UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

May 9, 2024
Date of Report (date of earliest event reported)

OPORTUN FINANCIAL CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Commission File Number 001-39050

Delaware	45-3361983
State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification No.
2 Circle Star Way San Carlos, CA	94070
Address of Principal Executive Offices	Zip Code

(650) 810-8823
Registrant's Telephone Number, Including Area Code

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value per share	OPRT	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition

On May 9, 2024, Oportun Financial Corporation (the "Company") issued a press release regarding the Company's financial results for its fiscal quarter ended March 31, 2024. A copy of the Company's press release is furnished as Exhibit 99.1 to this report.

The information in this report, including Exhibit 99.1 attached hereto, is being furnished and shall not be treated as "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor shall it be deemed incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act regardless of any general incorporation language in such filing, except as expressly stated by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	
99.1	Press Release dated May 9, 2024
104	Cover Page Interactive Data File embedded within the Inline XBRL document

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OPORTUN FINANCIAL CORPORATION
(Registrant)

Date: May 9, 2024	By: /s/ Jonathan Coblentz
	Jonathan Coblentz
	Chief Financial Officer and Chief Administrative Officer
	(Principal Financial Officer)

Oportun Reports First Quarter 2024 Financial Results

Strong performance versus guidance

Total operating expenses declined 15% sequentially and 25% year-over-year

GAAP net loss sharply reduced by $76M year-over-year, returned to adjusted profitability

Additional $150M whole loan sale agreement executed in May

Raising full year 2024 Total Revenue and Adjusted EBITDA guidance

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SAN CARLOS, CA – May 9, 2024 – Oportun Financial Corporation (Nasdaq: OPRT) (“Oportun”, or the "Company") today reported financial results for the first quarter ended March 31, 2024.

"Our first quarter results reflect an important first step in our 2024 business recovery, as we sharply reduced our prior-year GAAP operating loss by $76 million while returning to adjusted profitability," said Raul Vazquez, CEO of Oportun. "Our cost reduction efforts continue to be highly effective, resulting in a 15% sequential and 25% year-over-year decline in operating expenses, while our top line remained resilient as we maintained a tightened credit posture. Outperforming the higher-end of our Total Revenue and Adjusted EBITDA guidance ranges, we expect further operational improvement throughout the remainder of the year. We are raising our full-year 2024 guidance, with our Adjusted EBITDA revision at the midpoint reflecting a 31% uplift and approximately 350% year-over-year growth. We are also reaffirming our expectation to be Adjusted Net Income profitable this year."

First Quarter 2024 Results

Metric	GAAP		Adjusted[1]	
	1Q24	1Q23	1Q24	1Q23[2]
Total revenue	$250	$260		
Net income (loss)	$(26)	$(102)	$3.6	($58)
Diluted EPS	$(0.68)	$(3.00)	$0.09	$(1.70)
Adjusted EBITDA			$1.9	$(20)

Dollars in millions, except per share amounts.

[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 1Q24, we updated our calculations of Adjusted EBITDA and Adjusted Net Income (Loss). Prior periods presented here have been updated to reflect the prior period numbers on a comparable basis. See Appendix for non-GAAP reconciliation to the most comparable GAAP measure.

Business Highlights

- Aggregate Originations were $338 million, compared to $408 million in prior-year quarter
- Portfolio Yield was 32.5%, an increase of 113 basis points compared to the prior-year quarter
- Managed Principal Balance at End of Period was $3.0 billion, compared to $3.3 billion in the prior-year quarter
- Annualized Net Charge-Off Rate of 12.0% as compared to 12.1% for the prior-year quarter and 12.3% in the prior quarter
- 30+ Day Delinquency Rate of 5.2% as compared to 5.5% for the prior-year quarter and 5.9% in the prior quarter

Financial and Operating Results

All figures are as of or for the quarter ended March 31, 2024, unless otherwise noted.

Operational Drivers

Originations – Aggregate Originations for the first quarter were $338 million, a decrease of 17% as compared to $408 million in the prior-year quarter. The decrease was primarily driven by a decrease in average loan size under a tightened credit posture from $4,075 to $2,918.

Portfolio Yield - Portfolio Yield as of the end of the first quarter was 32.5%, an increase of 113 basis points as compared to 31.4% at the end of the prior-year quarter, primarily attributable to higher fees on loans.

Financial Results

Revenue – Total revenue for the first quarter was $250 million, a decrease of 3% as compared to $260 million in the prior-year quarter. The decrease was primarily attributable to a $218 million decrease in our Average Daily Principal Balance partially offset by an increase in portfolio yield. Net revenue for the first quarter was $79 million, compared to net revenue of $4.8 million in the prior-year quarter due to a favorable net change in fair value and lower charge-offs, partially offset by an increase in interest expense.

Operating Expense and Adjusted Operating Expense[1] – For the first quarter, total operating expense was $110 million, a decrease of 25% as compared to $146 million in the prior-year quarter. The decrease is attributable to a combined set of initiatives announced in 2023 and 2024. The Company remains on track to reduce its operating expenses to $97.5 million or below by the fourth quarter of 2024. Adjusted Operating Expense, which excludes stock-based compensation expense and certain non-recurring charges, decreased 23% year-over-year to $102 million.

Net Income (Loss) and Adjusted Net Income (Loss)[1] – Net loss was $26 million as compared to a net loss of $102 million in the prior-year quarter. The improvement was attributable to favorable net change in fair value and a combined set of initiatives in 2023 to reduce expenses. Adjusted Net Income was $3.6 million as compared to Adjusted Net Loss of $58 million in the prior-year quarter. The increase in Adjusted Net Income was attributable to the aforementioned expense reduction initiatives, along with current period mark-to-market increases in our loan portfolio and reduced credit losses.

Earnings (Loss) Per Share and Adjusted EPS[1] – GAAP net loss per share, basic and diluted, were both $0.68 during the first quarter, compared to GAAP net loss per share, basic and diluted of $3.00 in the prior-year quarter. Adjusted Earnings Per Share was $0.09 as compared to $(1.70) in the prior-year quarter.

Adjusted EBITDA[1] – Adjusted EBITDA was $1.9 million, up from a $20 million loss in the prior-year quarter, driven by a expense reduction initiatives and lower net charge-offs, partially offset by higher interest expense.

Credit and Operating Metrics

Net Charge-Off Rate – The Annualized Net Charge-Off Rate for the quarter was 12.0%, compared to 12.1% for the prior-year quarter. Net Charge-offs for the quarter were down to $85 million, compared to $92 million for the prior-year quarter.

30+ Day Delinquency Rate – The Company's 30+ Day Delinquency Rate was 5.2% at the end of the quarter, compared to 5.5% at the end of the prior-year quarter and 5.9% in prior-quarter.

Operating Efficiency and Adjusted Operating Efficiency[1] – Operating Efficiency for the quarter was 44% as compared to 56% in the prior-year quarter, a 1,262 basis point improvement. Adjusted Operating Efficiency for the first quarter was 41%, as compared to 51% in the prior-year quarter, 1,054 basis point improvement. Adjusted Operating Efficiency excludes stock-based compensation expense and certain non-recurring charges, such as the Company's workforce optimization expenses. The improvement in Operating Efficiency is primarily attributable to the decrease in operating expenses partially offset by a decrease in Total Revenues. Adjusted Operating Efficiency reflects the Company's focus on its discipline to reduce operating expenses.

Return On Equity ("ROE") and Adjusted ROE[1] – ROE for the quarter was (27)%, as compared to (82)% in the prior-year quarter. The improvement is attributable to an improvement in net loss. Adjusted ROE for the quarter was 4%, as compared to (47)% in the prior-year quarter.

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[1] Beginning 1Q24, we updated our calculations of Adjusted EBITDA, Adjusted Net Income (Loss) and Adjusted Operating Efficiency. To align with these updated calculations we also updated Adjusted Operating Efficiency, Adjusted EPS and Adjusted Return on Equity. Prior periods presented here have been updated to reflect the prior period numbers on a comparable basis. See Appendix for non-GAAP reconciliation to the most comparable GAAP measure.

Other Products

Secured personal loans – As of March 31, 2024, the Company had a secured personal loan receivables balance of $110 million, down 12% from $124 million at the end of the first quarter 2023. The Company paused originations in four states during 2023 while rebalancing priorities. Oportun intends to prudently expand in secured personal loans during 2024 and reintroduced the product in Texas and Florida during the first quarter, with Arizona and New Jersey following in May.

Credit card receivables – As of March 31, 2024, the Company had a credit card receivables balance of $100 million, down 17% from $120 million at the end of the first quarter 2023.

Funding and Liquidity

As of March 31, 2024, total cash was $197 million, consisting of cash and cash equivalents of $69 million and restricted cash of $127 million. Cost of Debt and Debt-to-Equity were 7.5% and 7.3x, respectively, for and at the end of the first quarter 2024 as compared to 5.2% and 6.4x, respectively, for and at the end of the prior-year quarter. As of March 31, 2024, the Company had $591 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 March 31, 2024, the Company had $16 million of undrawn capacity on its existing $80 million credit card warehouse line. The Company's credit card warehouse line is committed through December 2024.

Financial Outlook for Second Quarter and Full Year 2024

Oportun is providing the following guidance for 2Q 2024 and full year 2024 as follows:

	2Q 2024	Full Year 2024
Total Revenue	$245 - $250M	$985 - $1,010M
Annualized Net Charge-Off Rate	12.4% +/- 15 bps	11.9% +/- 50 bps
Adjusted EBITDA[1]	$14 - $17M	$80 - $90M

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

Conference Call

As previously announced, Oportun's management will host a conference call to discuss first quarter 2024 results at 5:00 p.m. ET (2:00 p.m. PT) today. A live webcast of the call will be accessible from the Investor Relations page of Oportun's website at https://investor.oportun.com. The dial-in number for the conference call is 1-866-604-1698 (toll-free) or 1-201-389-0844 (international). Participants should call in 10 minutes prior to the scheduled start time. 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, Adjusted Operating Expense and Adjusted ROE, 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 mission-driven fintech that puts its 2.3 million members' financial goals within reach. With intelligent borrowing, savings, and budgeting capabilities, Oportun empowers members with the confidence to build a better financial future. Since inception, Oportun has provided more than $18.2 billion in responsible and affordable credit, saved its members more than $2.4 billion in interest and fees, and helped its members save an average of more than $1,800 annually. For more information, visit Oportun.com.

Forward-Looking Statements

This press release contains forward-looking statements. 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. All statements other than statements of historical fact contained in this press release, 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; achievement of the Company's strategic priorities and goals; the Company's expectations regarding macroeconomic conditions; the Company's profitability and future growth opportunities; the effect of fair value mark-to-market adjustments on the Company's loan portfolio and asset-backed notes; the Company's second quarter and full year 2024 outlook; the Company's expectations related to future profitability on an adjusted basis, and the plans and objectives of management for our future operations, are forward-looking statements. These statements can be generally identified by terms such as "expect," "plan," "goal," "target," "anticipate," "assume," "predict," "project," "outlook," "continue," "due," "may," "believe," "seek," 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 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. 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. 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 include, but are not limited to, Oportun's ability to retain existing members and attract new members; Oportun's ability to accurately predict demand for, and develop its financial products and services; the effectiveness of Oportun's A.I. model; macroeconomic conditions, including rising inflation and market interest rates; increases in loan non-payments, delinquencies and charge-offs; 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; 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 other companies that are currently in, or may in the future enter, its 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. These 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 March 31,	
	2024	**2023**
Revenue		
Interest income	$ 230.6	$ 237.6
Non-interest income	19.9	21.9
Total revenue	**250.5**	**259.5**
Less:		
Interest expense	54.5	39.0
Net decrease in fair value	(116.9)	(215.7)
Net revenue	**79.2**	**4.8**
Operating expenses:		
Technology and facilities	47.1	56.9
Sales and marketing	16.0	19.2
Personnel	24.5	37.3
Outsourcing and professional fees	10.2	13.8
General, administrative and other	11.8	19.2
Total operating expenses	**109.6**	**146.3**
Income (loss) before taxes	**(30.5)**	**(141.5)**
Income tax benefit	(4.0)	(39.4)
Net loss	**$ (26.4)**	**$ (102.1)**
Diluted Earnings (Loss) per Common Share	$ (0.68)	$ (3.00)
Diluted Weighted Average Common Shares	38,900,876	33,979,050

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

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

	March 31, 2024	December 31, 2023
Assets		
Cash and cash equivalents	$ 69.2	$ 91.2
Restricted cash	127.4	114.8
Loans receivable at fair value	2,841.5	2,962.4
Capitalized software and other intangibles	106.4	114.7
Right of use assets - operating	18.9	21.1
Other assets	114.1	107.7
Total assets	$ 3,277.5	$ 3,411.9
Liabilities and stockholders' equity		
Liabilities		
Secured financing	$ 72.1	$ 290.0
Asset-backed notes at fair value	1,701.9	1,780.0
Asset-backed borrowings at amortized cost	787.5	581.5
Acquisition and corporate financing	243.4	258.7
Lease liabilities	25.5	28.4
Other liabilities	65.2	68.9
Total liabilities	2,895.5	3,007.5
Stockholders' equity		
Common stock	—	—
Common stock, additional paid-in capital	588.6	584.6
Retained deficit	(200.3)	(173.8)
Treasury stock	(6.3)	(6.3)
Total stockholders’ equity	382.0	404.4
Total liabilities and stockholders' equity	$ 3,277.5	$ 3,411.9

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,	
	2024	**2023**
Cash flows from operating activities		
Net loss	$ (26.4)	$ (102.1)
Adjustments for non-cash items	128.2	193.3
Proceeds from sale of loans in excess of originations of loans sold and held for sale	1.1	1.1
Changes in balances of operating assets and liabilities	(17.0)	(15.5)
Net cash provided by operating activities	85.9	76.8
Cash flows from investing activities		
Net loan principal repayments (loan originations)	38.3	(28.2)
Proceeds from loan sales originated as held for investment	1.4	1.0
Capitalization of system development costs	(3.1)	(11.7)
Other, net	(0.1)	(0.8)
Net cash provided by (used in) investing activities	36.5	(39.6)
Cash flows from financing activities		
Borrowings	260.3	112.3
Repayments	(391.8)	(150.0)
Net stock-based activities	(0.2)	(1.4)
Net cash used in financing activities	(131.8)	(39.1)
Net increase (decrease) in cash and cash equivalents and restricted cash	(9.5)	(1.9)
Cash and cash equivalents and restricted cash beginning of period	206.0	203.8
Cash and cash equivalents and restricted cash end of period	$ 196.6	$ 201.9

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

Oportun Financial Corporation
CONSOLIDATED KEY PERFORMANCE METRICS
(unaudited)

	Three Months Ended March 31,	
	2024	2023
Aggregate Originations (Millions)	$ 338.2	$ 408.0
Portfolio Yield (%)	32.5 %	31.4 %
30+ Day Delinquency Rate (%)	5.2 %	5.5 %
Annualized Net Charge-Off Rate (%)	12.0 %	12.1 %

Oportun Financial Corporation
OTHER METRICS
(unaudited)

	Three Months Ended March 31,	
	2024	2023
Managed Principal Balance at End of Period (Millions)	$ 3,027.5	$ 3,281.9
Owned Principal Balance at End of Period (Millions)	$ 2,752.4	$ 3,005.0
Average Daily Principal Balance (Millions)	$ 2,851.7	$ 3,069.9

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

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

This press release dated May 9, 2024 contains non-GAAP financial measures. The following tables reconcile the non-GAAP financial measures in this press release to the most directly comparable financial measures prepared in accordance with GAAP.

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.

As previously announced on March 12, 2024, beginning with the quarter ended March 31, 2024 the Company has updated it's calculation of Adjusted EBITDA and Adjusted Net Income for all periods. To align with these updated calculations we also updated Adjusted Operating Efficiency, Adjusted EPS and Adjusted Return on Equity. Comparable prior period Non-GAAP financial measures are included in addition to the previously reported metrics.

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 believes it is useful to exclude the impact of interest expense associated with the Company's corporate financing facilities, including the senior secured term loan and the residual financing facility, as it views this expense as related to its capital structure rather than its funding.
- The Company excludes the impact of certain non-recurring charges, such as expenses associated with our workforce optimization, and other non-recurring charges because it does not believe that these items reflect ongoing business operations. Other non-recurring charges include litigation reserve, impairment charges, debt amendment and warrant amortization costs related to our corporate financing facilities.
- The Company also excludes fair value mark-to-market adjustments on its loans receivable portfolio and asset-backed notes carried at fair value because these adjustments do not impact cash.

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 the Company'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 our workforce optimization, and other non-recurring charges because it does not believe that these items reflect its

ongoing business operations. Other non-recurring charges include litigation reserve, impairment charges, debt amendment and warrant amortization costs related to our corporate financing facilities.

- The Company believes it is useful to exclude stock-based compensation expense because it is a non-cash charge.
- The Company also excludes the fair value mark-to-market adjustment on its asset-backed notes carried at fair value to align with the 2023 accounting policy decision to account for new debt financings at amortized cost.

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 expenses associated with our workforce optimization, and other non-recurring charges. Other non-recurring charges include litigation reserve, impairment charges, and debt amendment costs related to our Corporate Financing facility. 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 March 31,	
Adjusted EBITDA	**2024**	**2023**
Net income (Loss)	**$ (26.4)**	**$ (102.1)**
Adjustments:		
Income tax benefit	(4.0)	(39.4)
Interest on corporate financing [1]	13.9	9.8
Depreciation and amortization	13.2	13.4
Stock-based compensation expense	4.0	4.5
Workforce optimization expenses	0.8	6.8
Other non-recurring charges [1]	3.5	2.3
Fair value mark-to-market adjustment	(3.0)	84.5
Adjusted EBITDA[2]	**$ 1.9**	**$ (20.2)**

	Three Months Ended March 31,	
Adjusted Net Income	**2024**	**2023**
Net income (Loss)	**$ (26.4)**	**$ (102.1)**
Adjustments:		
Income tax benefit	(4.0)	(39.4)
Stock-based compensation expense	4.0	4.5
Workforce optimization expenses	0.8	6.8
Other non-recurring charges [1]	3.5	2.3
Mark-to-market adjustment on ABS notes	27.1	48.9
Adjusted income before taxes	**5.0**	**(79.0)**
Normalized income tax expense	1.3	(21.3)
Adjusted Net Income (Loss) [3]	**$ 3.6**	**$ (57.7)**
Stockholders' equity	$ 382.0	$ 456.1
Adjusted ROE (%) [4]	**3.7 %**	**(46.6)%**

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

[1] Certain prior-period financial information has been reclassified to conform to current period presentation.

[2] Our calculation of Adjusted EBITDA was updated in Q1 2024 to more closely align with management's internal view of the performance of the business. The Q1 2023 value for Adjusted EBITDA shown in the table above has been revised and presented on a comparable basis. Prior to these revisions the Q1 2023 value would have been $(24.5) million.

[3] Our calculation of Adjusted Net Income (Loss) was updated in Q1 2024 to more closely align with management's internal view of the performance of the business. The Q1 2023 value for Adjusted Net Income (Loss) shown in the table above has been revised and presented on a comparable basis. Prior to these revisions the Q1 2023 value would have been $(88.3) million.

[4] Calculated as Adjusted Net Income (Loss) divided by average stockholders' equity. ROE has been annualized. Due to the Adjusted Net Income (Loss) revisions in Q1 2024, the Q1 2023 Adjusted ROE value would have been (71.3)%.

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

	Three Months Ended March 31,	
djusted Operating Efficiency	**2024**	**2023**
perating Efficiency	43.8 %	56.4 %
otal Revenue	**$ 250.5**	**$ 259.5**
otal Operating Expense	**$ 109.6**	**$ 146.3**
djustments:		
Stock-based compensation expense	(4.0)	(4.5)
Workforce optimization expenses	(0.8)	(6.8)
Other non-recurring charges [1]	(3.1)	(2.3)
otal Adjusted Operating Expense	**$ 101.7**	**$ 132.7**
djusted Operating Efficiency[2]	**40.6 %**	**51.1 %**

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

[1] Certain prior-period financial information has been reclassified to conform to current period presentation.

[2] Our calculation of Adjusted Net Income (Loss) was updated in Q1 2024 to more closely align with management's internal view of the performance of the business. We have removed the adjustment related to acquisition and integration related expenses from our calculation of Adjusted Operating Efficiency to maintain consistency with the revised Adjusted EBITDA and Adjusted Net Income (Loss) calculations. The Q1 2023 value for Adjusted Operating Efficiency shown in the table above has been revised and presented on a comparable basis. Prior to these revisions the Q1 2023 value would have been 48.5%.

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	**2024**	**2023**
Net income (loss)	$ (26.4)	$ (102.1)
Net income (loss) attributable to common stockholders	$ (26.4)	$ (102.1)
Basic weighted-average common shares outstanding	38,900,876	33,979,050
Weighted average effect of dilutive securities:		
Stock options	—	—
Restricted stock units	—	—
Diluted weighted-average common shares outstanding	38,900,876	33,979,050
Earnings (loss) per share:		
Basic	$ (0.68)	$ (3.00)
Diluted	$ (0.68)	$ (3.00)

	Three Months Ended March 31,	
Adjusted Earnings (loss) Per Share	**2024**	**2023**
Diluted earnings (loss) per share	$ (0.68)	$ (3.00)
Adjusted Net Income	$ 3.6	$ (57.7)
Basic weighted-average common shares outstanding	38,900,876	33,979,050
Weighted average effect of dilutive securities:		
Stock options	—	—
Restricted stock units	435,763	—
Diluted adjusted weighted-average common shares outstanding	39,336,639	33,979,050
Adjusted Earnings (loss) Per Share [1]	**$ 0.09**	**$ (1.70)**

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

[1] Our calculation of Adjusted Net Income (Loss) was updated in Q1 2024 to more closely align with management's internal view of the performance of the business. The Q1 2023 value for Adjusted EPS shown in the table above has been revised and presented on a comparable basis. Prior to these revisions the Q1 2023 value would have been $(2.60).

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

	2Q 2024		FY 2024	
	Low	High	Low	High
Adjusted EBITDA				
Net (loss)*	$ (13.6) *	$ (11.3) *	$ (36.6) *	$ (28.2) *
Adjustments:				
Income tax expense (benefit)	(3.8)	(3.1)	(9.8)	(7.5)
Interest on corporate financing	13.5	13.5	51.4	51.4
Depreciation and amortization	13.1	13.1	50.9	50.9
Stock-based compensation expense	3.8	3.8	18.1	18.1
Workforce optimization expenses	—	—	0.8	0.8
Other non-recurring charges	1.0	1.0	5.2	4.5
Fair value mark-to-market adjustment*	*	*	*	*
Adjusted EBITDA	**$ 14.0**	**$ 17.0**	**$ 80.0**	**$ 90.0**

* 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.

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