May 6, 2021

Oportun Reports First Quarter 2021 Financial Results

GAAP Diluted EPS of $0.10 and Adjusted EPS of $0.41 Driven By Solid Credit Performance

SAN CARLOS, Calif., May 06, 2021 (GLOBE NEWSWIRE) -- Oportun Financial Corporation (Nasdaq: OPRT) (“Oportun” and the "Company") today reported financial results for the first quarter ended March 31, 2021.

“In the first quarter, we delivered strong operating results and profitability, maintained a solid credit profile, and advanced all of our 2021 strategic objectives," said Raul Vazquez, CEO of Oportun. "Our credit performance demonstrated the efficacy of our A.I.-driven models and reflected the favorable economic environment and stimulus impact, while operationally, we continued to provide our customers with best-in-class service. I'm proud of what we have achieved, and our first quarter results give us confidence that we are well positioned for growth in the months and years ahead."

First Quarter 2021 Results

Metric	GAAP		Adjusted[1]	
	1Q21	1Q20	1Q21	1Q20
Total revenue	$135.3	$163.4	$135.3	$163.4
Net income (loss)	$3.0	$(13.3)	$12.2	$(1.2)
Diluted earnings (loss) per share	$0.10	$(0.49)	$0.41	$(0.04)
Adjusted EBITDA			($2.3)	$17.9

Dollars in millions, except per share amounts.

First Quarter 2021

- Aggregate Originations were $335.2 million, down 23% year-over-year
- Managed Principal Balance at End of Period was $1.83B, down 16% year-over-year
- 30+ Day Delinquency Rate of 3.0% as compared to 3.8% for the prior-year period
- Annualized Net Charge-Off Rate of 8.6% as compared to 8.9% for the prior-year period

Financial and Operating Results

Previously, in order to facilitate useful measures for period-to-period comparisons of its

business, the Company provided unaudited financial information on a GAAP basis as well as a Fair Value Pro Forma ("FVPF") adjusted basis to reflect the Company's performance as if the fair value option had been elected since inception for all loans originated and held for investment and all asset-backed notes issued. As of January 1, 2021, the FVPF adjustments are no longer necessary because all loans originated and held for investment and all asset-backed notes issued are recorded at fair value. All figures are as of March 31, 2021, unless otherwise noted.

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[1] See the section entitled “About Non-GAAP Financial Measures” for an explanation of non-GAAP measures, and the table entitled “Reconciliation of Non-GAAP Financial Measures” for a reconciliation of non-GAAP to GAAP measures.

Financial Results

Revenue – Total revenue for the first quarter was $135.3 million, as compared to $163.4 million in the prior-year quarter. The decrease is primarily driven by the lower number of loans originated which was due to a reduction in application volume attributable to the COVID-19 stimulus measures. Net Revenue for the first quarter was $110.2 million, an increase of 18.9% as compared to FVPF Net Revenue of $92.7 million in the prior-year quarter. Net revenue improved from the prior year due to the Company's credit management, and both lower charge-offs and the improved charge-off outlook increased the fair value of its loans.

Operating Expenses – For the first quarter, total operating expense was $106.3 million, as compared to $98.6 million in the prior-year quarter. Operating expense in the Company's unsecured personal loan business, excluding certain non-recurring charges, declined 3% year-over-year to $91.5 million. Operating expenses associated with new products grew year-over-year by $2.7 million to $6.9 million. In the first quarter, the Company also incurred $7.8 million of costs associated with its retail network optimization. As of March 31, 2021, the Company had completed the closure of 136 retail locations and reduced its workforce at those locations. Because the closures were a non-recurring event, the Company excluded these expenses from its non-GAAP metrics. The Company estimates remaining optimization expenses of $4.7 million to be recognized in the second quarter of 2021 as it completes the removal of equipment from the closed retail locations.

Net Income (Loss) and Adjusted Net Income (Loss) – Net income (loss) was $3.0 million, as compared to $(13.3) million in the prior-year quarter. Adjusted Net Income was $12.2 million compared to $(1.2) million in the prior-year quarter. The increases in net income and Adjusted Net Income are attributable to a significant improvement in credit outlook, which increased the value of the Company's loan portfolio. This increase was also due to a decrease in the fair value of the Company's asset-backed notes, and a smaller number of current period charge-offs.

Earnings (Loss) Per Share and Adjusted EPS– GAAP earnings per share, basic and diluted, were $0.11 and $0.10, respectively, for the three months ended March 31, 2021. GAAP earnings (loss) per share, basic and diluted, were both $(0.49) in the prior-year quarter. Adjusted Earnings (Loss) Per Share was $0.41 as compared to $(0.04) in the prior-year quarter.

Adjusted EBITDA – Adjusted EBITDA was $(2.3) million, down from $17.9 million in the prior-year quarter. The Company's investment in new products impacted its first quarter EBITDA by $5.9 million, and absent these, EBITDA would have been a positive $3.6 million. The Company believes that Adjusted EBITDA is a useful metric because it is a proxy for Oportun's pre-tax cash profitability. In addition to adding back taxes, depreciation, amortization, stock-based compensation and certain non-recurring charges, Adjusted EBITDA also excludes the non-cash impact of fair value accounting.

Origination Trends

Originations for the first quarter were $335.2 million, as compared to $432.8 million in the prior-year quarter. This 22.5% decrease is primarily due to a reduction in application volume attributable to the impact of COVID-19. The Company experienced some impact in demand volume in early January and again in mid-March from stimulus payments, but by mid-April, applications and disbursements were re-aligning with historical trends.

Credit and Operating Metrics

Net Charge-Off Rate – The Annualized Net Charge-Off Rate for the quarter was 8.6%, compared to 8.9% for the prior-year quarter.

30+ Day Delinquency Rate – The Company's 30+ Day Delinquency Rate was 3.0% at the end of the quarter, compared to 3.8% at the end of the prior-year quarter. The decrease is due to the effectiveness of the Company's collections tools and payment options that have helped its customers manage through the pandemic, COVID-19 stimulus measures that its customers have used to stay current on their payments, as well as its tighter underwriting criteria maintained from March of 2020 through July of 2020.

Operating Efficiency and Adjusted Operating Efficiency – Operating Efficiency for the quarter was 78.5% as compared to 60.3% in the prior-year quarter. Adjusted Operating Efficiency for the first quarter was 69.0%, as compared to 57.8% in the prior-year quarter. Operating Efficiency and Adjusted Operating Efficiency reflect the Company's investments in new products. Adjusted Operating Efficiency excludes stock-based compensation expense and the Company's retail network optimization expenses.

Return On Equity ("ROE") and Adjusted ROE – ROE for the quarter was 2.6%, as compared to (11.0)% in the prior-year quarter. Adjusted ROE for the quarter was 10.6%, as compared to (1.0)% in the prior-year quarter.

New Products

Secured personal loans – As of March 31, 2021, the Company had a secured personal loan receivables balance of $5.4 million, an increase of 170% over the balance as of December 31, 2020.

Credit card receivables – As of March 31, 2021, the Company was servicing $8.2 million in credit card receivables, an increase of 276% over the prior-year quarter.

Funding and Liquidity

As of March 31, 2021, total cash was $183.2 million, consisting of cash and cash equivalents

of $140.4 million and restricted cash of $42.8 million. Cost of Debt and Debt-to-Equity were 3.9% and 3.0x, respectively, for and at the end of the first quarter 2021 as compared to FVPF Cost of Debt and FVPF Debt-to-Equity of 4.2% and 3.0x, respectively, for and at the end of the prior-year quarter. As of March 31, 2021, the Company had $334.8 million of undrawn capacity on its existing $400.0 million warehouse line. The Company's warehouse line is committed through October 2021.

- On March 8, 2021, the Company announced the issuance of $375 million two-year asset-backed notes by Oportun Funding XIV, LLC, a wholly-owned subsidiary of the Company and secured by a pool of its unsecured personal installment loans (the “2021-A Securitization”). The 2021-A Securitization included four classes of fixed-rate notes: Class A, Class B, Class C and Class D notes, which were priced with a weighted average interest rate of 1.79% per annum.

- On April 8, 2021, the Company's wholly-owned subsidiary, Oportun Funding IX, LLC, the issuer under the Series 2018-B asset-backed securitization transaction, completed the redemption of all $225 million of outstanding 2018-B Notes, plus the accrued and unpaid interest, and satisfy and discharge Oportun Funding IX, LLC's obligations under the 2018-B Notes and the indenture. The redemption price was funded by drawing upon the Company's Secured Financing facility and using unrestricted cash.

- On April 28, 2021, the Company priced its second securitization of 2021, its largest bond deal to date, with $500 million of 3-year, fixed-rate notes. The deal is expected to close next week. It is the Company's first asset-backed securitization where secured personal loans are included as eligible collateral. The transaction also provides flexibility and funding for the Company's other key growth initiatives. The transaction was priced at a weighted average interest rate of 2.05% per annum.

Financial Outlook for Second Quarter and Full Year 2021

Oportun is providing the following guidance for 2Q 2021 and full year 2021 as follows:

	2Q 2021	Full Year 2021
Aggregate Originations	$425 M	$2.1 B
Total Revenue	$135 M	$600 - $605 M
Adjusted EBITDA	$(2) - $(1) M	$0 - $5 M
Adjusted Net Income (1)	$1 - $2 M	$50 - $54 M
Adjusted EPS	$0.03 - $0.07	$1.69 - $1.82
Annualized Net Charge-Off Rate	6.8% +/- 10 bps	7.6% +/- 15 bps

(1) Management's guidance assumes the following for 2Q 2021 and FY 2021, respectively:

With respect to 2Q 2021, for loans which are projected to have a weighted average life of 0.78 years, the Company is assuming a June 30, 2021 interpolated LIBOR/Swap rate of 0.22%, based on the forward rates from May 3, 2021. For notes, which have original terms of 2 or 3 years, the Company interpolates between the forward swap rates. The Company is

assuming a June 30, 2021 interpolated LIBOR/Swap rate of 0.25%, based on the forward rates from May 3, 2021.

With respect to FY 2021, for loans which are projected to have a weighted average life of 0.78 years, the Company is assuming a December 31, 2021 interpolated LIBOR/Swap rate of 0.25%, based on the forward rates from May 3, 2021. For notes, which have original terms of 2 or 3 years, the Company interpolates between the forward swap rates. The Company is assuming a December 31, 2021 interpolated LIBOR/Swap rate of 0.33%, based on the forward rates from May 3, 2021.

Conference Call

As previously announced, Oportun's management will host a conference call to discuss first quarter 2021 results at 5:00 p.m. ET (2:00 p.m. PT) today. The dial-in number for the conference call is 877-407-9208 (toll-free) or 201-493-6784 (international). Participants should call in 10 minutes prior to the scheduled start time. A live webcast of the call will be accessible from the Investor Relations page of Oportun's website at https://investor.oportun.com. Both the call and webcast are open to the general public. For those unable to listen to the live broadcast, a webcast replay will be available at https://investor.oportun.com for one year. An investor presentation that includes supplemental financial information and reconciliations of certain non-GAAP measures to their most directly comparable GAAP measures, will be available on the Investor Relations page of Oportun's website at https://investor.oportun.com prior to the start of the conference call.

No Offer to Sell

This press release does not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

About Non-GAAP Financial Measures

This press release presents information about the Company's Adjusted Net Income (Loss), Adjusted EPS, Adjusted EBITDA, Adjusted Operating Efficiency, and Adjusted Return on Equity, which are non-GAAP financial measures provided as a supplement to the results provided in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company believes these Non-GAAP measures can be useful measures for period-to-period comparisons of its core business and provide useful information to investors and others in understanding and evaluating its 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 the Company uses, as presented, may not be comparable to similar

measures used by other companies. Reconciliations of non-GAAP to GAAP measures can be found below.

About Oportun

Oportun (Nasdaq: OPRT) is a financial services company that leverages its digital platform to provide responsible consumer credit to hardworking people. Using A.I.-driven models that are built on 15 years of proprietary customer insights and billions of unique data points, Oportun has extended more than $10.2 billion in affordable credit, providing its customers with alternatives to payday and auto title loans. In recognition of its responsibly designed products which help consumers build their credit history, Oportun has been certified as a Community Development Financial Institution (CDFI) since 2009. The Company recently applied for a national bank charter to expand its services and make its products available in all 50 states. For more information visit oportun.com.

Forward-Looking Statements

This press release contains forward-looking statements. All statements other than statements of historical fact contained in this press release, including statements as to future results of operations and financial position, liquidity runway, trends in credit performance, originations, payment defaults, business strategy and plans and objectives of management for future operations of Oportun, the scheduled closing of the 2021-B securitization transaction, and Oportun's ability to complete the 2021-B securitization transaction are forward-looking statements. These statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause Oportun’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You generally can identify these statements by terms such as “expect,” “plan,” “anticipate,” “project,” "outlook," “continue,” “may,” “believe,” or “estimate” and similar expressions or the negative versions of these words or comparable words, as well as future or conditional verbs such as “will,” “should,” “would,” “likely” and “could.” These forward-looking statements are subject to the safe harbor provisions under the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Oportun has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its business, financial condition and results of operations. These risks and uncertainties include those risks described in Oportun's filings with the Securities and Exchange Commission, including Oportun's most recent annual report on Form 10-K and most recent quarterly report on Form 10-Q, and include, but are not limited to, the extent and duration of the COVID-19 pandemic, market and economic disruptions stemming from the COVID-19 pandemic; Oportun’s future financial performance, including trends in revenue, net revenue, operating expenses, and net income; changes in market interest rates; increases in loan delinquencies and charge-offs; Oportun's ability to increase the volume of loans it makes; Oportun’s ability to successfully offer loans in additional states; Oportun’s ability to complete its 2021-B securitization transaction; Oportun’s ability to receive

a national bank charter and the expected benefits a national bank charter may have on Oportun's business; and Oportun's ability to compete successfully with other companies that are currently in, or may in the future enter, its industry. The forward-looking statements speak only as of the date on which they are made, and, except to the extent required by federal securities laws, Oportun disclaims any obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In light of these risks and uncertainties, there is no assurance that the events or results suggested by the forward-looking statements will in fact occur, and you should not place undue reliance on these forward-looking statements.

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Oportun Financial Corporation
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except share and per share data, unaudited)

	Three Months Ended March 31,	
	2021	**2020**
Revenue		
Interest income	$ 127.2	$ 150.7
Non-interest income	8.1	12.7
Total revenue	**135.3**	**163.4**
Less:		
Interest expense	13.5	16.4

Decrease in fair value	(11.6)	(66.5)
Net revenue	**110.2**	**80.6**
Operating expenses:		
Technology and facilities	32.9	30.8
Sales and marketing	23.9	24.8
Personnel	26.8	25.6
Outsourcing and professional fees	12.6	13.6
General, administrative and other	10.0	3.8
Total operating expenses	**106.3**	**98.6**
Income (loss) before taxes	**4.0**	**(18.0)**
Income tax expense (benefit)	1.0	(4.7)
Net income (loss)	**$ 3.0**	**$ (13.3)**
Diluted Earnings (Loss) per Common Share	$ 0.10	$ (0.49)
Diluted Weighted Average Common Shares	29,620,034	27,015,730

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

Oportun Financial Corporation
CONSOLIDATED BALANCE SHEETS
(in millions, unaudited)

	March 31, 2021	December 31, 2020
Assets		
Cash and cash equivalents	$ 140.4	$ 136.2
Restricted cash	42.8	32.4
Loans receivable at fair value	1,670.3	1,696.5
Interest and fees receivable, net	13.3	15.4
Right of use assets - operating	40.3	46.8
Other assets	85.0	81.7
Total assets	$ 1,992.1	$ 2,009.1
Liabilities and stockholders' equity		
Liabilities		
Secured financing	$ 64.8	$ 246.4

Asset-backed notes at fair value	1,340.8	1,167.3
Amount due to whole loan buyer	8.6	6.8
Lease liabilities	47.0	49.7
Other liabilities	58.9	72.5
Total liabilities	1,520.1	1,542.7
Stockholders' equity		
Common stock	—	—
Common stock, additional paid-in capital	439.1	436.5
Accumulated other comprehensive loss	(0.3)	(0.3)
Retained earnings	39.5	36.4
Treasury stock	(6.3)	(6.3)
Total stockholders’ equity	472.0	466.4
Total liabilities and stockholders' equity	$ 1,992.1	$ 2,009.1

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

Oportun Financial Corporation
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions, unaudited)

	Three Months Ended March 31,	
	2021	**2020**
Cash flows from operating activities		
Net income (loss)	$ 3.0	$ (13.3)
Adjustments for non-cash items	33.1	72.9
Proceeds from sale of loans in excess of originations of loans sold and held for sale	4.9	8.1
Changes in balances of operating assets and liabilities	(22.9)	(15.6)
Net cash provided by operating activities	18.2	52.1
Cash flows from investing activities		
Net loan principal repayments (loan originations)	15.5	(32.3)
Purchase of fixed assets, net of sales	(0.9)	(1.6)
Capitalization of system development costs	(5.7)	(5.5)
Net cash provided by (used in) investing activities	9.0	(39.3)
Cash flows from financing activities		
Borrowings	371.7	235.0

Repayments	(381.8)	(177.0)
Net stock-based activities	(2.5)	(0.8)
Net cash provided by (used in) financing activities	(12.6)	57.2
Net increase in cash and cash equivalents and restricted cash	14.6	70.0
Cash and cash equivalents and restricted cash beginning of period	168.6	136.1
Cash and cash equivalents and restricted cash end of period	$ 183.2	$ 206.1

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

Oportun Financial Corporation
CONSOLIDATED KEY PERFORMANCE METRICS
(unaudited)

	Three Months Ended March 31,	
	2021	**2020**
Aggregate Originations (Millions)	$ 335.2	$ 432.8
Active Customers (Actuals)	643,967	777,194
Customer Acquisition Costs (Actuals)	$ 208	$ 170
Managed Principal Balance at End of Period (Millions)	$ 1,832.6	$ 2,180.4
30+ Day Delinquency Rate (%)	3.0%	3.8%
Annualized Net Charge-Off Rate (%)	8.6%	8.9%
Operating Efficiency (%)	78.5%	60.3%
Adjusted Operating Efficiency (%)	69.0%	57.8%
Return on Equity (%)	2.6%	(11.0)%
Adjusted Return on Equity (%)	10.6%	(1.0)%

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

Oportun Financial Corporation
OTHER USEFUL METRICS
(unaudited)

	Three Months Ended March 31,	
	2021	2020
Number of loans originated (Actuals)	114,670	143,150
Average Daily Principal Balance (Millions)	$ 1,624.8	$ 1,862.1
Owned Principal Balance at End of Period (Millions)	$ 1,591.8	$ 1,831.0

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

Oportun Financial Corporation
ABOUT NON-GAAP FINANCIAL MEASURES
(unaudited)

The press release dated May 6, 2021 contains non-GAAP financial measures. The following tables reconcile the non-GAAP financial measures in that press release to the most directly comparable financial measures prepared in accordance with United States Generally Accepted Accounting Principles ("GAAP"). These non-GAAP financial measures Adjusted EBITDA, Adjusted Net Income (Loss), Adjusted Operating Efficiency, Adjusted Return on Equity and Adjusted EPS.

The Company believes that the provision of these non-GAAP financial measures can provide useful measures for period-to-period comparisons of Oportun's core business and useful information to investors and others in understanding and evaluating its operating results. However, non-GAAP financial measures are not calculated in accordance with GAAP and should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. These non-GAAP financial measures do not reflect a comprehensive system of accounting, differ from GAAP measures with the same names, and may differ from non-GAAP financial measures with the same or similar names that are used by other companies.

Fair Value Pro Forma

As of January 1, 2021, Oportun no longer has any Fair Value Pro Forma adjustments as there are no longer any amortized cost balances. However, there were Fair Value Pro Forma adjustments related to its asset-backed notes at amortized cost for the three months ended March 31, 2020 as reflected in the following tables. Upon adoption of ASU 2019-05, effective January 1, 2020, the Company elected the fair value option on the Fair Value Loans which were previously measured at amortized cost. Accordingly, for the three months ended March 31, 2021 and 2020, the Company did not have any loans receivable measured at amortized cost. Therefore, there are no Fair Value Pro Forma adjustments related to assets or revenue as of and for the three months ended March 31, 2021 and 2020.

Adjusted EBITDA

The Company defines Adjusted EBITDA as net income (loss), adjusted for the impact of the Company's election of the fair value option and further adjusted to eliminate the effect of certain items as described below. The Company believes that Adjusted EBITDA is an

important measure because it allows management, investors and its board of directors to evaluate and compare operating results, including return on capital and operating efficiencies, from period to period by making the adjustments described below. In addition, it provides a useful measure for period-to-period comparisons of Oportun's business, as it removes the effect of income taxes, certain non-cash items, variable charges and timing differences.

- The Company believes it is useful to exclude the impact of income tax expense (benefit), as reported, because historically it has included irregular income tax items that do not reflect ongoing business operations.
- The Company believes it is useful to exclude depreciation and amortization and stock-based compensation expense because they are non-cash charges.
- The Company excludes the impact of certain non-recurring charges, such as expenses associated with its retail network optimization plan, because it does not believe that these items reflect ongoing business operations. During the last three quarters of 2020 the Company excluded COVID-19 related expenses in its adjustments to derive Adjusted EBITDA. As of January 1, 2021, COVID-19 expenses are no longer being adjusted for to derive Adjusted EBITDA because the Company's business practices have been updated to operate in the current environment.
- The Company also reverses origination fees for Fair Value Loans, net. The Company believes it is beneficial to exclude the uncollected portion of such origination fees, because such amounts do not represent cash received.
- The Company also reverses the fair value mark-to-market adjustment because it is a non-cash adjustment.

Adjusted Net Income (Loss)

The Company defines Adjusted Net Income (Loss) as net income (loss) adjusted for the impact of the Company's election of the fair value option and further adjusted to eliminate the effect of certain items as described below. The Company believes that Adjusted Net Income is an important measure of operating performance because it allows management, investors, and Oportun's board of directors to evaluate and compare its operating results, including return on capital and operating efficiencies, from period to period, excluding the after-tax impact of non-cash, stock-based compensation expense and certain non-recurring charges.

- The Company believes it is useful to exclude the impact of income tax expense (benefit), as reported, because historically it has included irregular income tax items that do not reflect ongoing business operations. The Company also includes the impact of normalized income tax expense by applying a normalized statutory tax rate.
- The Company believes it is useful to exclude the impact of certain non-recurring charges, such as expenses associated with its retail network optimization plan, because it does not believe that these items reflect its ongoing business operations. During the last three quarters of 2020, the Company excluded COVID-19 related expenses in its adjustments to derive Adjusted Net Income. As of January 1, 2021, COVID-19 expenses are no longer being adjusted to derive Adjusted Net Income because the Company's business practices have been updated to operate in the current environment.
- The Company believes it is useful to exclude stock-based compensation expense because it is a non-cash charge.

Adjusted Operating Efficiency
The Company defines Adjusted Operating Efficiency as total operating expenses adjusted to exclude stock-based compensation expense and certain non-recurring charges, such as retail network optimization expenses divided by total revenue. During the last three quarters of 2020 the Company included COVID-19 related expenses in its adjustments to derive Adjusted Operating Efficiency. As of January 1, 2021, COVID-19 expenses are no longer being adjusted for to derive Adjusted Operating Efficiency because the Company's business practices have been updated to operate in the current environment. The Company believes Adjusted Operating Efficiency is an important measure because it allows management, investors and Oportun's board of directors to evaluate how efficient the Company is at managing costs relative to revenue.

Adjusted Return on Equity
The Company defines Adjusted Return on Equity ("ROE") as annualized Adjusted Net Income divided by average stockholders' equity. Average stockholders' equity is an average of the beginning and ending stockholders' equity balance for each period. Before January 1, 2021, the Company previously defined Adjusted Return on Equity as annualized Adjusted Net Income divided by average Fair Value Pro Forma total stockholders' equity. Average Fair Value Pro Forma stockholders' equity is an average of the beginning and ending Fair Value Pro Forma stockholders' equity balance for each period. The Company believes Adjusted Return on Equity is an important measure because it allows management, investors and its Board to evaluate the profitability of the business in relation to equity and how well it generates income from the equity available. The Company believes Adjusted ROE is an important measure because it allows management, investors and Oportun's board of directors to evaluate the profitability of the business in relation to equity and how well the Company generates income from the equity available.

Adjusted EPS
The Company defines Adjusted EPS as Adjusted Net Income divided by weighted average diluted shares outstanding.

Oportun Financial Corporation
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(in millions, unaudited)

	Three Months Ended March 31, 2021 [1]	Three Months Ended March 31, 2020		
	As Reported	As Reported	FV Adjustments	FV Pro Forma

Revenue:				
Interest income	$ 127.2	$ 150.7	$ —	$ 150.7
Non-interest income	8.1	12.7	—	$ 12.7
Total revenue	**135.3**	**163.4**	**—**	**163.4**
Less:				
Interest expense	13.5	16.4	(0.5)	15.9
Provision (release) for loan losses	—	—	—	—
Net decrease in fair value	(11.6)	(66.5)	11.7	(54.8)
Net revenue	**110.2**	**80.6**	**12.1**	**92.7**
Operating expenses:				
Technology and facilities	32.9	30.8	—	30.8
Sales and marketing	23.9	24.8	—	24.8
Personnel	26.8	25.6	—	25.6
Outsourcing and professional fees	12.6	13.6	—	13.6
General, administrative and other	10.0	3.8	—	3.8
Total operating expenses	**106.3**	**98.6**	**—**	**98.6**
Income (loss) before taxes	**4.0**	**(18.0)**	**12.1**	**(5.9)**
Income tax expense (benefit)	1.0	(4.7)	3.6	(1.1)
Net income (loss)	**$ 3.0**	**$ (13.3)**	**$ 8.5**	**$ (4.8)**
Adjusted Earnings (Loss) per Common Share				$ (0.04)
Diluted Adjusted Weighted Average Common Shares				27,015,730

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

(1) Beginning in 2021 we are no longer including any Fair Value Pro Forma adjustments because all loans originated and held for investment and asset-backed notes issued are recorded at fair value. Therefore, the three months ended March 31, 2021 is presented on a GAAP basis and the three months ended March 31, 2020 includes Fair Value Pro Forma adjustments related to our asset-backed notes at amortized cost.

Oportun Financial Corporation
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(in millions, unaudited)

	March 31, 2021 (1)	March 31, 2020		
	As Reported	As Reported	FV Adjustments	FV Pro Forma
Assets				
Cash and cash equivalents	$ 140.4	$ 144.8	$ —	$ 144.8
Restricted cash	42.8	61.3	—	61.3
Loans receivable	1,670.3	1,760.5	—	1,760.5
Other assets	138.6	150.7	—	150.7
Total assets	**1,992.1**	**2,117.3**	**—**	**2,117.3**
Liabilities				
Total debt	1,405.6	1,477.8	(10.6)	1,467.2
Other liabilities	114.5	156.0	3.6	159.6
Total liabilities	**1,520.1**	**1,633.8**	**(7.0)**	**1,626.8**
Total stockholders' equity	**472.0**	**483.5**	**7.0**	**490.5**
Total liabilities and stockholders' equity	**$ 1,992.1**	**$ 2,117.3**	**$ —**	**$ 2,117.3**

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

(1) Beginning in 2021 we are no longer including any Fair Value Pro Forma adjustments because all loans originated and held for investment and asset-backed notes issued are recorded at fair value. Therefore, the balances as of March 31, 2021 are presented on a GAAP basis and the balances as of March 31, 2020 include Fair Value Pro Forma adjustments related to our asset-backed notes at amortized cost.

Oportun Financial Corporation
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(in millions, unaudited)

	Three Months Ended March 31,	
Adjusted EBITDA	**2021**	**2020**
Net income (loss)	$ 3.0	$ (13.3)
Adjustments:		
Fair Value Pro Forma net income adjustment (1)	—	8.5

Income tax expense (benefit)	1.0	(1.1)
Depreciation and amortization	5.3	4.7
Stock-based compensation expense	5.1	4.2
Retail network optimization expenses	7.8	—
Origination fees for Fair Value Loans, net	(1.4)	1.5
Fair value mark-to-market adjustment	(23.0)	13.4
Adjusted EBITDA	$ (2.3)	$ 17.9

	Three Months Ended March 31,	
Adjusted Net Income (Loss)	**2021**	**2020**
Net income (loss)	$ 3.0	$ (13.3)
Adjustments:		
Fair Value Pro Forma net income adjustment[(1)]	—	8.5
Income tax expense (benefit)	1.0	(1.1)
Stock-based compensation expense	5.1	4.2
Retail network optimization expenses	7.8	—
Adjusted income (loss) before taxes	16.9	(1.7)
Normalized income tax expense (benefit)	4.6	(0.5)
Adjusted Net Income (Loss)	$ 12.2	$ (1.2)

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

(1) As of January 1, 2021 there are no further Fair Value Pro Forma adjustments because all loans originated and held for investment and all asset-backed notes issued are recorded at fair value.

Oportun Financial Corporation
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(in millions, except share and per share data, unaudited)

	Three Months Ended March 31,	
GAAP Earnings (Loss) per Share	**2021**	**2020**
Net income (loss)	$ 3.0	$ (13.3)
Net income (loss) attributable to common stockholders	$ 3.0	$ (13.3)

Basic weighted-average common shares outstanding	27,770,063	27,015,730
Weighted average effect of dilutive securities:		
Stock options	1,274,818	—
Restricted stock units	575,153	—
Diluted weighted-average common shares outstanding	29,620,034	27,015,730
Earnings (loss) per share:		
Basic	$ 0.11	$ (0.49)
Diluted	$ 0.10	$ (0.49)

	Three Months Ended March 31,	
Adjusted Earnings (Loss) Per Share	**2021**	**2020**
Diluted earnings (loss) per share	$ 0.10	$ (0.49)
Adjusted Net Income (Loss)	$ 12.2	$ (1.2)
Basic weighted-average common shares outstanding	27,770,063	27,015,730
Weighted average effect of dilutive securities:		
Stock options	1,274,818	—
Restricted stock units	575,153	—
Diluted adjusted weighted-average common shares outstanding	29,620,034	27,015,730
Adjusted Earnings (Loss) Per Share	$ 0.41	$ (0.04)

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

Source: Oportun Financial Corporation