          |
| <b>Adjusted EBITDA Margin (%)<sup>(4)</sup></b>   | <b>2.3 %</b>  | <b>5.8 %</b>   | <b>1.6 %</b>  | <b>(9.4)%</b>    | <b>(12.8)%</b>   |                 | <b>0.2 %</b>            | <b>(1.1)%</b>   |                 |

<sup>(1)</sup> Certain prior-period financial information has been reclassified to conform to current period presentation.

<sup>(2)</sup> \$0.2 million of warrant amortization was included in the "Interest on corporate financing" adjustment line in 1Q23. Beginning in 2Q23, the warrant amortization is included in the "Other non-recurring charges" adjustment line. The YTD total reflects the updated classification; therefore, the sum of the presented quarters will not agree to the YTD amount for these adjustment lines.

<sup>(3)</sup> The amount FY22 reflects impairment on the write-down of the carrying value of goodwill.

<sup>(4)</sup> Calculated as Adjusted EBITDA divided by total revenue.

# Adjusted EBITDA reconciliation compared to revised calculation

| (\$ Millions)                                  | Quarter Ended |               |                  |                  | Year Ended December 31, |                |                  |                |
|--|---------------|---------------|------------------|------------------|-------------------------|----------------|------------------|----------------|
|  | 4Q23          |               | 4Q22             |                  | 2023                    |                | 2022             |                |
|  | Reported      | Revised       | Reported         | Revised          | Reported                | Revised        | Reported         | Revised        |
| Net income (loss)                              | \$ (41.8)     | \$ (41.8)     | \$ (8.4)         | \$ (8.4)         | \$ (180.0)              | \$ (180.0)     | \$ (77.7)        | \$ (77.7)      |
| Adjustments:                                   |               |               |                  |                  |                         |                |                  |                |
| Income tax expense (benefit)                   | (15.5)        | (15.5)        | 0.5              | 0.5              | (73.7)                  | \$ (73.7)      | 2.5              | 2.5            |
| Interest on corporate financing <sup>(1)</sup> | 11.2          | 14.6          | 5.1              | 8.5              | 37.7                    | 51.8           | 6.0              | 17.6           |
| Depreciation and amortization                  | 10.8          | 13.8          | 9.9              | 12.9             | 43.0                    | 54.9           | 35.2             | 47.4           |
| Stock-based compensation expense               | 4.8           | 4.8           | 6.9              | 6.9              | 18.0                    | 18.0           | 27.6             | 27.6           |
| Workforce optimization expenses                | 6.8           | 6.8           | —                | —                | 22.5                    | 22.5           | 1.9              | 1.9            |
| Acquisition and integration related expenses   | 6.6           | —             | 7.3              | 0.9              | 27.6                    | —              | 29.7             | 5.8            |
| Other non-recurring charges <sup>(1)</sup>     | 10.8          | 10.8          | —                | —                | 15.5                    | 15.5           | 111.2            | 111.2          |
| Origination fees for Fair Value Loans, net     | (4.0)         | —             | (9.1)            | —                | (18.5)                  | —              | (26.8)           | —              |
| Fair value mark-to-market adjustment           | 16.4          | 16.4          | (45.6)           | (45.6)           | 109.5                   | 109.5          | (119.7)          | (119.7)        |
| <b>Adjusted EBITDA</b>                         | <b>\$ 6.1</b> | <b>\$ 9.9</b> | <b>\$ (33.5)</b> | <b>\$ (24.4)</b> | <b>\$ 1.7</b>           | <b>\$ 18.6</b> | <b>\$ (10.3)</b> | <b>\$ 16.6</b> |

<sup>(1)</sup> Certain prior-period financial information has been reclassified to conform to current period presentation.

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

# Adjusted net income reconciliation

| (\$ Millions)                                    | Quarter Ended    |                  |               |                   |               | Change<br>Y / Y | Year Ended December 31, |                |                 |
|--|------------------|------------------|---------------|-------------------|---------------|-----------------|-------------------------|----------------|-----------------|
|  | 4Q23             | 3Q23             | 2Q23          | 1Q23              | 4Q22          |                 | 2023                    | 2022           | Change<br>Y / Y |
| Net income (loss)                                | \$ (41.8)        | \$ (21.1)        | \$ (14.9)     | \$ (102.1)        | \$ (8.4)      | (396.5)%        | \$ (180.0)              | \$ (77.7)      | (131.5)%        |
| Adjustments:                                     |                  |                  |               |                   |               |                 |                         |                |                 |
| Income tax expense (benefit)                     | (15.5)           | (16.2)           | (2.6)         | (39.4)            | 0.5           | NM              | (73.7)                  | 2.5            | NM              |
| Stock-based compensation expense                 | 4.8              | 4.3              | 4.4           | 4.5               | 6.9           | (30.3)%         | 18.0                    | 27.6           | (34.8)%         |
| Workforce optimization expenses                  | 6.8              | 0.5              | 8.4           | 6.8               | —             | NM              | 22.5                    | 1.9            | 1,094.7 %       |
| Acquisition and integration related expenses     | 6.6              | 6.9              | 7.2           | 7.0               | 7.3           | (9.7)%          | 27.6                    | 29.7           | (6.9)%          |
| Other non-recurring charges <sup>(1)(2)(3)</sup> | 10.8             | 1.6              | 0.6           | 2.3               | —             | NM              | 15.5                    | 111.2          | (86.0)%         |
| <b>Adjusted income before taxes</b>              | <b>\$ (28.3)</b> | <b>\$ (24.1)</b> | <b>\$ 3.1</b> | <b>\$ (121.0)</b> | <b>\$ 6.3</b> | <b>NM</b>       | <b>\$ (170.0)</b>       | <b>\$ 95.1</b> | <b>NM</b>       |
| Normalized income tax expense                    | 7.6              | 6.5              | (0.8)         | 32.7              | (1.7)         | NM              | 45.9                    | (25.7)         | NM              |
| Income tax rate (%)                              | 27.0 %           | 27.0 %           | 27.0 %        | 27.0 %            | 27.0 %        |                 | 27.0 %                  | 27.0 %         |                 |
| <b>Adjusted Net Income</b>                       | <b>\$ (20.6)</b> | <b>\$ (17.6)</b> | <b>\$ 2.3</b> | <b>\$ (88.3)</b>  | <b>\$ 4.6</b> | <b>NM</b>       | <b>\$ (124.1)</b>       | <b>\$ 69.4</b> | <b>NM</b>       |
| <b>Memo:</b>                                     |                  |                  |               |                   |               |                 |                         |                |                 |
| Stockholders' equity                             | \$ 404.4         | \$ 441.4         | \$ 458.4      | \$ 456.1          | \$ 547.6      | (26.1)%         | \$ 404.4                | \$ 547.6       | (26.1)%         |
| <b>Adjusted ROE (%)<sup>(4)</sup></b>            | <b>(19.3)%</b>   | <b>(15.5)%</b>   | <b>2.0 %</b>  | <b>(71.3)%</b>    | <b>3.3 %</b>  |                 | <b>(26.1)%</b>          | <b>12.1 %</b>  |                 |

<sup>(1)</sup> Certain prior-period financial information has been reclassified to conform to current period presentation.

<sup>(2)</sup> Beginning in 2Q23, a year-to-date adjustment for warrant amortization was recorded. \$0.2 million related to 1Q23. We did not retroactively adjust 1Q23 Adjust Net Income for the YTD adjustment. As a result, the YTD amounts presented in the six months ended June 30, 2023 column for "Other non-recurring charges" does not agree to the sum of the presented quarters because the YTD amount includes the \$0.2 million related to 1Q23.

<sup>(3)</sup> The amount in FY22 reflects impairment on the write-down of the carrying value of goodwill.

<sup>(4)</sup> Calculated as Adjusted Net Income divided by average stockholders' equity. ROE has been annualized.

# Adjusted net income reconciliation compared to revised calculation

| (\$ Millions)                                | Quarter Ended    |                  |               |                  | Year Ended December 31, |                  |                |                   |
|--|------------------|------------------|---------------|------------------|-------------------------|------------------|----------------|-------------------|
|  | 4Q23             |                  | 4Q22          |                  | 2023                    |                  | 2022           |                   |
|  | Reported         | Revised          | Reported      | Revised          | Reported                | Revised          | Reported       | Revised           |
| Net income (loss)                            | \$ (41.8)        | \$ (41.8)        | \$ (8.4)      | \$ (8.4)         | \$ (180.0)              | (180.0)          | \$ (77.7)      | \$ (77.7)         |
| Adjustments:                                 |                  |                  |               |                  |                         |                  |                |                   |
| Income tax expense (benefit)                 | (15.5)           | (15.5)           | 0.5           | 0.5              | (73.7)                  | (73.7)           | 2.5            | 2.5               |
| Stock-based compensation expense             | 4.8              | 4.8              | 6.9           | 6.9              | 18.0                    | 18.0             | 27.6           | 27.6              |
| Workforce optimization expenses              | 6.8              | 6.8              | —             | —                | 22.5                    | 22.5             | 1.9            | 1.9               |
| Acquisition and integration related expenses | 6.6              | —                | 7.3           | 0.9              | 27.6                    | —                | 29.7           | 5.8               |
| Other non-recurring charges <sup>(1)</sup>   | 10.8             | 10.8             | —             | —                | 15.5                    | 15.5             | 111.2          | 111.2             |
| Mark-to-market adjustment on ABS notes       | —                | 23.6             | —             | (21.0)           | —                       | 100.0            | —              | (184.9)           |
| <b>Adjusted income before taxes</b>          | <b>\$ (28.3)</b> | <b>\$ (11.3)</b> | <b>\$ 6.3</b> | <b>\$ (21.1)</b> | <b>\$ (170.0)</b>       | <b>(97.7)</b>    | <b>\$ 95.1</b> | <b>\$ (113.6)</b> |
| Normalized income tax expense                | 7.6              | 3.0              | (1.7)         | 5.7              | 45.9                    | 26.4             | (25.7)         | 30.7              |
| Income tax rate (%)                          | 27.0 %           | 27.0 %           | 27.0 %        | 27.0 %           | 27.0 %                  | 27.0 %           | 27.0 %         | 27.0 %            |
| <b>Adjusted Net Income</b>                   | <b>\$ (20.6)</b> | <b>\$ (8.2)</b>  | <b>\$ 4.6</b> | <b>\$ (15.4)</b> | <b>\$ (124.1)</b>       | <b>\$ (71.3)</b> | <b>\$ 69.4</b> | <b>\$ (82.9)</b>  |

<sup>(1)</sup> Certain prior-period financial information has been reclassified to conform to current period presentation.

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

# Adjusted operating efficiency and adjusted operating expense reconciliation

| (\$ Millions)   | Quarter Ended |               |               |               |               | Change<br>Y / Y | Year Ended December 31 |               |                 |
|---|---------------|---------------|---------------|---------------|---------------|-----------------|------------------------|---------------|-----------------|
|   | 4Q23          | 3Q23          | 2Q23          | 1Q23          | 4Q22          |                 | 2023                   | 2022          | Change<br>Y / Y |
| <b>Operating Efficiency</b>                                     | 49.3 %        | 45.7 %        | 51.1 %        | 56.4 %        | 57.8 %        |                 | 50.6 %                 | 75.2 %        |                 |
| <b>Total Revenue</b>  | \$ 262.6      | \$ 268.2      | \$ 266.6      | \$ 259.5      | \$ 261.9      | 0.3 %           | \$1,056.9              | \$ 952.5      | 11.0 %          |
| <b>Total operating expense</b>                                  | \$ 129.4      | \$ 122.5      | \$ 136.1      | \$ 146.3      | \$ 151.4      | (14.5)%         | \$ 534.3               | \$ 715.9      | (25.4)%         |
| Less:   |               |               |               |               |               |                 |                        |               |                 |
| Stock-based compensation expense                                | (4.8)         | (4.3)         | (4.4)         | (4.5)         | (6.9)         | 30.3 %          | (18.0)                 | (27.6)        | 34.8 %          |
| Workforce optimization expenses                                 | (6.8)         | (0.5)         | (8.4)         | (6.8)         | —             | NM              | (22.5)                 | (1.9)         | (1094.7)%       |
| Acquisition and integration related expenses                    | (6.6)         | (6.9)         | (7.2)         | (7.0)         | (7.3)         | 9.7 %           | (27.6)                 | (29.7)        | 6.9 %           |
| Other non-recurring charges <sup>(1)(2)(3)</sup>                | (10.5)        | (1.3)         | (0.3)         | (2.3)         | —             | NM              | (14.4)                 | (111.2)       | 87.0 %          |
| <b>Total Adjusted Operating Expense</b>                         | \$ 100.7      | \$ 109.6      | \$ 115.8      | \$ 125.8      | \$ 137.2      | (26.6)%         | \$ 451.8               | \$ 545.5      | (17.2)%         |
| <b>Adjusted Operating Efficiency</b>                            | <b>38.4 %</b> | <b>40.8 %</b> | <b>43.4 %</b> | <b>48.5 %</b> | <b>52.4 %</b> | <b>(26.8)%</b>  | <b>42.7 %</b>          | <b>57.3 %</b> | <b>(25.4)%</b>  |
| <b>Average Managed Principal Balance</b>                        | \$ 3,231.1    | \$3,266.8     | \$3,274.8     | \$3,367.8     | \$ 3,412.2    | (5.3)%          |                        |               |                 |
| Operating expense to Average Managed Principal Balance          | 16.0 %        | 15.0 %        | 16.6 %        | 17.4 %        | 17.7 %        | (9.7)%          |                        |               |                 |
| Adjusted Operating expense to Average Managed Principal Balance | 12.5 %        | 13.4 %        | 14.1 %        | 14.9 %        | 16.1 %        | (22.5)%         |                        |               |                 |
| <b>Adjusted Opex Ratio</b>                                      | <b>12.5 %</b> | <b>13.4 %</b> | <b>14.1 %</b> | <b>14.9 %</b> | <b>16.1 %</b> | <b>(22.5)%</b>  |                        |               |                 |

<sup>(1)</sup> Certain prior-period financial information has been reclassified to conform to current period presentation.

<sup>(2)</sup> Beginning in 2Q23, a year-to-date adjustment for warrant amortization was recorded. \$0.2 million related to 1Q23. We did not retroactively adjust 1Q23 Adjust Net Income for the YTD adjustment. As a result, the YTD amounts presented in the six months ended June 30, 2023 column for "Other non-recurring charges" does not agree to the sum of the presented quarters because the YTD amount includes the \$0.2 million related to 1Q23.

<sup>(3)</sup> The amount in FY23 and FY22 reflect impairments of capitalized software and other intangibles and the write-down of the carrying value of goodwill.

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

# Basic and diluted earnings per share reconciliation

|   | Quarter Ended    |                  |                  |                   |                  |                 | Year Ended December 31 |                  |                 |
|---|------------------|------------------|------------------|-------------------|------------------|-----------------|------------------------|------------------|-----------------|
|   | 4Q23             | 3Q23             | 2Q23             | 1Q23              | 4Q22             | Change<br>Y / Y | 2023                   | 2022             | Change<br>Y / Y |
| <i>(\$ Millions, except per share data. Shares in Millions)</i> |                  |                  |                  |                   |                  |                 |                        |                  |                 |
| Net income (loss)   | \$ (41.8)        | \$ (21.1)        | \$ (14.9)        | \$ (102.1)        | \$ (8.4)         | (396.5)%        | \$ (180.0)             | \$ (77.7)        | (131.5)%        |
| <b>Net income (loss) attributable to common stockholders</b>    | <b>\$ (41.8)</b> | <b>\$ (21.1)</b> | <b>\$ (14.9)</b> | <b>\$ (102.1)</b> | <b>\$ (8.4)</b>  | <b>(396.5)%</b> | <b>\$ (180.0)</b>      | <b>\$ (77.7)</b> | <b>(131.5)%</b> |
| Basic weighted-average common shares outstanding                | 38.5             | 38.3             | 36.7             | 34.0              | 33.2             | 15.8 %          | 36.9                   | 32.8             | 12.3 %          |
| Weighted average effect of dilutive securities:                 |                  |                  |                  |                   |                  |                 |                        |                  |                 |
| Stock options   | —                | —                | —                | —                 | —                | NM              | —                      | —                | NM              |
| Restricted stock units  | —                | —                | —                | —                 | —                | NM              | —                      | —                | NM              |
| <b>Diluted weighted-average common shares outstanding</b>       | <b>38.5</b>      | <b>38.3</b>      | <b>36.7</b>      | <b>34.0</b>       | <b>33.2</b>      | <b>15.8 %</b>   | <b>36.9</b>            | <b>32.8</b>      | <b>12.3 %</b>   |
| Earnings (loss) per share:                                      |                  |                  |                  |                   |                  |                 |                        |                  |                 |
| <b>Basic</b>  | <b>\$ (1.09)</b> | <b>\$ (0.55)</b> | <b>\$ (0.41)</b> | <b>\$ (3.00)</b>  | <b>\$ (0.25)</b> | <b>(328.8)%</b> | <b>\$ (4.88)</b>       | <b>\$ (2.37)</b> | <b>(106.0)%</b> |
| Diluted   | \$ (1.09)        | \$ (0.55)        | \$ (0.41)        | \$ (3.00)         | \$ (0.25)        | (328.8)%        | \$ (4.88)              | \$ (2.37)        | (106.0)%        |

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

# Adjusted earnings per share reconciliation

| (\$ Millions, except per share data. Shares in Millions)           | Quarter Ended    |                  |                |                  |                |               | Year Ended December 31 |                |               |
|--|------------------|------------------|----------------|------------------|----------------|---------------|------------------------|----------------|---------------|
|  | 4Q23             | 3Q23             | 2Q23           | 1Q23             | 4Q22           | Change        | 2023                   | 2022           | Change        |
|  |                  |                  |                |                  |                | Y / Y         |                        |                | Y / Y         |
| Diluted earnings (loss) per share                                  | \$ (1.09)        | \$ (0.55)        | \$ (0.41)      | \$ (3.00)        | \$ (0.25)      | (336.0)%      | \$ (4.88)              | \$ (2.37)      | (105.9)%      |
| <b>Adjusted Net Income</b>   | <b>\$ (20.6)</b> | <b>\$ (17.6)</b> | <b>\$ 2.3</b>  | <b>\$ (88.3)</b> | <b>\$ 4.6</b>  | <b>NM</b>     | <b>\$ (124.1)</b>      | <b>\$ 69.4</b> | <b>NM</b>     |
| Basic weighted-average common shares outstanding                   | 38.5             | 38.3             | 36.7           | 34.0             | 33.2           | 15.8 %        | 36.9                   | 32.8           | 12.3 %        |
| Weighted average effect of dilutive securities:                    |                  |                  |                |                  |                |               |                        |                |               |
| Stock options  | —                | —                | —              | —                | —              | NM            | —                      | 0.3            | NM            |
| Restricted stock units   | —                | —                | 0.3            | —                | 0.1            | NM            | —                      | 0.2            | NM            |
| <b>Diluted adjusted weighted-average common shares outstanding</b> | <b>38.5</b>      | <b>38.3</b>      | <b>37.0</b>    | <b>34.0</b>      | <b>33.3</b>    | <b>15.5 %</b> | <b>36.9</b>            | <b>33.3</b>    | <b>10.9 %</b> |
| <b>Adjusted EPS</b>  | <b>\$ (0.54)</b> | <b>\$ (0.46)</b> | <b>\$ 0.06</b> | <b>\$ (2.60)</b> | <b>\$ 0.14</b> | <b>NM</b>     | <b>\$ (3.37)</b>       | <b>\$ 2.09</b> | <b>NM</b>     |

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



# Forward looking adjusted EBITDA reconciliation

| (\$ Millions)                         | 1Q 2024          |                  | FY 2024        |                |
|---------------------------------------|------------------|------------------|----------------|----------------|
|                                       | Low              | High             | Low            | High           |
| Net (loss)*                           | \$ (35.8) *      | \$ (34.2) *      | \$ (54.2) *    | \$ (46.3) *    |
| Adjustments:                          |                  |                  |                |                |
| Income tax expense (benefit)          | (14.7)           | (14.3)           | (12.9)         | (10.8)         |
| Interest on corporate financing       | 13.4             | 13.4             | 48.7           | 48.7           |
| Depreciation and amortization         | 13.3             | 13.3             | 50.9           | 50.9           |
| Stock-based compensation expense      | 5.4              | 5.4              | 18.5           | 18.5           |
| Workforce optimization expenses       | 0.8              | 0.8              | 0.8            | 0.8            |
| Other non-recurring charges           | 3.6              | 3.6              | 8.2            | 8.2            |
| Fair value mark-to-market adjustment* | *                | *                | *              | *              |
| <b>Adjusted EBITDA</b>                | <b>\$ (14.0)</b> | <b>\$ (12.0)</b> | <b>\$ 60.0</b> | <b>\$ 70.0</b> |

\* Due to the uncertainty in macroeconomic conditions, we are unable to precisely forecast the fair value mark-to-market adjustments on our loan portfolio and asset-backed notes. As a result, while we fully expect there to be a fair value mark-to-market adjustment which could have an impact on GAAP net income (loss), the net income (loss) number shown above assumes no change in the fair value mark-to-market adjustment.

# Net change in fair value

- Increase in FV of Loans will increase Net Revenue
- Increase in FV of Notes will decrease Net Revenue

| \$ Millions  | Quarter Ended     |                   |                   |                   | Change            |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 4Q23              | 3Q23              | 4Q22              | 3Q22              | Q / Q             | Y / Y             |
| <b>Loan Portfolio Drivers</b>                                |                   |                   |                   |                   |                   |                   |
| Discount rate  | 10.1 %            | 11.2 %            | 11.5 %            | 10.2 %            | (1.0)%            | (1.4)%            |
| Remaining cumulative charge-offs as a % of principal balance | 12.1 %            | 11.9 %            | 10.4 %            | 11.7 %            | 0.2 %             | 1.7 %             |
| Average life in years  | 1.01              | 1.00              | 1.00              | 0.92              | 0.01              | 0.01              |
| <b>Loans Receivable at Fair Value <sup>(1)</sup></b>         |                   |                   |                   |                   |                   |                   |
| Fair value loan portfolio – principal balance                | \$ 2,904.7        | \$ 2,927.9        | \$ 3,098.6        | \$ 2,969.7        | \$ (23.2)         | \$ (193.9)        |
| Interest and Fee Receivable, net                             | 30.8              | 29.0              | 31.8              | 30.6              | \$ 1.8            | \$ (1.0)          |
| Cumulative fair value mark-to-market adjustment              | 26.9              | 12.9              | 45.0              | 21.7              | 13.9              | (18.2)            |
| <b>Fair value loan portfolio - end of period</b>             | <b>\$ 2,962.4</b> | <b>\$ 2,969.9</b> | <b>\$ 3,175.4</b> | <b>\$ 3,021.9</b> | <b>\$ (7.5)</b>   | <b>\$ (213.1)</b> |
| Price  | 102.0 %           | 101.4 %           | 102.5 %           | 101.8 %           | 0.6 %             | (0.5)%            |
| <b>Asset-Backed Notes at Fair Value</b>                      |                   |                   |                   |                   |                   |                   |
| Carrying value of asset-backed notes                         | \$ 1,874.4        | \$ 2,076.2        | \$ 2,582.0        | \$ 2,408.4        | \$ (201.8)        | \$ (707.6)        |
| Cumulative fair value mark-to-market adjustment              | (94.4)            | (118.0)           | (194.4)           | (170.0)           | 23.6              | 100.0             |
| Fair value asset-backed notes – end of period                | <b>\$ 1,780.0</b> | <b>\$ 1,958.3</b> | <b>\$ 2,387.7</b> | <b>\$ 2,238.3</b> | <b>\$ (178.3)</b> | <b>\$ (607.7)</b> |
| Price  | 95.0 %            | 94.3 %            | 92.5 %            | 92.9 %            | 0.6 %             | 2.5 %             |
| <b>Net Change in Fair Value Summary</b>                      |                   |                   |                   |                   |                   |                   |
| <b>A</b> Mark-to-market adjustment on loans                  | \$ 13.9           | \$ (9.0)          | \$ 23.4           | \$ (40.7)         | \$ 22.9           | \$ (9.4)          |
| <b>B</b> Mark-to-market adjustment on asset-backed notes     | \$ (23.6)         | \$ (14.9)         | \$ 21.0           | \$ 61.2           | \$ (8.7)          | \$ (44.5)         |
| Mark-to-market adjustment on derivatives                     | \$ (6.7)          | \$ 7.4            | \$ 1.3            | \$ 0.9            | \$ (14.1)         | \$ (8.1)          |
| Total fair value mark-to-market adjustment                   | \$ (16.4)         | \$ (16.5)         | \$ 45.6           | \$ 21.4           | \$ 0.1            | \$ (62.0)         |
| Net charge-offs  | \$ (90.8)         | \$ (88.0)         | \$ (98.7)         | \$ (71.7)         | \$ (2.8)          | \$ 7.9            |
| Net settlements on derivative instruments                    | \$ (0.6)          | \$ (0.4)          | \$ (3.1)          | \$ (5.1)          | \$ (0.2)          | \$ (0.4)          |
| Fair value mark on loans sold <sup>(2)</sup>                 | \$ (30.8)         | \$ (31.3)         | \$ (26.7)         | \$ (21.1)         | \$ 0.5            | \$ (31.3)         |
| <b>Total Net Change in Fair Value</b>                        | <b>\$ (138.5)</b> | <b>\$ (136.1)</b> | <b>\$ (82.9)</b>  | <b>\$ (76.4)</b>  | <b>\$ (2.4)</b>   | <b>\$ (55.6)</b>  |

(1) Refer to slide 35 for estimate methodology to calculate fair value premium on loans receivable by quarter.

(2) Cumulative fair value mark on sale of loans originated as held for investment.

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

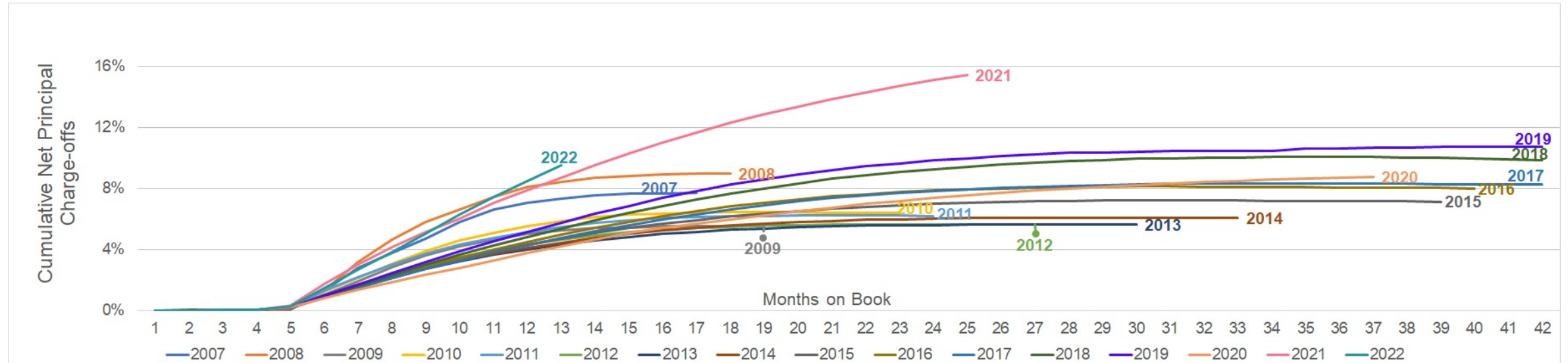
# Fair value estimate methodology

Loans receivable at fair value now include accrued interest & fees receivable, so fair value price is now the gross fair value premium

|  | Quarter Ended  |                |                |                |                |                |                | Change<br>Y / Y |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
|  | 4Q23           | 3Q23           | 2Q23           | 1Q23           | 4Q22           | 3Q22           | 2Q22           |                 |
| <b>Weighted average portfolio yield over the remaining life of the loans</b> | 29.10 %        | 29.58 %        | 29.85 %        | 29.61 %        | 29.34 %        | 29.73 %        | 30.14 %        | (0.24)%         |
| Less: Servicing fee  | (5.00)%        | (5.00)%        | (5.00)%        | (5.00)%        | (5.00)%        | (5.00)%        | (5.00)%        | — %             |
| <b>Net portfolio yield</b>   | <b>24.10 %</b> | <b>24.58 %</b> | <b>24.85 %</b> | <b>24.61 %</b> | <b>24.34 %</b> | <b>24.73 %</b> | <b>25.14 %</b> | <b>(0.24)%</b>  |
| Multiplied by: Weighted average life in years                                | 1.007          | 0.995          | 0.955          | 0.963          | 1.000          | 0.924          | 0.895          | 0.007           |
| <b>Pre-loss cash flow</b>  | <b>24.26 %</b> | <b>24.45 %</b> | <b>23.74 %</b> | <b>23.69 %</b> | <b>24.34 %</b> | <b>22.85 %</b> | <b>22.50 %</b> | <b>(0.08)%</b>  |
| Less: Remaining cumulative charge-offs                                       | (12.10)%       | (11.93)%       | (11.35)%       | (11.72)%       | (10.38)%       | (11.67)%       | (11.25)%       | (1.72)%         |
| <b>Net cash flow</b>   | <b>12.16 %</b> | <b>12.52 %</b> | <b>12.39 %</b> | <b>11.97 %</b> | <b>13.96 %</b> | <b>11.18 %</b> | <b>11.26 %</b> | <b>(1.80)%</b>  |
| Less: Discount rate multiplied by average life                               | (10.17)%       | (11.09)%       | (10.61)%       | (10.66)%       | (11.48)%       | (9.42)%        | (8.03)%        | 1.31 %          |
| <b>Gross fair value premium as a percentage of loan principal balance</b>    | <b>1.99 %</b>  | <b>1.43 %</b>  | <b>1.78 %</b>  | <b>1.31 %</b>  | <b>2.48 %</b>  | <b>1.76 %</b>  | <b>3.23 %</b>  | <b>(0.49)%</b>  |
| Less: Accrued interest and fees as a percentage of loan principal balance    | (1.06)%        | (0.99)%        | (1.04)%        | (1.06)%        | (1.03)%        | (1.03)%        | (0.99)%        | (0.03)%         |
| <b>Fair value premium as a percentage of loan principal balance</b>          | <b>0.92 %</b>  | <b>0.44 %</b>  | <b>0.74 %</b>  | <b>0.26 %</b>  | <b>1.45 %</b>  | <b>0.73 %</b>  | <b>2.23 %</b>  | <b>(0.53)%</b>  |
| Discount rate  | 10.10 %        | 11.15 %        | 11.10 %        | 11.07 %        | 11.48 %        | 10.19 %        | 8.97 %         | (1.38)%         |

Note: The data shown in the table above represents our secured and unsecured personal loan and credit card portfolio.

# Net lifetime loan loss rates by vintage



| Year of Origination   | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019  | 2020  | 2021   | 2022  |
|---|------|------|------|------|------|------|------|------|------|------|------|------|-------|-------|--------|-------|
| 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  | 32.0  | 33.3   | 37.8  |
| 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% | 8.2% | 9.8% | 10.8% | 8.7%* | 15.4%* | 9.5%* |
| 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% | 0.0% | 0.0% | 0.0% | 0.4%  | 2.2%  | 17.0%  | 57.5% |

\* Vintage is not fully mature from a loss perspective.

Note: The chart above includes all personal loan originations by vintage, excluding loans originated from July 2017 to August 2020 under a loan program for customers who did not meet the qualifications for our core loan origination program. 100% of those loans were sold pursuant to a whole loan sale arrangement. The 2021 vintage is experiencing higher charge-offs than prior vintages primarily due to a higher percentage of loan disbursements to new members. We tightened credit and began reducing loan volumes to new and returning members in the third quarter of 2021 and reduced significantly in the second half of 2022.