August 8, 2022

Oportun Reports Second Quarter 2022 Financial Results

$878 million in aggregate originations, growth of 103% year-over-year

Total revenue of $226 million, growth of 63% year-over-year

Annualized member growth of 38%, product adoption of 45%

SAN CARLOS, Calif., Aug. 08, 2022 (GLOBE NEWSWIRE) -- Oportun Financial Corporation (Nasdaq: OPRT) (“Oportun” and the "Company") today reported financial results for the second quarter ended June 30, 2022.

“Our strong second quarter results are a testament to how we’ve positioned Oportun to deliver responsible, profitable growth. We met or exceeded each of our guidance metrics, highlighted by originations growth of 103% to $878 million, and total revenue growth of 63% to $226 million," said Raul Vazquez, CEO of Oportun. "I’m pleased that our membership grew at an annualized rate of 38% to 1.8 million, while product adoption again outpaced revenue at an annualized rate of 45%. We also accessed the debt capital markets twice since the end of the first quarter, reflecting investors’ confidence in our strong financial position. This funding along with our recent geographic and product expansions will allow us to continue to serve our members, while prudently tightening credit and limiting expense growth. Our guidance reflects that 2022 will be yet another profitable year for Oportun, although we are upwardly revising our charge-off guidance and lowering our profit expectations, reflecting a weakening macroeconomic backdrop. Looking past this year, we have confidence in our ability to navigate the current environment, and the adjustments we are currently making will position us well for continued profitable growth in 2023 and beyond."

Second Quarter 2022 Results

Metric	**GAAP**		**Adjusted[1]**	
	2Q22	**2Q21**	**2Q22**	**2Q21**
Total revenue	$226	$138		
Net income (loss)	($9)	$7	$4	$17
Diluted EPS	($0.28)	$0.24	$0.11	$0.56
Adjusted EBITDA			($4)	$5

Dollars in millions, except per share amounts.

Business Highlights

- Members were 1.8 million [(2)], a 38% annualized increase during the quarter
- Products were 1.9 million[(3)], a 45% annualized increase during the quarter
- Aggregate Originations were $878M, up 103% year-over-year
- Managed Principal Balance at End of Period was $3.24B, up 73% year-over-year
- Annualized Net Charge-Off Rate of 8.6% as compared to 6.4% for the prior-year period
- 30+ Day Delinquency Rate of 4.3% as compared to 2.5% for the prior-year period

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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.
(2) Beginning 1Q22, we modified our definition of Members to reflect the long term nature of our relationships with our members.
(3) Beginning 1Q22, we modified our definition of Products to reflect multiproduct adoption by our members.

Financial and Operating Results

All figures are as of June 30, 2022, unless otherwise noted.

Growth Highlights

Members – Members as of the end of the second quarter grew to 1.8 million, up from 1.7 million as of the end of the prior-quarter, a 38% annualized growth rate for the quarter.

Products – Products as of the end of the second quarter grew to 1.9 million, up from 1.8 million as of the end of the prior-quarter, a 45% annualized growth rate for the quarter.

Originations – Aggregate Originations for the second quarter were $878 million, an increase of 103% as compared to $433 million in the prior-year quarter. This increase was primarily driven by growth in loan application volume due to higher demand offset by reduction in our approval rate as we tightened credit.

Financial Results

Revenue – Total revenue for the second quarter was $226 million, an increase of 63% as compared to $138 million in the prior-year quarter. The increase was primarily attributable to higher interest income due to growth in the Company's underlying portfolio as a result of increased origination volume. Net revenue for the second quarter was $145 million, an increase of 21% as compared to net revenue of $120 million in the prior-year quarter. Net revenue improved from the prior-year quarter due to higher revenue, partially offset by a net decrease in fair value of our loans.

Operating Expense and Adjusted Operating Expense – For the second quarter, total

operating expense was $158 million, as compared to $110 million in the prior-year quarter. Adjusted Operating Expense, which excludes stock-based compensation expense and certain non-recurring charges, increased 45% year-over-year to $140 million, growing slower than total revenue which grew 63% in the same period. We are reducing our operating expense growth rate going forward, targeting second half operating expense to be flat versus the first half of the year.

Net Income (Loss) and Adjusted Net Income – Net loss was $9.2 million as compared to net income of $7.2 million in the prior-year quarter. Adjusted Net Income was $3.8 million as compared to $17 million in the prior-year quarter. The decreases in net income and Adjusted Net Income are attributable to increased operating expenses, a net decrease in fair value, partially offset by increased revenues. For the first half of the year, Adjusted Net Income was $56 million, representing 93% year-over-year growth.

Earnings (Loss) Per Share and Adjusted EPS– GAAP net loss per share, basic and diluted, were both $0.28 for the three months ended June 30, 2022. GAAP earnings per share, basic and diluted, were $0.26 and $0.24, respectively, in the prior-year quarter. Adjusted Earnings Per Share was $0.11 as compared to $0.56 in the prior-year quarter. For the first half of the year, Adjusted Earnings Per Share was $1.70, representing 73% year-over-year growth.

Adjusted EBITDA – Adjusted EBITDA was $(4.5) million, down from $4.5 million in the prior-year quarter. For the first half of the year, Adjusted EBITDA was $29 million versus $2.2 million in the prior year period.

Credit and Operating Metrics

Net Charge-Off Rate – The Annualized Net Charge-Off Rate for the quarter was 8.6%, compared to 6.4% for the prior-year quarter. Last year's charge-off rate benefited from the impact of government stimulus and was below the Company's historic average.

30+ Day Delinquency Rate – The Company's 30+ Day Delinquency Rate was 4.3% at the end of the quarter, compared to 2.5% at the end of the prior-year quarter.

Operating Efficiency and Adjusted Operating Efficiency – Operating Efficiency for the quarter was 69.9% as compared to 79.8% in the prior-year quarter. Adjusted Operating Efficiency for the second quarter was 62.0%, as compared to 70.0% in the prior-year quarter. Adjusted Operating Efficiency excludes stock-based compensation expense and certain non-recurring charges, such as the Company's litigation reserve, retail network optimization expenses, impairment charges and acquisition and integration related expenses. The decline in Operating Efficiency and Adjusted Operating Efficiency reflect the Company's revenue growing more quickly than operating expenses.

Return On Equity ("ROE") and Adjusted ROE – ROE for the quarter was (5.7)%, as compared to 6.1% in the prior-year quarter. Adjusted ROE for the quarter was 2.3%, as compared to 14.2% in the prior-year quarter. For the last twelve months, Adjusted ROE averaged 19%.

New Products

Secured personal loans – As of June 30, 2022, the Company had a secured personal loan receivables balance of $100 million, up 620% from $14 million at the end of the second quarter 2021.

Credit card receivables – As of June 30, 2022, the Company had a credit card receivables balance of $119 million, up 511% from $19 million at the end of the second quarter 2021.

Funding and Liquidity

As of June 30, 2022, total cash was $134 million, consisting of cash and cash equivalents of $67 million and restricted cash of $67 million. Cost of Debt and Debt-to-Equity were 3.0% and 3.9x, respectively, for and at the end of the second quarter 2022 as compared to Cost of Debt and Debt-to-Equity of 3.3% and 3.3x, respectively, for and at the end of the prior-year quarter. As of June 30, 2022, the Company had $171 million of undrawn capacity on its existing $600 million personal loan warehouse line. The Company's personal loan warehouse line is committed through September 2024. As of June 30, 2022, the Company had $70 million of undrawn capacity on its existing $150 million credit card warehouse line. The Company's credit card warehouse line is committed through December 2023.

On May 24, 2022, the Company announced the issuance of $400 million of two-year, fixed-rate notes, issued by Oportun Issuance Trust 2022-A secured by a pool of its unsecured and secured personal installment loans. The transaction was priced at a weighted average yield of 5.68% per annum.

On July 15, 2022 the Company announced the issuance of $400 million of Series 2022-2 fixed rate asset-backed notes in a private asset-backed securitization transaction secured by a pool of unsecured and secured personal installment loans. The transaction was priced with a weighted average yield of 8.00% per annum and weighted average interest rate of 7.77%.

Financial Outlook for Third Quarter and Full Year 2022

Oportun is providing the following guidance for 3Q 2022 and full year 2022 as follows:

	3Q 2022	Full Year 2022
Aggregate Originations	$650 - $675 M	$3.15 - $3.18 B
Total Revenue	$240 - $245 M	$930 - $940 M
Adjusted Net Income (Loss)	($4) - ($2) M	$40 - $45 M
Adjusted EPS [(1)]	($0.12) - ($0.06)	$1.19 - $1.34
Annualized Net Charge-Off Rate	9.8% +/- 15 bps	9.6% +/- 15 bps

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1 Based on 33,304,185 and 33,522,454 shares outstanding as of the end of each listed period respectively.

Conference Call

As previously announced, Oportun's management will host a conference call to discuss second quarter 2022 results at 5:00 p.m. ET (2:00 p.m. PT) today. The dial-in number for the conference call is 877-300-8522 (toll-free) or 412-542-4174 (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 of the call 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.

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 an A.I.-powered digital banking platform that seeks to make financial health effortless for anyone. Driven by a mission to provide inclusive and affordable financial services, Oportun helps its over 1.8 million hardworking members meet their daily borrowing, savings, banking, and investing needs. Since inception, Oportun has provided more than $14 billion in responsible and affordable credit, saved its members more than $2.3 billion in interest and fees, and automatically helped members set aside more than $8.1 billion for rainy days and other needs. In recognition of its responsibly designed products, Oportun has been certified as a Community Development Financial Institution (CDFI) since 2009.

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, achievement of our strategic priorities, our future growth opportunities, anticipated benefits to our service offerings to be realized from our acquisition of Digit and our third quarter and revised 2022 full year outlook, 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 impact of COVID-19 on our business and the economy as a whole; Oportun's future financial performance, including aggregate originations; 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 market share and enter into new markets; Oportun's ability to expand its member base; 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 our information technology systems or those of our third-party vendors or service providers; Oportun's ability to successfully offer loans in additional states; 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
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except share and per share data, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Revenue				
Interest income	$ 207.7	$ 128.6	$ 399.9	$ 255.8
Non-interest income	18.1	9.7	40.6	17.8
Total revenue	**225.8**	**138.3**	**440.5**	**273.6**
Less:				
Interest expense	17.1	12.2	30.8	25.7
Net decrease in fair value	(63.5)	(5.9)	(59.5)	(17.5)
Net revenue	**145.2**	**120.2**	**350.2**	**230.4**
Operating expenses:				
Technology and facilities	52.8	33.1	102.0	66.0
Sales and marketing	32.4	23.7	66.9	47.6
Personnel	38.6	28.5	74.6	55.4
Outsourcing and professional fees	17.2	14.8	31.5	27.4
General, administrative and other	16.9	10.2	30.3	20.2
Total operating expenses	**157.9**	**110.4**	**305.2**	**216.7**
Income before taxes	**(12.7)**	**9.8**	**45.0**	**13.8**
Income tax expense (benefit)	(3.5)	2.6	8.5	3.5
Net income (loss)	**$ (9.2)**	**$ 7.2**	**$ 36.5**	**$ 10.3**

Diluted Earnings per Common Share	$ (0.28)	$ 0.24	$ 1.10	$ 0.34
Diluted Weighted Average Common Shares	32,831,499	30,050,847	33,241,681	29,836,089

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

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

	June 30, 2022	December 31, 2021
Assets		
Cash and cash equivalents	$ 66.7	$ 131.0
Restricted cash	67.1	62.0
Loans receivable at fair value	2,854.6	2,386.8
Interest and fees receivable, net	27.7	20.9
Capitalized software and other intangibles	136.9	131.2
Goodwill	104.2	104.0
Right of use assets - operating	33.5	38.4
Other assets	59.2	72.3
Total assets	$ 3,350.0	$ 2,946.6
Liabilities and stockholders' equity		
Liabilities		
Secured financing	$ 505.7	$ 393.9
Asset-backed notes at fair value	1,935.8	1,651.7
Acquisition financing	114.0	114.1
Lease liabilities	42.4	47.7
Other liabilities	103.9	135.4
Total liabilities	2,701.8	2,342.7
Stockholders' equity		
Common stock	—	—
Common stock, additional paid-in capital	534.1	526.3
Retained earnings	120.4	83.8
Treasury stock	(6.3)	(6.3)
Total stockholders’ equity	648.2	603.9
Total liabilities and stockholders' equity	$ 3,350.0	$ 2,946.6

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 June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Cash flows from operating activities				
Net income	$ (9.2)	$ 7.2	$ 36.5	$ 10.3
Adjustments for non-cash items	75.9	22.4	99.2	55.4
Proceeds from sale of loans in excess of originations of loans sold and held for sale	(0.1)	4.5	6.1	9.5
Changes in balances of operating assets and liabilities	(13.5)	1.5	(50.2)	(21.3)
Net cash provided by operating activities	53.1	35.7	91.6	53.8
Cash flows from investing activities				
Net loan principal repayments (loan originations)	(503.7)	(58.7)	(859.5)	(43.2)
Proceeds from loan sales originated as held for investment	2.2	—	247.2	—
Capitalization of system development costs	(12.9)	(6.5)	(23.6)	(12.1)
Other, net	(1.1)	(1.0)	(2.1)	(1.8)
Net cash used in investing activities	(515.5)	(66.1)	(638.0)	(57.2)
Cash flows from financing activities				
Borrowings	1,037.0	645.7	1,736.0	1,017.5
Repayments	(611.0)	(440.2)	(1,241.4)	(822.0)
Net stock-based activities	(0.2)	(0.3)	(7.3)	(2.8)
Net cash provided by financing activities	425.7	205.2	487.3	192.7
Net increase (decrease) in cash and cash equivalents and restricted cash	(36.7)	174.8	(59.1)	189.4
Cash and cash equivalents and restricted cash beginning of period	170.6	183.2	193.0	168.6

Cash and cash equivalents and restricted cash end of period	$ 133.9	$ 358.0	$ 133.9	$ 358.0

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

Oportun Financial Corporation
CONSOLIDATED KEY PERFORMANCE METRICS
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Members[(1)] (Actuals)	1,818,588	684,843	1,818,588	684,843
Products[(1)] (Actuals)	1,928,261	684,843	1,928,261	684,843
Aggregate Originations (Millions)	$ 878.2	$ 433.0	$ 1,678.3	$ 768.3
30+ Day Delinquency Rate (%)	4.3%	2.5%	4.3%	2.5%
Annualized Net Charge-Off Rate (%)	8.6%	6.4%	8.6%	7.5%
Return on Equity (%)	(5.7)%	6.1%	11.8%	4.4%
Adjusted Return on Equity (%)	2.3%	14.2%	18.2%	12.4%

Oportun Financial Corporation
OTHER METRICS
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Managed Principal Balance at End of Period (Millions)	$ 3,243.4	$ 1,872.8	$ 3,243.4	$ 1,872.8
Owned Principal Balance at End of Period (Millions)	$ 2,792.2	$ 1,630.6	$ 2,792.2	$ 1,630.6
Average Daily Principal Balance (Millions)	$ 2,577.2	$ 1,596.3	$ 2,495.5	$ 1,610.5

[(1)] The 684,843 Members and Products reported as of June 30, 2021 reflect our previously defined and disclosed "Active Customer" metric. Products presented as of June 30, 2021 represents one product per member as we did not have members with multiple products at that time. Effective January 1, 2022, Active Customers is no longer a Key Financial and

Operating Metric.

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

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

The press release dated August 8, 2022 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 GAAP. These non-GAAP financial measures Adjusted EBITDA, Adjusted Net Income, Adjusted Operating Efficiency, Adjusted Operating Expense, 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.

Adjusted EBITDA
The Company defines Adjusted EBITDA as net income, 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, 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 a litigation reserve, its retail network optimization plan, impairment charges and acquisition and integration related expenses, because it does not believe that these items reflect ongoing business operations.
- The Company also reverses origination fees for Loans Receivable at Fair Value, 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
The Company defines Adjusted Net Income as net income 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 a litigation reserve, its retail network optimization plan, impairment charges and acquisition and integration related expenses, because it does not believe that these items reflect its ongoing business operations.
- The Company believes it is useful to exclude stock-based compensation expense because it is a non-cash charge.

Adjusted Operating Efficiency and Adjusted Operating Expense
The Company defines Adjusted Operating Efficiency as Adjusted Operating Expense divided by total revenue. The Company defines Adjusted Operating Expense as total operating expenses adjusted to exclude stock-based compensation expense and certain non-recurring charges, such as a litigation reserve, retail network optimization expenses, impairment charges and acquisition and integration related expenses. The Company believes Adjusted Operating Efficiency is an important measure because it allows management, investors and Oportun's board of directors to evaluate how efficiently the Company is managing costs relative to revenue. The Company believes Adjusted Operating Expense is an important measure because it allows management, investors and Oportun's board of directors to evaluate and compare its operating costs from period to period, excluding the impact of non-cash, stock-based compensation expense and certain non-recurring charges.

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. The Company believes Adjusted ROE is an important measure because it allows management, investors and its board of directors to evaluate the profitability of the business in relation to its stockholders' equity and how efficiently it generates income from stockholders' equity.

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 June 30,		Six Months Ended June 30,	
Adjusted EBITDA	**2022**	**2021**	**2022**	**2021**
Net income (loss)	**$ (9.2)**	**$ 7.2**	**$ 36.5**	**$ 10.3**
Adjustments:				
Income tax expense (benefit)	(3.5)	2.6	8.5	3.5
Depreciation and amortization	8.8	6.0	16.1	11.3
Impairment	—	3.3	—	3.3
Stock-based compensation expense	6.9	5.4	13.7	10.5
Litigation reserve	2.5	—	2.8	—
Retail network optimization expenses, net	1.5	4.9	1.7	12.7
Acquisition and integration related expenses	6.9	—	14.2	—
Origination fees for Loans Receivable at Fair Value, net	(6.7)	(5.3)	(11.4)	(6.7)
Fair value mark-to-market adjustment	(11.7)	(19.6)	(52.7)	(42.6)
Adjusted EBITDA	**$ (4.5)**	**$ 4.5**	**$ 29.4**	**$ 2.2**

	Three Months Ended June 30,		Six Months Ended June 30,	
Adjusted Net Income	**2022**	**2021**	**2022**	**2021**
Net income (loss)	**$ (9.2)**	**$ 7.2**	**$ 36.5**	**$ 10.3**
Adjustments:				
Income tax expense (benefit)	(3.5)	2.6	8.5	3.5
Impairment	—	3.3	—	3.3
Stock-based compensation expense	6.9	5.4	13.7	10.5
Litigation reserve	2.5	—	2.8	—
Retail network optimization expenses, net	1.5	4.9	1.7	12.7
Acquisition and integration related expenses	6.9	—	14.2	—
Adjusted income before taxes	**5.1**	**23.4**	**77.4**	**40.2**

Normalized income tax expense	1.4	6.4	20.9	11.0
Adjusted Net Income	**$ 3.8**	**$ 17.0**	**$ 56.5**	**$ 29.2**

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
Adjusted Operating Efficiency	**2022**	**2021**	**2022**	**2021**
Operating Efficiency	69.9%	79.8%	69.3%	79.2%
Total Revenue	**$ 225.8**	**$ 138.3**	**$ 440.5**	**$ 273.6**
Total Operating Expense	**$ 157.9**	**$ 110.4**	**$ 305.2**	**$ 216.7**
Adjustments:				
Impairment	—	(3.3)	—	(3.3)
Stock-based compensation expense	(6.9)	(5.4)	(13.7)	(10.5)
Litigation reserve	(2.5)	—	(2.8)	—
Retail network optimization expenses, net	(1.5)	(4.9)	(1.7)	(12.7)
Acquisition and integration related expenses	(6.9)	—	(14.2)	—
Total Adjusted Operating Expense	**$ 140.1**	**$ 96.8**	**$ 272.9**	**$ 190.2**
Adjusted Operating Efficiency	**62.0%**	**70.0%**	**61.9%**	**69.5%**

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

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

GAAP Earnings per Share	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Net income (loss)	$ (9.2)	$ 7.2	$ 36.5	$ 10.3
Net income (loss) attributable to common stockholders	$ (9.2)	$ 7.2	$ 36.5	$ 10.3
Basic weighted-average common shares outstanding	32,831,499	28,004,699	32,525,768	27,888,029
Weighted average effect of dilutive securities:				
Stock options	—	1,327,358	453,695	1,301,088
Restricted stock units	—	718,790	262,218	646,972
Diluted weighted-average common shares outstanding	32,831,499	30,050,847	33,241,681	29,836,089
Earnings (loss) per share:				
Basic	$ (0.28)	$ 0.26	$ 1.12	$ 0.37
Diluted	$ (0.28)	$ 0.24	$ 1.10	$ 0.34

Adjusted Earnings Per Share	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Diluted earnings (loss) per share	$ (0.28)	$ 0.24	$ 1.10	$ 0.34
Adjusted Net Income	$ 3.8	$ 17.0	$ 56.5	$ 29.2
Basic weighted-average common shares outstanding	32,831,499	28,004,699	32,525,768	27,888,029
Weighted average effect of dilutive securities:				
Stock options	—	1,327,358	453,695	1,301,088
Restricted stock units	—	718,790	262,218	646,972
Diluted adjusted weighted-average common shares outstanding	32,831,499	30,050,847	33,241,681	29,836,089
Adjusted Earnings Per Share	$ 0.11	$ 0.56	$ 1.70	$ 0.98

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

RECONCILIATION OF FORWARD LOOKING NON-GAAP FINANCIAL MEASURES
(in millions, except share and per share data, unaudited)

	3Q 2022		FY 2022	
	Low	**High**	**Low**	**High**
Adjusted Net Income				
Net income (loss)	**$ (14.3)**	**$ (12.7)**	**$ (1.0)**	**3.4**
Adjustments:				
Income tax expense (benefit)	(5.3)	(4.7)	(5.3)	(3.7)
Stock-based compensation expense	7.6	7.9	29.1	29.7
Litigation reserve	—	—	2.8	2.8
Acquisition and integration related expenses	6.5	6.7	27.5	27.8
Retail network optimization expenses, net	—	—	1.7	1.7
Adjusted income (loss) before taxes	**(5.5)**	**(2.8)**	**54.8**	**61.7**
Normalized income tax expense (benefit)	(1.5)	(0.8)	14.8	16.7
Adjusted Net Income (loss) [(1)]	**$ (4.0)**	**$ (2.0)**	**$ 40.0**	**$ 45.0**
Forecasted diluted weighted-average shares outstanding used to calculate Adjusted EPS	33.3	33.3	33.5	33.5
Adjusted EPS	**$ (0.12)**	**$ (0.06)**	**$ 1.19**	**$ 1.34**

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

(1) Management's guidance assumes the following for 3Q 2022 and FY 2022, respectively:

With respect to 3Q 2022, for loans which are projected to have a weighted average life of 0.92 years, the Company is assuming a September 30, 2022 interpolated benchmark rate of 3.37%, based on the forward rates from July 15, 2022. For notes which have original terms of 1 to 3 years, the Company interpolates between the forward benchmark rates. The Company is assuming a September 30, 2022 interpolated benchmark rate of 3.03%, based on the forward rates from July 15, 2022.

With respect to FY 2022, for loans which are projected to have a weighted average life of 0.92 years, the Company is assuming a December 31, 2022 interpolated benchmark rate of 3.34%, based on the forward rates from July 15, 2022. For notes, which have original terms of 1 to 3 years, the Company interpolates between the forward benchmark rates. The Company is assuming a December 31, 2022 interpolated benchmark rate of 3.02%, based on the forward rates from July 15, 2022.

Source: Oportun Financial Corporation