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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from __________ to __________

Commission File Number 001-39050

OPORTUN FINANCIAL CORPORATION

(Exact Name of Registrant as Specified in its Charter)

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
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 if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Smaller reporting company	☒
Accelerated filer	☒	Emerging growth company	☐
Non-accelerated filer	☐		

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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the common stock held by non-affiliates of the registrant, based on the closing price of a share of common stock on June 28, 2024 as reported by the Nasdaq Global Select Market on such date was approximately $72.1 million. Shares of the registrant's common stock held by each executive officer, director and holder of 5% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This calculation does not reflect a determination that certain persons are affiliates of the registrant for any other purpose.

The number of shares of registrant's common stock outstanding as of February 14, 2025 was 36,134,274.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's proxy statement for the 2025 Annual Meeting of Stockholders to be filed subsequently are incorporated by reference into Part III of this Form 10-K.

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Forward-Looking Statements

This Annual Report on Form 10-K, including the documents referenced herein, contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"), concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business operations and financial performance and condition. Any statements contained herein that are not statements of historical facts are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "should," "target," "will," "would," and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. These forward-looking statements include, but are not limited to, statements about:

- our future financial performance, including our expectations regarding our revenue, our operating expenses and our ability to achieve and maintain profitability;
- our ability to increase the volume of loans we make;
- our ability to manage loan non-performance, delinquencies and charge-off rates, and identify high-quality originations;
- our ability to effectively estimate the fair value of our loans receivable held for investment and our asset-backed notes;
- our expectations regarding the effect of and trends in fair value mark-to-market adjustments on our loan portfolio and asset-backed notes;
- our expectations and management of future growth, including expanding our markets served, member base and product and service offerings, and realizing the benefits and synergies from acquisitions;
- our ability to successfully adjust our proprietary credit risk models and products in response to changing macroeconomic conditions and fluctuations in the credit market;
- our ability to successfully manage our interest rate spread against our cost of capital;
- our expectations regarding the sufficiency of our cash to meet our operating and cash expenditures;
- our plans for and our ability to successfully maintain our diversified funding strategy, including warehouse facilities, loan sales and securitization transactions;
- our ability to obtain any additional financing or any refinancing of our debt;
- our expectation regarding the transfer of certain loans receivable;
- our ability to realize the expected benefits from reductions in workforce and other streamlining measures, including our estimate of the changes and expenditures;
- our expectations regarding our costs and seasonality;
- our ability to successfully build our brand and protect our reputation from negative publicity;
- our ability to increase the effectiveness of our marketing efforts;
- our ability to grow market share in existing markets or any new markets we may enter;
- our ability to continue to expand our demographic focus;
- our ability to maintain or expand our relationships with our current partners, including bank partners, and our plans to acquire additional partners using our Lending as a Service model;
- our ability to provide an attractive and comprehensive member experience, and further our position as a financial services company;
- our ability to maintain the terms on which we lend to our borrowers;
- our ability to manage fraud risk, including regulatory intervention and impacts on our brand reputation;
- our ability to develop our technology, including our artificial intelligence ("A.I.") enabled digital platform;
- our ability to effectively secure and maintain the confidentiality of the information provided and utilized across our systems;
- our ability to detect and protect our systems against unauthorized access, use or disclosure of sensitive information;
- our ability to successfully compete with companies that are currently in, or may in the future enter, the markets in which we operate;
- our ability to attract, integrate and retain qualified employees;
- the effect of macroeconomic conditions on our business, including the impact of fluctuating interest rates and inflation;
- our ability to effectively manage and expand the capabilities of our contact centers, outsourcing relationships and other business operations abroad; and
- our ability to successfully adapt to complex and evolving regulatory environments, including managing potential exposure in connection with new and pending investigations, proceedings and other contingencies.

Forward-looking statements are based on our management's current expectations, estimates, forecasts, and projections about our business and the industry in which we operate and on our management's beliefs and assumptions. In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Annual Report on Form 10-K, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate we have conducted exhaustive inquiry into, or review of, all potentially available relevant information. We anticipate that subsequent events and developments may cause our views to change. Forward-looking statements do not guarantee future performance or development and involve known and unknown risks, uncertainties, and other factors that are in some cases beyond our control. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under the heading "Risk Factors" and elsewhere in this report. We also operate in a rapidly changing environment and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in, or implied by, any forward-looking statements. As a result, any or all of our forward-looking statements in this report may turn out to be inaccurate. Furthermore, if the forward-looking statements prove to be inaccurate, the inaccuracy may be material.

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

These forward-looking statements speak only as of the date of this report. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. We qualify all of our forward-looking statements by these cautionary statements.

As used in this report, the terms "Oportun Financial Corporation," "Oportun," "Company," "we," "us," and "our" mean Oportun Financial Corporation and its subsidiaries unless the context indicates otherwise.

Summary of Risk Factors

Investing in our common stock involves a high degree of risk. Our business, financial condition, liquidity results of operations and prospects could be materially and adversely affected by these risks, as well as other risks and uncertainties not currently known to us or that we currently deem immaterial. The market price of our common stock could decline, and you may lose some or all of your investment. See Item 1A. "Risk Factors" in this Annual Report on Form 10-K for a discussion of the following principal risks and other risks that may make an investment in our common stock speculative or risky:

Business, Financial and Operational Risks

- If we do not compete effectively in our target markets, our results of operations could be harmed.
- We may not be able to effectively manage the growth of our business.
- Our business may be adversely affected by disruptions in the credit markets and changes to interest rates on our borrowings.
- We currently rely on Pathward to originate a substantial portion of our loans. If our relationship with Pathward terminates, or if Pathward were to suspend, limit, or cease its operations or loan origination activities for any reason, and we are unable to engage another originating bank partner on a timely basis or at all, our business, results of operations and financial condition would be materially and adversely affected.
- Our results of operations and future prospects depend on our ability to retain existing members and attract new members.
- We have elected the fair value option and we use estimates in determining the fair value of our loans and our asset-backed notes. If our estimates prove incorrect, we may be required to write down the value of these assets or write up the value of these liabilities, which could adversely affect our results of operations.
- Our current level of interest rate spread may decline in the future. Any material reduction in our interest rate spread could adversely affect our results of operations.
- Our results of operations and financial condition and our borrowers' ability to make payments on their loans have been and may be adversely affected by economic conditions and other factors that we cannot control.
- Our risk management efforts may not be effective, which may expose us to market risks that harm our results of operations.
- We may change our corporate strategies or underwriting and servicing practices, which may adversely affect our business.
- We rely extensively on models in managing many aspects of our business. If our models contain errors or are otherwise ineffective, our business could be adversely affected.
- If we are unable to collect payments and service the loans we make to members, our net charge-off rates may exceed expected loss rates, and our business and results of operations may be harmed.
- Our quarterly results are likely to fluctuate significantly and may not fully reflect the underlying performance of our business.
- We are, and intend in the future to continue, developing our financial products and services, and our failure to accurately predict their demand or growth could have an adverse effect on our business.
- The success and growth of our business depends upon our ability to continuously innovate and develop our products and technologies.
- Stockholder activism could disrupt our business, cause us to incur significant expenses, hinder execution of our business strategy, and impact our stock price.
- Negative publicity or public perception of our company or our industry could adversely affect our reputation, business, and results of operations.
- Competition for our highly skilled employees is intense, and we may not be able to attract and retain the employees we need to support the growth of our business.
- If we lose the services of any of our key management personnel, our business could suffer.
- Our success and future growth depend on our branding and marketing efforts.

- Any acquisitions, strategic investments, entries into new businesses, joint ventures, divestitures, and other transactions could fail to achieve strategic objectives, disrupt our ongoing operations or result in operating difficulties, liabilities and expenses, harm our business, and negatively impact our results of operations.
- Fraudulent activity could negatively impact our business, brand and reputation and require us to continue to take steps to reduce fraud risk.
- Security breaches and incidents may harm our reputation, adversely affect our results of operations, and expose us to liability.
- Any significant disruption in our computer systems and critical third-party vendors may impair the availability of our websites, applications, products or services, or otherwise harm our business.
- We are, and intend in the future to continue, expanding into new geographic regions, and our failure to comply with applicable laws or regulations, or accurately predict demand or growth, related to these geographic regions could have an adverse effect on our business.
- We are exposed to geographic concentration risk.
- Our proprietary credit risk models rely in part on the use of third-party data to assess and predict the creditworthiness of our members, and if we lose the ability to license or use such third-party data, or if such third-party data contain inaccuracies, it may harm our results of operations.
- A deterioration in the financial condition of counterparties, including financial institutions, could expose us to credit losses, limit access to liquidity or disrupt our business.
- Our vendor relationships subject us to a variety of risks, and the failure of third parties to comply with legal or regulatory requirements or to provide various services that are important to our operations could have an adverse effect on our business.
- Our mission to provide inclusive, affordable financial services that empower our members to build a better future may conflict with the short-term interests of our stockholders or may not provide the long-term benefits that we expect and may adversely impact our business operations, results of operations, and financial condition.
- If we cannot maintain our corporate culture as we grow, we could lose the innovation, collaboration and focus on the mission that contribute to our business.
- Our international operations involve inherent risks which could result in harm to our business.

Funding and Liquidity Risks

- We have incurred substantial debt and may issue debt securities or otherwise incur substantial debt in the future, which may adversely affect our financial condition and negatively impact our operations.
- A breach of early payment triggers or covenants or other terms of our agreements with lenders could result in an early amortization, default, and/or acceleration of the related funding facilities.
- Our securitizations, warehouse facilities, and structured and whole loan sales may expose us to certain risks, and we can provide no assurance that we will be able to conduct such transactions in the future, which may require us to seek more costly financing.
- We may need to raise additional funds in the future, including through equity, debt, or convertible debt financings, to support business growth and those funds may not be available on acceptable terms, or at all.

Intellectual Property Risks

- It may be difficult and costly to protect our intellectual property rights, and we may not be able to ensure their protection.
- We have been, and may in the future be, sued by third parties for alleged infringement of their proprietary rights.
- Our credit risk models, A.I. capabilities, and internal systems rely on software that is highly technical, and if it contains undetected errors, our business could be adversely affected.
- Some aspects of our business processes include open source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.

Industry and Regulatory Risks

- The financial services industry is highly regulated. Changes in regulations or in the way regulations are applied to our business could adversely affect our business.
- Litigation, regulatory actions and compliance issues could subject us to significant fines, penalties, judgments, remediation costs and/or requirements resulting in increased expenses and reputational harm.
- Internet-based and electronic signature-based loan origination processes may give rise to greater risks than paper-based processes.
- The CFPB has broad authority to regulate consumer financial services, creating uncertainty as to how the agency's actions or the actions of any other new agency could impact our business.
- The collection, storage, use, disclosure, and other processing of personal information is an area of increasing complexity and scrutiny.
- Our business has in the past been subject to the regulatory framework applicable to registered investment advisers, including regulation by the Securities and Exchange Commission (the "SEC").
- Our bank partnership products may lead to regulatory risk and may increase our regulatory burden.
- Anti-money laundering, anti-terrorism financing and economic sanctions laws could have adverse consequences for us.

PART I

Item 1. Business

Company Overview

With intelligent borrowing, savings, and budgeting capabilities, Oportun empowers its members with the confidence to build a better financial future. We design our products to holistically address two of the most fundamental challenges to financial health and resilience - access to responsible and affordable credit, and adequate savings.

Financial Health in America

According to a January 2025 survey by Bankrate, more than half of all Americans do not have enough savings to cover an unplanned expense of $1,000. In 2024, the Financial Health Network ("FHN") reported that more than two-thirds of U.S. households "struggle with spending, saving, borrowing and planning" according to its Financial Health Pulse™ 2024 U.S. Trends Report. When presented with an unexpected expense they cannot postpone, like a car that won't start when one needs to get to work, or a required medical procedure, most people lack adequate savings and will typically require access to credit in order to cover their immediate need.

Serving our Members' Financial Needs

Oportun recognizes that while most everyone will face an unplanned expense or bill of one kind of another, there are more than a hundred million adults in the United States who Oportun estimates would struggle further because they lack access to responsible and affordable credit when they need it. Many of these people are likely to be declined for any kind of loan or credit card from a mainstream financial services provider, like a bank or credit union.

Without access to credit, an unplanned bill of $1,000 or more has the potential to become a life-changing crisis for millions of people. For many of our members, being unable to afford a car repair can lead to them not being able to get to work, which causes loss of income, and perhaps even significant financial insecurity for a family that will struggle to make the most basic of ends meet. This occurs daily across the country.

Our members are among the millions of hardworking Americans who are not well served by mainstream financial products. We take a holistic approach to serving our members and view it as our purpose to responsibly meet their current capital needs, help grow our members' financial profiles, increase their financial awareness and put them on a path to a more financially healthy life. We believe our strong Net Promoter® Score ("NPS") of 76 for our personal loans demonstrates our success in providing our members with effective and easy to use solutions. For Oportun, serving our members means building their financial resiliency and ensuring that trustworthy and hardworking people always have access to responsible and affordable credit that fits their needs.

Our intelligent lending and savings platform is designed to help people, even those who are not well served by mainstream financial institutions, access credit and automate their savings without impacting their ability to meet daily spending needs. By applying artificial intelligence ("A.I.") to automate their financial health through adequate savings and credit when they need it, we believe we can address the very real daily financial needs of millions of people living in the U.S.

Product Overview

Our financial products allow us to meet our members where they are and assist them with their overall financial health.

Consumers can become members and access our products through the Oportun Mobile App, the Oportun.com website, our telesales team, and through our retail locations. Collectively, these are our primary channels for onboarding and serving members. Through these channels, we help potential and current members become aware of our product offerings, in addition to our brand marketing (including online and broadcast media and outdoor advertising, including the presence of our 128 physical retail locations in some of the communities we serve) and direct marketing (including SMS/text, email, mail and offers made available through our Oportun Mobile App).

Credit Products—Since our founding in 2005, we have extended more than $19.7 billion in responsible credit through more than 7.4 million loans and credit cards, and helped over 1.2 million people who came to Oportun without a FICO® score to begin establishing a credit history. According to a study commissioned by us on the credit options available to people with little or no credit history, the Financial Health Network found that Oportun loans are, on average, 7 times less expensive than other options and up to 16 times less expensive as compared to online-only installment products. In addition, the study found that our unsecured personal loan product has helped borrowers save more than $2.4 billion in interest and fees. While many of the people who come to us are not well served by mainstream financial institutions due to limited credit history, we use A.I. and billions of proprietary data points to score 100% of our loan applicants and offer our members responsibly designed and affordable credit products that are often otherwise unavailable to them.

Savings Product—Since 2015, our Set & Save™ product has allowed our members to set aside more than $11.4 billion for rainy days and other purposes, including an average of $1,800 in individual savings per member per year. Oportun uses algorithms that learn the financial habits of our members such as when their paychecks are deposited and for how much, the timing and cost of their recurring monthly expenses like rent and digital subscriptions, along with all the other small and large payments and deposits that are not regularly recurring. Through machine learning, Oportun gets a comprehensive and personalized profile of our members' cash flow and very quickly learns how much a member can afford to set aside each day, without impacting their ongoing obligations and daily spending needs. For our members, saving money becomes effortless and their financial resiliency improves every day, as Oportun does all the hard math, budgeting, and money transferring that present the sort of daily obstacles that inhibit many people from having adequate savings when they most need it. In 2024, Set & Save was ranked the #1 Savings App by Bankrate and a top budget app by Forbes.

Use of Artificial Intelligence

Consistent with our mission of financial inclusion, our application of A.I., specifically machine learning, is designed to address the shortcomings of the modern banking system. Since our inception, we have utilized alternative data sets to rapidly build, test and develop our underwriting, pricing, marketing, fraud and servicing models; and with Set & Save, we offer machine learning capabilities that help members identify the right amount of money to put towards savings each day. We believe this gives us a strong competitive advantage, which along with our lending products, provides us the opportunity to holistically address the two fundamental obstacles to financial resilience: access to responsible and affordable credit when needed and adequate savings.

Through the development and utilization of our sophisticated underwriting models, we can assess credit risk more effectively compared to other companies and traditional scoring models. We ingest billions of data points into our risk model development using traditional (e.g., credit bureau data) and alternative (e.g., transactional information, public records) data. This helps us to score 100% of the applicants who come to us seeking to borrow money, enabling us to serve more people while minimizing risk. In comparison, incumbent financial institutions relying on traditional credit bureau-based—and in some cases qualitative underwriting and/or legacy systems and processes—either decline or inaccurately underwrite loans due to their inability to properly evaluate applicants' credit, and most financial services platforms are focused on borrowers with more established credit histories and higher incomes and are not able to match our ability to effectively manage credit risk among people who may face challenges with their financial health.

In addition to the challenge of capital access, millions of people in the U.S. have a difficult time saving and managing money. Through our Set & Save product, we help our members reach their financial goals and improve their financial health by automating away the guesswork and stress of money management. We meet our members where they are, connecting directly to their checking account to analyze spending and income patterns, regardless of where they bank. We apply algorithms based on generalized principles of responsible finance to this data to make personalized money allocation decisions daily for our members.

The algorithms behind our Set & Save product intelligently utilize the nuances in transaction data to classify income and expenses with a high degree of accuracy. We classify financial obligations, credit, bills, and paychecks based on historical data to forecast a future financial picture for each member. We employ continuous learning to update these models with the most recent financial data, so we do not miss new trends in spending habits or income changes (e.g., new employers, subscription services, insurers, side jobs, sales, etc.). With 1.0 billion algorithmic transfers over the last 10+ years based on billions of data points, we have built an A.I. engine with a long track record of making financial health effortless for our members. This serves as a major competitive advantage in delivering new types of personalized and scalable financial services. Our technology, member-centric culture, and effective use of data and analytics enable us to efficiently help our members overcome financial challenges.

Our Strategy

Our strategy should be thought of in two parts, (1) short-term focus and (2) long-term focus.

Short-term focus—Our current strategic priorities are to: (a) improve credit outcomes, targeting an annualized net charge-off rate between 9% and 11% over time; (b) fortify our business economics by both increasing our loan portfolio yield and maintaining tight expense controls; and (c) identify high-quality originations, ensuring that we continue to lay the foundation for responsible growth.

Long-term focus—As the macro environment stabilizes, we believe we have several significant growth opportunities. We believe we can increase the percentage of our lending that is on a secured basis where we see more than 500 basis points lower credit losses, more deeply penetrate our untapped total addressable market by expanding our store network into states where we do not yet have a physical presence, and grow our Lending as a Service lead generation program. Available only in California as of the end of 2023, Oportun now also offers secured personal loans in Texas, Florida, Arizona, New Jersey and Illinois; however, through our partnership with Pathward, N.A., we have the opportunity to expand the coverage of our Secured Personal Loans up to approximately an additional 35 states. In addition, we plan to continue developing more cross-buying opportunities between our Set & Save savings product and our credit products, primarily through timely and relevant marketing to existing members via our mobile app. Growth will be considered where feasible, with careful attention to efficiency, scalability, and sustainable unit economics.

Invest in member acquisition channels—To expand our member base, we plan to efficiently invest in scaling the marketing capabilities for our credit and savings products, primarily through the use of A.I. Since 2020, Oportun has been expanding within new geographies, as a result of our partnership with Pathward, N.A., and we now offer our products nationwide. Using A.I. along with proprietary and third-party data, we are well-positioned to be highly targeted in reaching out to prospective new members, in addition to our existing 2.5 million members, with relevant and timely offers to help them on their path to financial health.

In addition to our direct-to-consumer channels, we reach incremental members through our Lending as a Service lead generation program. By entering Lending as a Service partnerships with other companies, we create new proprietary channels through which to offer our lending and financial services products, and acquire new members, fortifying our membership growth potential. We may seek to add additional Lending as a Service partners in the future, similar to our current partnerships with DolEx Dollar Express, Inc. Barri Financial Group (now consolidated into a single company "DolFinTech") where we collect leads from 491 of their retail locations, and our recently announced collaboration with Western Union.

Enhance our credit and savings products—We leverage machine learning to rapidly build and test strategies across the member lifecycle, including through targeted digital marketing, underwriting, pricing, fraud and member servicing. We also expect to continue to derive actionable insights to further drive growth of our products, and we will continue to invest significantly in our A.I. capabilities to expand the functionality and efficiency of our products.

Our Products

Personal Loans—Personal loans allow our members a fast and convenient way to address pressing financial needs (for example an unplanned car repair) as well as planned purchases and personal growth opportunities (such as a deposit on a home rental). Our competitive differentiation in personal loans comes from our segment focus, our technology, data, A.I.-driven approach, and the way we tailor our product designs and borrowers' experience to meet and exceed the expectations of our target members.

Unsecured Personal Loans—Our personal loan is a simple-to-understand, affordable, unsecured, fully amortizing installment loan with fixed payments throughout the life of the loan. We charge fixed interest rates on our loans, which vary based on the amount disbursed, with a cap of 36% annual percentage rate ("APR") in all cases. As of December 31, 2024, for all active loans in our portfolio and at time of disbursement, the weighted average term and APR at origination was 40 months and 34.3%, respectively. The average loan size for loans we originated in 2024 was $3,281. Our loans do not have prepayment penalties or balloon payments, and range in size from $300 to $10,000 with terms of 12 to 54 months. Generally, loan payments are structured on a bi-weekly or semi-monthly basis to coincide with our members' receipt of their income. As part of our underwriting process, we verify income for all applicants and only approve loans that meet our ability-to-pay criteria. As of December 31, 2024, we originate unsecured personal loans in 3 states through state licenses and in 38 states through our partnership with Pathward, N.A. This product is currently the majority of our revenue and profitability, and continues to have significant opportunity for growth, benefiting from category growth as well as growth in our brand awareness outside of our historical regional operating footprint (leveraging our partnership with Pathward, N.A.).

Secured Personal Loans—In April 2020, we launched a personal installment loan product secured by an automobile, which we refer to as secured personal loans. This product allows our members to access larger loan sizes than they can with an unsecured loan, which is critical if the financial need they are addressing exceeds our unsecured lending limits for that member. Our secured personal loan business has significant growth potential as we expand geographic and channel availability and make more of our members aware of the product. Our competitive differentiation in secured personal loans comes from leveraging the member base, application flow, and business platform we have already built for unsecured personal loans – we underwrite borrowers seeking a personal loan for both an unsecured and secured loan, allowing them to choose the offer that fits best for them.

Our secured personal loans range in size from $2,525 to $18,500 with terms ranging from 24 to 64 months. The average loan size for secured personal loans we originated in 2024 was $6,798. As of December 31, 2024, for all active loans in our portfolio and at time of disbursement, the weighted average term and APR at origination was 49 months and 31.5%, respectively. As part of our underwriting process, we evaluate the collateral value of the vehicle, verify income for all applicants and only approve loans that meet our ability-to-pay criteria. Our secured personal loans are currently offered in 6 states and we are in the process of expanding into other states.

Set & Save—Our Set & Save product is designed to understand a member's cash flows and save the right amount on a regular basis to effortlessly achieve savings goals. Members link their bank account with the platform and Set & Save utilizes machine learning to analyze a member's transaction activity and build forecasts of the member's future cash flows to make small, frequent savings decisions according to the member's financial goals in a personalized manner. Since 2015, our savings product has helped members save more than $11.4 billion and helped our members save an average of more than $1,800 annually.

Our Competition

In consumer finance, we compete with other consumer finance companies, financial technology companies and financial institutions, as well as other nonbank lenders serving consumers who do not have access to mainstream credit, including online marketplace lenders, point-of-sale lending, payday lenders, and auto title lenders and pawn shops focused on underserved borrowers. We may also face competition from companies that have not previously competed in the consumer lending market for borrowers with limited credit history. For example, we are already seeing that the companies commonly referred to as "challenger banks", "digital banks", or "neo-banks" offering low-cost digital-only deposit accounts are beginning to offer lending products catered to underserved borrowers. In addition, it is possible that, in competitive reaction to the challenger banks, traditional banks may introduce new approaches to small-dollar lending. While the consumer lending market is competitive, we believe that we can serve our target market with products that lead to better outcomes for consumers because they cost significantly less than other products used to fulfill similar borrowing needs and their responsible design supports consumer financial health. On the contrary, the offerings of payday, auto title and pawn lenders, for example, are provided at rates that are too expensive relative to the borrowers' ability to pay, are often structured in a way that forces borrowers to become overextended, and typically lack the personalized touch that is essential to cultivating the trust of our target member base. Few banks or traditional financial institutions lend to individuals who have limited credit history. Those individuals that do have a credit score, but have a relatively limited credit history, also typically face constrained access and low approval rates for credit products.

The principal competitive factors in our sector include member approval parameters (often described informally as "credit box"), price, flexibility of loan terms offered, member convenience and member satisfaction. We believe our technology, responsible construction of our products, A.I.-enabled digital platform and superior member value proposition allow us to compete favorably on each of these factors. Going forward, however, our competition could include large traditional financial institutions that have more substantial financial resources than we do, and that can leverage established distribution and infrastructure channels. Additionally, new companies are continuing to enter the financial technology space and could deploy innovative solutions that compete for our members. See "Risk Factors—*If we do not compete effectively in our target markets, our results of operations could be harmed*" and "Risk Factors—*Competition for our highly skilled employees is intense, and we may not be able to attract and retain the employees we need to support the growth of our business*."

Seasonality

See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations for discussion of Seasonality.

Regulations and Compliance

We are subject to various federal, state and local regulatory regimes related to the financial services that we provide. These laws and regulations, among other things, impose licensing and qualifications requirements; require various disclosures and consents; mandate or prohibit certain terms and conditions for various financial products; prohibit discrimination based on certain prohibited bases; prohibit unfair, deceptive or abusive acts or practices; require us to submit to examinations by federal, state and local regulatory regimes; and require us to maintain various policies, procedures and internal controls.

We are subject to examination, supervision and regulation by each state in which we are licensed and are regulated by the Consumer Financial Protection Bureau (the "CFPB"). In addition to the CFPB, other state and federal agencies have the ability to regulate aspects of our business. For example, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), as well as many state statutes provide a mechanism for state attorneys general to investigate us. The CFPB may also use a dormant provision of the Dodd-Frank Act to expand its supervisory authority over entities it reasonably believes pose risks of consumer harm. In addition, the Federal Trade Commission (the "FTC") has jurisdiction to investigate aspects of our business. Federal consumer protection laws that these regulators may enforce include laws related to the use of credit reports and credit reporting accuracy, data privacy and security, disclosure of applicable loan terms, anti-discrimination laws, laws protecting members of the military, laws governing payments, including recurring ACH payments, and laws regarding electronic signatures and disclosures.

We are also subject to inspections, examinations, supervision and regulation by applicable agencies in each state in which we do business. Many states have laws and regulations that are similar to the federal consumer protection laws referred to above, but the degree and nature of such laws and regulations vary from state to state. State laws also further dictate what state licenses we need to conduct business and also regulate how we conduct our business activities.

In addition, as a result of our bank partnerships, prudential bank regulators with supervisory authority over our partners have the ability to regulate aspects of our business.

Either directly or through our bank partnership program requirements, we are subject to the USA PATRIOT Act, Office of Foreign Assets Control, Bank Secrecy Act, Anti-Money Laundering laws, and Know-Your-Customer requirements.

The laws and regulations applicable to us are continuing to evolve through legislative and regulatory action as well as judicial and regulatory interpretation; we monitor these areas closely. We regularly review our consumer contracts, consumer-facing content, policies, procedures, and processes to ensure compliance with applicable laws and regulations. We have built our systems and processes with controls in place to ensure compliance with applicable laws. In addition to ensuring proper controls are in place, we have a compliance management system that leverages the five key control components of governance, compliance program risk assessments, policies, procedures and training, member complaint monitoring and internal compliance audits.

For more information with respect to the regulatory framework affecting our business, see "Risk Factors—*Risks Related to our Industry and Regulation*."

Our Technology Infrastructure

Our applications, including our proprietary workflow management system that handles loan applications, document verification, loan disbursement and servicing, as well as our systems that handle our automated savings tools are architected to be highly available, resilient, scalable, and secure. Critical services in the cloud are deployed across multiple availability zones within a region to ensure that we have the necessary scalability and availability to support our service-level objectives. Our service design is evaluated against industry best practices to ensure we leverage the latest cloud features for availability and scalability as the technology evolves.

To safeguard the confidentiality, integrity and availability of our data and systems, we maintain a comprehensive program of cybersecurity and privacy policies and procedures, management oversight, accountability structures, and technology design processes. Senior management regularly provides the Board's audit and risk committee with updates regarding our program. This program also includes a cyber incident response plan that provides controls and procedures for timely and accurate reporting of any material cybersecurity incident. To ensure organization-wide attention to cybersecurity issues, we conduct mandatory employee training on cybersecurity and provide ongoing cybersecurity education and awareness, such as mock phishing attacks and cybersecurity awareness materials. We continuously monitor our environment in real-time using tools designed to detect security events and engage with third parties to audit our information security program and to perform regular penetration tests of our web applications and cloud environments. We remain vigilant in staying ahead of new and emerging risks utilizing our tools and security teams and continue to review and make strategic investments in our information security program to keep our data and systems secure.

Infrastructure is in place and designed to support redundancy across our mission critical systems. Disaster recovery and business continuity plans have been completed, which help to ensure our ability to recover in the event of a disaster or other unforeseen event. In the event of database restores, we perform data consistency checks to validate the integrity of the data recovery process. Business continuity activities are performed using a risk-based approach in an effort to maintain service availability across our most critical functions. Across our infrastructure, a robust and holistic monitoring-and-alerting practice allows for awareness and detection capabilities ensuring faster incident response and resolution time, limiting the risk of unplanned events, such as downtime or security threats.

Our Intellectual Property

We protect our intellectual property through a combination of trademarks, trade dress, domain names, copyrights and trade secrets, as well as contractual provisions, confidentiality procedures, non-disclosure agreements with third parties, employee disclosure and invention assignment agreements, and other contractual rights. We currently have no patent applications on our proprietary risk model, underwriting process or loan approval decision making process because applying for a patent would require us to publicly disclose such information, which we regard as trade secrets. We may pursue such protection in the future to the extent we believe it will be beneficial.

We have trademark rights in our name, our logo, and other brand indicia, and have trademark registrations for select marks in the United States and many other jurisdictions around the world. We will pursue additional trademark registrations to the extent we believe it will be beneficial. We also have registered domain names for websites that we use in our business. We may be subject to third party claims from time to time with respect to our intellectual property. See "Item 3. Legal Proceedings" for more information.

In addition to the protection provided by our intellectual property rights, we enter into confidentiality and intellectual property rights agreements with our employees, consultants, contractors and business partners. Under such agreements, our employees, consultants and contractors are subject to invention assignment provisions designed to protect our proprietary information and ensure our ownership in intellectual property developed pursuant to such agreements.

Our People

At Oportun, we are building a community of employees, partners, and members who support each other on the path to new opportunities, because we believe that when we work together, we can make life better. Our welcoming and inclusive company culture is grounded in our core values and our people strategies are committed to fostering a culture that encourages and empowers our employees to live our core values every day.

- *Employee Engagement* – We conduct an annual engagement survey as a means of measuring employee engagement and satisfaction, as well as a tool for improving our people strategies for the year ahead. Approximately 75% of our employees participated in our 2024 employee engagement survey, of which 80% reported that they were satisfied with Oportun as a place to work and 84% reported that they were proud to work at Oportun. Survey results are evaluated and shared across the organization, including our Board's compensation and leadership committee, to identify areas of progress and areas for improvement. Based on feedback received this year, management implemented several initiatives to improve the employee experience through rewards and recognition, increased communication transparency, and streamlining processes and collaboration tools. As a result of our employee engagement efforts, we have been recognized as a Greater Bay Area Top Workplace for the past six years.

- *Diversity and Inclusion* – We believe that fostering innovation to serve our diverse customer base begins with building a diverse workforce. Our focus on diversity and inclusion is reflected throughout our organization, starting at the highest level. Currently, seven members of our Board identify as women or members of an underrepresented group and the majority of our leadership team identifies as either women or members of an underrepresented group. The majority of Oportun employees identify as women or members of an underrepresented group. We define the leadership team as Directors, Senior Directors, Vice Presidents and above, inclusive of the Board. We have nine employee resource groups focused on our Asian, Black, Hispanic/Latinx, LGBTQ+, early career individuals, disability/accessibility, South Asian, veteran, environmental enthusiasts, and women communities. We are committed to fostering a culture of diversity, equity and inclusion; providing comprehensive training and leadership development programs; and continuing to increase diverse representation at every level of the Company.

- *Total Rewards* – We continue to focus on the total wellness of our people, anchored by the pursuit of our mission, creation of career opportunities and promotion of employee well-being. We benchmark market practices, and regularly review our compensation against the market to ensure it remains competitive. In addition to salaries, our benefit programs include annual bonuses, equity awards, a 401(k) plan, healthcare and insurance benefits, flexible spending accounts, paid time off, family leave, paid time off for volunteering, matching gifts, employee assistance programs, and tools to promote mental health and wellness/fitness. We remain a remote-first company, and we believe that our remote-first culture gives our employees more flexibility to choose where and how to work, while allowing us to engage with a wider pool of talent. To support our remote-first culture, we actively encourage personal well-being through initiatives, including wellness days for employees to take time to rest and recharge, engagement programs (speaker events, employee resource groups, virtual activities and events, etc.), and recognition programs.

We had 2,312 full-time and 117 part-time employees worldwide as of December 31, 2024. This includes 361 corporate employees in the United States, of which 141 employees are dedicated to technology, risk, analytics, A.I. and data science. Since 2023, we announced a series of personnel and other cost savings measures to reduce expenses and streamline efficiency, including reducing our corporate staff by approximately 47% in the United States, India and Mexico.

Available Information

Our website address is www.oportun.com. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Section 13(a) and 15(d) of the Exchange Act, are filed with the SEC. The SEC maintains a website that contains our filings at www.sec.gov.

These reports are also available free of charge through our website, www.investor.oportun.com, as soon as reasonably practicable after we file them with, or furnish them to, the SEC.

We announce material information to the public through a variety of means, including filings with the SEC, press releases, public conference calls, our website (www.oportun.com), the investor relations section of our website (investor.oportun.com), as well as social media, including our LinkedIn pages (https://www.linkedin.com/company/oportun/). The information on our website is not incorporated by reference into this report. The website addresses listed above are provided for the information of the reader and are not intended to be active links.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. Any of the following risks could have an adverse effect on our business, financial condition, liquidity, results of operations and prospects. These risks could cause the trading price of our common stock to decline, which could cause you to lose all or part of your investment. You should carefully consider these risks, all of the other information in this report, including our consolidated financial statements, the notes thereto and the sections entitled "Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and general economic and business risks before making a decision to invest in our common stock. While we believe the risks described below include all material risks currently known by us, it is possible that these may not be the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations.

Business, Financial and Operational Risks

If we do not compete effectively in our target markets, our results of operations could be harmed.

The industries in which we compete are highly competitive, continuously changing, highly innovative, and increasingly subject to regulatory scrutiny and oversight. Our current and potential future competition primarily includes other consumer finance companies, financial technology companies, technology platforms, neobanks, challenger banks, and financial institutions, as well as other nonbank lenders serving consumers who do not have access to mainstream credit, including online marketplace lenders, point-of-sale lending, payday lenders, and auto title lenders and pawn shops focused on underserved borrowers. We may compete with others in the market who may in the future provide offerings similar or are competitive with ours, particularly companies who may provide lending, money management and other services through a platform similar to our platform.

Many of our current or potential competitors have significantly more access to low-cost capital as well as more financial, technical, marketing, and other resources than we do and may be able to devote greater resources to the development, promotion, sale and support of their platforms and distribution channels. As such, many of our competitors can leverage their size, robust networks, financial wherewithal, brand awareness, pricing power and technological assets to compete with us. In addition, our potential competitors also include smaller, earlier-stage companies with more versatile technology platforms, increased operational efficiencies, and greater brand recognition than us. To the extent new entrants gain market share, the use of our products and services would decline. Our long-term success depends on our ability to compete effectively against existing and potential competitors that seek to provide banking and financial technology products and services. If we fail to compete effectively against these competitors, our revenues, results of operations, prospects for future growth and overall business will be materially and adversely affected.

We may not be able to effectively manage the growth of our business.

We are required to continuously develop and adapt our operations, systems, and infrastructure in response to the increasing sophistication of the consumer financial services market, evolving fraud and information security landscape, and regulatory developments relating to existing and planned business operations. Although we have experienced rapid growth in our business and operations in the past, many economic and other factors outside of our control, including general economic and market conditions, public health outbreaks, consumer and commercial credit availability, inflation, fluctuating interest rates, unemployment, and consumer debt levels, may adversely affect our ability to sustain revenue growth consistent with recent history and we cannot assure you that our business will grow at our historical growth rates. In addition, in the past, the growth and expansion of our business has placed significant demands on our management, operational, risk management, technology, marketing, compliance and finance and accounting infrastructure, and resulted in increased expenses, and we may not be able to increase our revenue sufficiently to offset such higher expenses. Overall revenue growth depends on a number of factors, including our ability to increase the origination volume of our products and services, attract new members and retain existing members, build our brand, expand and manage our remote-first workforce, all while managing our business systems, operations and expenses. If we are unable to accomplish these tasks, our future growth may be harmed.

In addition, we have previously engaged in a series of cost-saving measures in response to challenging macroeconomic conditions, including workforce reductions and other operational streamlining measures, and may engage in further cost-saving measures in the future. Projections of the effectiveness of any cost-saving measures or other benefits associated with such measures were based on then-current business operations and market dynamics, and could be materially impacted by various factors, including significant economic, competitive and other uncertainties. If we fail to achieve some or all of the expected benefits of these decisions, our future growth, operating results, cash flows, and financial condition may be adversely affected.

Our business may be adversely affected by disruptions in the credit markets and changes to interest rates on our borrowings.

We depend on securitization transactions, warehouse facilities and other forms of debt financing, as well as whole loan and structured loan sales, in order to finance the principal amount of most of the loans we make to our members. See more information about our outstanding debt in *Note 8, Borrowings* to the Notes to the Consolidated Financial Statements included elsewhere in this report. However, there is no assurance that these sources of capital will continue to be available in the future on terms favorable to us or at all. The availability of debt financing and other sources of capital depends on many factors, many of which are outside of our control. Conditions in the credit markets may experience disruption or deterioration, including as a result of fluctuating interest rates, which could make it difficult for us to extend the maturity of or refinance our existing indebtedness or obtain new indebtedness with similar terms. The debt capital available to us in the future, if available at all, may bear a higher interest rate and may be available only on terms and conditions less favorable than those of our existing debt and such debt may need to be incurred in an elevated interest rate environment. Events of default or breaches of financial, performance or other covenants, as a result of the underperformance of certain pools of loans underpinning our securitizations or other debt facilities, could reduce or terminate our access to funding from institutional investors. Such events could also result in default rates at a higher interest rate and therefore increase our cost of capital. In addition, our ability to access future capital may be impaired because our interests in our financed pools of loans are "first loss" interests and so these interests will only be realized to the extent all amounts owed to investors or lenders and service providers under our securitizations and debt facilities are paid in full. In the event of a sudden or unexpected shortage or restriction on the availability of funds, we cannot be sure that we will be able to maintain the necessary levels of funding to retain current levels of originations without incurring higher funding costs, a reduction in the term of funding instruments or increasing the rate of whole loan sales, or be able to access funding at all. If we are unable to arrange financing on favorable terms, our business may be adversely affected and we may not be able to grow our business as planned and we may have to curtail new originations and reduce credit lines to cardholders.

We currently rely on Pathward to originate a substantial portion of our loans. If our relationship with Pathward terminates, or if Pathward were to suspend, limit, or cease its operations or loan origination activities for any reason, and we are unable to engage another originating bank partner on a timely basis or at all, our business, results of operations and financial condition would be materially and adversely affected.

As of December 31, 2024, we relied on Pathward, N.A., or Pathward, to originate a substantial portion of our loan originations, with the remaining loans being originated directly by us under our lending and servicing licenses across 3 states in the United States. In the years ended December 31, 2024 and 2023, Pathward originated approximately 92% and 45% of aggregate personal loan originations, respectively. We expect the percentage of aggregate personal loans originated by Pathward to continue to increase in 2025.

Pathward retains a proportion of the loans they originate on their own balance sheet, and sells the remainder of the loans to us, which we in turn sell to institutional investors, sell to our warehouse trust special purpose entities, or retain on our balance sheet. Our Pathward program agreement has an initial term of five years, which is scheduled to expire in calendar year 2025 and will automatically renew for an additional two years following the initial five-year term, unless either party provides notice of its intent to not renew. In addition, even during the term of our arrangement and for specified circumstances, Pathward could reduce the volume of loans that it chooses to originate and/or retain on its balance sheet. We or Pathward may terminate our arrangement immediately upon a material breach by the other party and failure to cure such breach within a cure period, if any representations or warranties are found to be false and such error is not cured within a cure period, bankruptcy or insolvency of either party, receipt of an order or judgment by a governmental entity, a material adverse effect, or a change of control. If our bank partnership arrangement with Pathward were to be suspended or limited, or if Pathward ceased their operations or otherwise terminated their relationship with us, our business, financial condition and results of operations would be adversely affected. If we need to enter into alternative arrangements with a different bank to replace our existing arrangement, we may not be able to negotiate a comparable alternative arrangement in a timely manner or at all and transitioning loan originations to a new bank may result in delays in the issuance of new loans. In addition, if we are unable to enter into an alternative arrangement with a different bank to fully replace or supplement our relationship with Pathward, we would potentially need to obtain additional state licenses to enable us to originate loans directly in the states where Pathward originates loans, as well as comply with other state and federal laws, which would be costly and time consuming, and there can be no assurances that any such licenses could be obtained in a timely manner or at all. For a further discussion of the risks and regulations applicable to our bank partnership with Pathward, see "Risk Factors—*Our bank partnership products may lead to regulatory risk and may increase our regulatory burden, —We are, and intend in the future to continue, expanding into new geographic regions, and our failure to comply with applicable laws or regulations, or accurately predict demand or growth, related to these geographic regions could have an adverse effect on our business, —Security breaches and incidents may harm our reputation, adversely affect our results of operations, and expose us to liability*."

Our results of operations and future prospects depend on our ability to retain existing members and attract new members.

We operate in a rapidly changing and highly competitive industry and our results of operations and future prospects depend on, among other things, continued growth of our member base, our ability to increase the activity of our members, including use of additional products or services we offer, and our ability to attract members in a cost-effective manner. Our member retention rates may decline or fluctuate due to various factors, including pricing changes (including as a result of fluctuating interest rates), our expansion into new products and markets or changes to or sunsetting of existing products, our members' ability to obtain alternative funding sources based on their credit history with us, and new members we acquire in the future may be less loyal than our current member base. If our member retention rates decline and we are not able to attract new members in numbers sufficient to grow our business, this may adversely affect our business, results of operations and future prospects.

In particular, it is important that we continue to ensure that our members with loans remain loyal to us and we continue to extend loans to members who have successfully repaid their previous loans. As of December 31, 2024 and 2023, members with repeat loans comprised 79% and 82%, respectively, of our Owned Principal Balance at End of Period. If our repeat loan rates decline, we may not realize consistent or improved operating results from our existing member base.

We have elected the fair value option and we use estimates in determining the fair value of our loans and our asset-backed notes. If our estimates prove incorrect, we may be required to write down the value of these assets or write up the value of these liabilities, which could adversely affect our results of operations.

Our ability to measure and report our financial position and results of operations is influenced by the need to estimate the impact or outcome of future events on the basis of information available at the time of the issuance of the financial statements. We use estimates, assumptions, and judgments when certain financial assets and liabilities are measured and reported at fair value. Fair values and the information used to record valuation adjustments for certain assets and liabilities are based on quoted market prices and/or other observable inputs provided by independent third-party sources, when available. During periods of market disruption, including periods of significantly rising or high interest rates, rapidly widening credit spreads or illiquidity, it may be difficult to value certain assets if trading becomes less frequent or market data becomes less observable. In such cases, certain asset valuations may require significant judgment, and may include inputs and assumptions that require greater estimation, including credit quality, liquidity, interest rates, and other relevant inputs. If actual results differ from our judgments, estimates or assumptions, then it may have a material adverse impact on our financial condition, results of operations or cash flows. Management has processes in place to monitor these judgments, estimates and assumptions, including review by our internal valuation committee, but these processes may not ensure that our judgments and assumptions are correct.

We use estimates and assumptions in determining the fair value of our loans receivable held for investment and asset-backed notes. Our Loans Receivable at Fair Value represented 86% of our total assets and our asset-backed notes represented 72% of our total liabilities as of December 31, 2024. The fair value of our loans receivable held for investment are determined using Level 3 inputs and the fair value of our asset-backed notes are determined using Level 2 inputs. Changes to these inputs could significantly impact our fair value measurements. Valuations are highly dependent upon the reasonableness of our assumptions and the predictability of the relationships that drive the results of our valuation methodologies. In addition, a variety of factors such as changes in the interest rate environment and the credit markets, changes in average life, higher than anticipated delinquency and default levels or financial market illiquidity, may ultimately affect the fair values of our loans receivable and asset-backed notes. Material differences in these ultimate values from those determined based on management's estimates and assumptions may require us to adjust the value of certain assets and liabilities, including in a manner that is not comparable to others in our industry, which could adversely affect our results of operations.

Our current level of interest rate spread may decline in the future. Any material reduction in our interest rate spread could adversely affect our results of operations.

We earn over 90% of our revenue from interest payments on the loans we make to our members. Financial institutions and other funding sources provide us with the capital to fund a substantial portion of the principal amount of our loans to members and charge us interest on funds that we borrow. In the event that the spread between the interest rate at which we lend to our members and the rate at which we borrow from our lenders decreases, our Net Revenue will decrease. We have capped the APR for newly originated loans at 36% since August 2020. Interest rates continue to fluctuate, which may increase our interest expense and cost of funds and may result in lower operating margins. The interest rates we charge to our members and pay to our lenders could each be affected by a variety of factors, including our ability to access capital markets, the volume of loans we make to our members, product mix, competition and regulatory limitations.

Market interest rate changes have had, and may continue to have, an adverse effect on our business forecasts and expectations and are highly sensitive to many macroeconomic factors beyond our control, such as inflation, recession, the state of the credit markets, global economic disruptions, unemployment and the fiscal and monetary policies of the federal government and its agencies. Factors outside our control, including interest rate changes and widening credit spreads, have required, and may continue to require us to make adjustments to the fair value of our loans receivable held for investment or our asset-backed notes, which may in turn adversely affect our results of operations or lead to volatility in our Net Revenue. For example, elevated interest rates decrease the fair value of our loans receivable held for investment, which decreases Net Revenue, but also decreases the fair value of our asset-backed notes, which increases Net Revenue. Because the duration and fair value of our loans and asset-backed notes are different, the respective changes in fair value may not fully offset each other resulting in a negative impact on Net Revenue and increasing the volatility of our results of operations. Reductions in our interest rate spread have had and could continue to have an adverse effect on our business, results of operations, cash flows, and financial condition. We do not currently hedge our interest rate exposure associated with our debt financing or fair market valuation of our loans.

Our results of operations and financial condition and our borrowers' ability to make payments on their loans have been and may be adversely affected by economic conditions and other factors that we cannot control.

Key macroeconomic conditions historically have affected our business, results of operations and financial condition, and are likely to affect them in the future. Poor economic conditions reduce the demand and usage of our credit products and adversely affect the ability and willingness of members to pay amounts owed to us, increasing delinquencies, bankruptcies, and charge-offs and negatively impacting the fair value of our loans. They may also impact our ability to make accurate credit assessments or lending decisions. Many of these factors are outside our control and include: general economic conditions or outlook, unemployment levels, housing markets, immigration patterns and policies, gas prices, energy costs, inflation, government shutdowns, delays in tax refunds, financial distress caused by recent or potential bank failures and the associated bank crisis, volatility or disruption in the capital markets, and changes in interest rates, as well as events such as natural disasters, acts of war, terrorism, public health outbreaks or adverse health developments, political instability, social unrest, and catastrophes. If any of these factors negatively affect our members or if we are unable to mitigate the risks associated with them, our business, financial condition and results of operations could be adversely affected.

The U.S. has recently experienced historically high levels of inflation, which may increase our expenses and adversely impact our borrowers' ability to make payments on their loans. Increased interest rates have had, and may continue to have, an adverse impact on the spending levels of consumers and their ability and willingness to borrow money. Higher interest rates often lead to higher payment obligations, which may reduce the ability of consumers to remain current on their obligations and, therefore, lead to increased delinquencies, defaults, consumer bankruptcies and charge-offs, and decreasing recoveries, all of which could have an adverse effect on our business. Further adverse changes in inflation and interest rates could negatively impact consumer and business confidence, and adversely affect the economy as well as our business and results of operations. There can be no assurance that our forecasts of economic conditions, our assessments and monitoring of credit risk, and our efforts to mitigate credit risk through risk-based pricing, appropriate loan underwriting, management of loan delinquencies and charge-off rates are, or will be, sufficient to prevent an adverse impact to our business and financial results.

We recorded a net loss of $78.7 million for the year ended December 31, 2024, primarily due to a net decrease in fair value and increased cost of debt, and we recorded a net loss of $180.0 million for the year ended December 31, 2023, primarily due to a net decrease in fair value and increased cost of debt. Our business was adversely impacted by the COVID-19 pandemic and we recorded a net loss of $45.1 million for the year ended December 31, 2020. We also experienced net losses prior to 2017.

In 2023 and 2024, we announced that we were taking a series of measures to streamline our operations, including reducing the size of our corporate staff by approximately 40% and 12%, respectively. These cost reduction efforts may adversely affect us in unforeseen ways, including interfering with our ability to achieve our business objectives; challenging our ability to effectively manage all aspects of our business operations; causing concerns from current and potential employees, vendors, partners and other third parties with whom we do business; and increasing the likelihood of turnover of other key employees, all of which may have an adverse impact on our business. Our plans may also change as we continue to refocus on reducing operating costs and streamlining operations. These actions may take more time than we currently estimate and we may not be able to achieve the cost-efficiencies sought.

Our members with credit products may be particularly negatively impacted by worsening economic conditions that place financial stress on these members resulting in loan defaults or charge-offs. Furthermore, many of our members have limited or no credit history and such borrowers have historically been, and may in the future be, disproportionately affected by adverse macroeconomic conditions. In addition, inflation, fluctuating interest rates, unemployment, bankruptcy, major medical expenses, divorce, death, or other issues that affect our members have and could continue to affect our members' willingness or ability to make payments on their loans. Our business is currently heavily concentrated on consumer lending and, as a result, we are more susceptible to fluctuations and risks particular to U.S. consumer credit than a company with a more diversified lending portfolio. If our members default under a loan receivable held directly by us, we will experience loss of principal and anticipated interest payments. Our servicing costs may also increase without a corresponding increase in our interest on loans.

Decreases in consumer demand for automobiles and declining values of vehicles securing outstanding secured personal loans would weaken collateral coverage for secured personal loans and increase the amount of loss in the event of default. Significant increases in the inventory of used vehicles may also depress the prices at which repossessed vehicles may be sold or delay the timing of these sales. Consequently, if a vehicle securing a secured personal loan is repossessed while the used car auction market is depressed, the sale proceeds for such vehicle may be lower than expected, resulting in higher than expected losses.

Our risk management efforts may not be effective, which may expose us to market risks that harm our results of operations.

We could incur substantial losses and our business operations could be disrupted if we are unable to effectively identify, monitor, manage and mitigate financial risks, such as credit risk, interest rate risk, prepayment risk, liquidity risk, and other market-related risks, as well as regulatory and operational risks related to our business, assets, and liabilities. Our risk management policies, procedures and models may not be sufficient to identify all of the risks we are exposed to, mitigate the risks we have identified, or identify additional risks that arise in the future.

As our loan mix changes and as our product offerings evolve, our risk management strategies may not always adapt to such changes. Some of our methods of managing risk are based upon our use of observed historical market behavior and management's judgment. Other of our methods for managing risk depend on the evaluation of information regarding markets, members or other matters that are publicly available or otherwise accessible to us. While we employ a broad and diversified set of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the timing of such outcomes. If our risk management efforts are ineffective, we could suffer losses that could harm our business, financial condition, and results of operations.

We may change our corporate strategies or underwriting and servicing practices, which may adversely affect our business.

As our business grows and evolves, we have changed, and may in the future change, certain aspects of our corporate strategies or any of our underwriting guidelines without notice to our stockholders. Any changes in strategy or our underwriting or servicing practices could impact our business in any number of ways, including impacting our member mix, product and service offerings, risk profile of our loan portfolio, and operational and regulatory compliance requirements. We may also decide to modify our strategy with respect to whole loan sales, including increasing or decreasing the number of loans sold. We continue to evaluate our business strategies and underwriting and servicing practices and will continue to make changes to adapt to changing economic conditions, regulatory requirements and industry practices. Additionally, a change in our underwriting and servicing practices may reduce our credit spread and may increase our exposure to interest rate risk, default risk and liquidity risk.

We rely extensively on models in managing many aspects of our business. If our models contain errors or are otherwise ineffective, our business could be adversely affected.

Our ability to attract members and to build trust in our credit products is significantly dependent on our ability to effectively evaluate a member's creditworthiness and likelihood of default. In deciding whether to extend credit to prospective members, we rely heavily on our proprietary credit risk models, which are statistical models built using third-party alternative data, credit bureau data, application data and our credit experience gained through monitoring the performance of our members over time. These models are built using forms of A.I., such as machine learning; however, the credit models do not use generative A.I., and once approved and implemented, remain static. If our credit risk models fail to adequately predict the creditworthiness of our members or their ability to repay their loans due to programming or other errors, or if any portion of the information pertaining to the potential member is incorrect, incomplete or becomes stale (whether by fraud, negligence or otherwise), and our systems do not detect such errors, inaccuracies or incompleteness, or any of the other components of our credit decision process described herein fails, we may experience higher than forecasted loan losses. Also, if we are unable to access certain third-party data used in our credit risk models, or access to such data is limited through new regulation or otherwise, our ability to accurately evaluate potential members may be compromised and our ability to continue to improve our A.I. models may be adversely affected. Credit and other information that we receive from third parties about a member may also be inaccurate or may not accurately reflect the member's creditworthiness, which may adversely affect our loan pricing and approval process, resulting in mispriced loans, incorrect approvals or denials of loans. In addition, this information may not always be complete, up-to-date or properly evaluated. As a result, these methods may not predict future risk exposures, which could be significantly greater than the historical measures or available information indicate.

Our reliance on our credit risk models and other models in other aspects of our business, including valuation, pricing, collections management, marketing targeting models, fraud prevention, liquidity and capital planning, direct mail and telesales, and savings and investing algorithms may prove in practice to be less predictive than we expect for a variety of reasons, including as a result of errors in constructing, interpreting or using the models or the use of inaccurate assumptions (including failures to update assumptions appropriately in a timely manner). We rely on our credit risk models and other models to develop and manage our products and services. Our assumptions may be inaccurate, and our models may not be as predictive as expected for many reasons, in particular because they often involve matters that are inherently difficult to predict and beyond our control, such as macroeconomic conditions, credit market volatility, the interest rate environment, and human behavior, and they often involve complex interactions between a number of dependent and independent variables and factors. In particular, even if the general accuracy of our valuation models is validated, valuations are highly dependent upon the reasonableness of our assumptions and the predictability of the relationships that drive the results of the models. The errors or inaccuracies in our models may be material and could lead us to make wrong or sub-optimal decisions in managing our business.

Additionally, if we make errors in the development, validation or implementation of any of the models or tools we use to underwrite the loans that we then securitize or sell to investors, those investors may experience higher delinquencies and losses. We may also be subject to liability to those investors if we misrepresented the characteristics of the loans sold because of those errors. Moreover, future performance of our members' loans could differ from past experience because of macroeconomic factors, policy actions by regulators, lending by other institutions or reliability of data used in the underwriting process. To the extent that past experience has influenced the development of our underwriting procedures and proves to be inconsistent with future events, delinquency rates and losses on loans could increase. Errors in our models or tools and an inability to effectively forecast loss rates could also inhibit our ability to sell loans to investors or draw down on borrowings under our warehouse and other debt facilities, which could limit new origination growth and harm our financial performance. Additionally, the use of A.I. is relatively new and the regulatory framework is evolving and remains uncertain. Any negative regulatory or public scrutiny based upon this could adversely affect our business and reputation.

If we are unable to collect payments and service the loans we make to members, our net charge-off rates may exceed expected loss rates, and our business and results of operations may be harmed.

Our unsecured personal loans, which comprise a significant portion of our overall portfolio, are not secured by any collateral, not guaranteed or insured by any third party and not backed by any governmental authority in any way. We are therefore limited in our ability to collect on these loans if a member is unwilling or unable to repay them for any reason.

We currently act as servicer with respect to the unsecured and secured consumer loans, by our bank partners, and for parties to whom we have sold our loans, including the loans that are sold as part of whole loan sales, contributed to asset-backed securitizations, and pledged in connection with warehouse credit facilities. Our ability to adequately service our loans is dependent on our ability to maintain appropriate staffing levels and sufficiently train new member services and collections staff, contact our members when they default, and leverage technologies to service and collect amounts owed with respect to loans. Additionally, our member services and collections staff are dependent upon maintaining adequate information technology, telephony, and internet connectivity such that they can complete their job functions. The majority of our contact center staff work remotely. If our contact center operations become constrained for any reason, the effectiveness of our collection activities may be reduced.

Our net charge-off rate depends on the collectability of our loans and if we experience an unexpected significant increase in the number of members who fail to repay their loans or an increase in the principal amount of the loans that are not repaid, our revenue and results of operations could be adversely affected. Furthermore, personal unsecured loans and credit card debt are generally dischargeable in bankruptcy. If we experience an unexpected, significant increase in the number of members who successfully discharge their debt in a bankruptcy action, our results of operations could be adversely affected.

We incorporate our estimate of lifetime loan losses in our measurement of fair value for our loans receivable held for investment. While this evaluation process uses historical and other objective information, the classification of loans and the forecasts and establishment of loan losses and fair value are also dependent on our subjective assessment based upon our experience and judgment. Our methodology for establishing our fair value is based on the guidance in Accounting Standards Codification, 820 and 825, and, in part, on our historic loss experience. If member behavior changes as a result of economic conditions and if we are unable to predict how economic conditions and other factors impacting collectability may affect our estimate of lifetime loan losses, the fair value may be reduced for our Loans Receivable at Fair Value, which will decrease Net Revenue. Our calculations of fair value are estimates, and if these estimates are inaccurate, our results of operations could be adversely affected. Neither state regulators nor federal regulators regulate our calculations of fair value, and unlike traditional banks, we are not subject to periodic review by bank regulatory agencies of our loss estimates or our calculations of fair value. In addition, because our debt financings include delinquency triggers as predictors of losses, increased delinquencies or losses may reduce or terminate our access to debt financing.

Our quarterly results are likely to fluctuate significantly and may not fully reflect the underlying performance of our business.

Our quarterly results of operations are likely to vary significantly in the future and period-to-period comparisons of our results of operations may not be meaningful, due to factors such as our election of the fair value option and the evolving and uncertain nature of current macroeconomic conditions. Accordingly, the results for any one quarter are not necessarily an accurate indication of future performance. Our quarterly financial results may fluctuate due to a variety of factors, some of which are outside of our control and, as a result, may not fully reflect the underlying performance of our business. Factors that may cause fluctuations in our quarterly financial results include:

- loan volumes, product and loan mix and the channels through which our loans are originated;
- the number and extent of prepayments of loans;
- the effectiveness of our direct marketing and other marketing channels;

- the effectiveness of our proprietary credit risk models;
- the timing and success of new products and origination channels;
- the amount and timing of operating expenses and capital expenditures, including those related to member acquisition, development of our products and services, and maintenance and expansion of our business, operations and infrastructure;
- net charge-off rates;
- adjustments to the fair value of assets and liabilities on our balance sheet;
- our involvement in litigation or regulatory enforcement efforts (or the threat thereof) or those that impact our industry generally;
- changes in laws and regulations that impact our business;
- our borrowing costs and access to the capital markets; and
- general economic, industry, and market conditions, including economic slowdowns, recessions, fluctuating interest and inflation rates, and tightening of credit markets and recent or potential bank failures.

In addition, we experience significant seasonality in demand for our loans, which is generally lower in the first quarter. The seasonal slowdown is primarily attributable to high loan demand around the holidays in the fourth quarter and the general increase in our members' available cash flows in the first quarter, including cash received from tax refunds, which temporarily reduces their borrowing needs. While our growth has obscured this seasonality from our overall financial results, we expect our results of operations to continue to be affected by such seasonality in the future.

We are, and intend in the future to continue, developing our financial products and services, and our failure to accurately predict their demand or growth could have an adverse effect on our business.

We are, and intend in the future to continue, developing our financial products and services. As a result we may invest resources in developing new tools, features, services, products and other offerings. New initiatives are inherently risky, as each involves unproven business strategies and new financial products and services with which we have limited or no prior development or operating experience.

We can provide no assurance that we will be able to develop, commercially market, scale, and achieve acceptance of, or success with, our products and services. Our development efforts with respect to these initiatives could distract management from current operations and could divert capital and other resources from other growth initiatives important to our business. In addition, our investment of resources to develop products and services may either be insufficient, result in expenses that are excessive considering revenue originated from these products and services, or may not be able to attract new members or retain existing members. Failure to accurately predict demand or growth with respect to our products and services could adversely impact our business, and these products and services may not become profitable, and even if they are profitable, operating margins of some new products may not be as high as the margins we have experienced historically or we may not be able to achieve target margins.

We have previously invested resources to develop, launch and sustain our products and services and subsequently decided to discontinue certain of these products and services in order to strategically realign our resources. We may not be able to effectively discontinue a product or service and we may fail to realize all of the anticipated benefits of discontinuing any of our products or services, including the need to devote significant attention and resources to any discontinuation, which may disrupt our business or may not be achieved within the anticipated time frame, or at all. In addition, product or service introductions may not always be successful. For example, in 2023, we announced the sunsetting of our checking account product, the sunsetting of our partnership with Sezzle, and the discontinuation of our investing and retirement products, in order to strategically realign our resources to focus on other products, as well as to reduce our expenses and simplify our business. Further, on September 24, 2024, we signed a definitive agreement to sell our credit cards receivable portfolio, and we completed the sale of our credit cards receivable portfolio on November 12, 2024. Failure to achieve the anticipated benefits from the discontinuation or sale of these products could adversely affect our results of operations.

The success and growth of our business depends upon our ability to continuously innovate and develop our products and technologies.

The financial services industry is undergoing rapid technological changes, with frequent introductions of new technology-driven products and services. Developing and incorporating new technologies, including A.I., into our products and services may require significant investment, take considerable time, and ultimately may not be successful. If we are not able to effectively implement technology-driven products and services as quickly as competitors or be successful in marketing these products and services to our members and strategic partners, demand for our products and services may decrease. Furthermore, our technology may become obsolete or uncompetitive, and there is no guarantee that we will be able to successfully develop, obtain or use new technologies to adapt our models and systems.

As with many disruptive innovations, new technologies present risks and challenges that could affect their adoption, and therefore our business. A.I. and related technologies are subject to public debate and heightened regulatory scrutiny. Any negative publicity or negative public perception of A.I. and related technologies could negatively impact demand for our products and services or hinder our ability to attract new members and strategic partners. The regulatory framework for A.I. and machine learning technologies is evolving and remains uncertain. In October 2023, the Biden Administration issued an Executive Order, directing federal agencies to take actions to align to key policy goals in connection with the use of A.I. Additionally, numerous U.S. states have proposed, and in certain cases enacted, legislation restricting the use of A.I. or imposing obligations in connection with its use, including by addressing forms of automated decision making. It is likely that new laws and regulations will be adopted, or existing laws and regulations may be interpreted in new ways, that would affect our business, products and services and the way in which we use A.I., including with respect to fair lending laws. Our success will depend on our ability to develop and incorporate new technologies and adapt to technological changes and evolving laws, regulations, and industry standards. If we are unable to do so in a timely or cost-effective manner, our business could be harmed.

Stockholder activism could disrupt our business, cause us to incur significant expenses, hinder execution of our business strategy, and impact our stock price.

We have been and may in the future be subject to stockholder activism, which can arise in a variety of predictable or unpredictable situations, and can result in substantial costs and divert management's and our Board's attention and resources away from our business. Additionally, stockholder activism could give rise to perceived uncertainties as to our long-term business, financial forecasts, future operations, and strategic planning, harm our reputation, adversely affect our relationships with our business partners, and make it more difficult to attract and retain qualified personnel. We may also be required to incur significant fees and other expenses related to activist matters, including for third-party advisors that would be retained by us to assist in navigating activist situations. Our stock price could fluctuate due to trading activity associated with various announcements, developments, and share purchases over the course of an activist campaign or otherwise be adversely affected by the events, risks, and uncertainties related to any such stockholder activism.

Negative publicity or public perception of our company or our industry could adversely affect our reputation, business, and results of operations.

Negative publicity about our industry or our company, including the terms of the consumer loans, effectiveness of our proprietary credit risk models, privacy and security practices, originations, marketing, servicing and collections, use of A.I, and other business practices or initiatives, litigation, regulatory compliance and the experience of members, even if inaccurate, could adversely affect our reputation and the confidence in our brands and business model or lead to changes in our business practices. We regularly engage with media outlets and consumer advocates, taking their feedback into account as we assess and refine our business practices and policies; based on those interactions, we have made and may continue to make adjustments to better serve our members and stakeholders. Despite our responsiveness to the inquiries, certain media outlets and consumer advocates chose to and have continued to highlight the very past practices that we had already modified. The proliferation of social media may increase the likelihood that negative public opinion will impact our reputation and business. Our reputation is very important to attracting new members and retaining existing members. While we believe that we have a good reputation and that we provide members with a superior experience, there can be no assurance that we will continue to maintain a good relationship with members.

In addition, negative perception may result in our being subject to more restrictive laws and regulations and potential investigations, enforcement actions and lawsuits. If there are changes in the laws affecting any of our products, or our marketing and servicing, or if we become subject to such investigations, enforcement actions and lawsuits, our financial condition and results of operations would be adversely affected. Entry into new products, as well as into the banking business or new origination channels, such as bank partnerships and other partnerships, could lead to negative publicity or draw additional scrutiny.

Harm to our reputation can also arise from many other sources, including employee or former employee misconduct, misconduct by outsourced service providers or other counterparties, failure by us or our partners to meet minimum standards of service and quality, and inadequate protection of member information and compliance failures and claims. Our reputation may also be harmed if we fail to maintain our certification as a Community Development Financial Institution ("CDFI").

Competition for our highly skilled employees is intense, and we may not be able to attract and retain the employees we need to support the growth of our business.

Competition for highly skilled personnel, particularly engineering and data analytics personnel, is extremely intense across the country and is likely to continue to increase. We have experienced and expect to continue to face difficulty identifying and hiring qualified personnel in many areas. We may not be able to hire or retain such personnel at compensation levels consistent with our existing compensation and salary structure. Many of the companies with which we compete for experienced employees have greater resources than we have and may be able to offer more attractive terms of employment. In particular, employee candidates, specifically in high-technology industries, often consider the value of any equity they may receive in connection with their employment, so significant volatility or a further decline in the price of our stock may adversely affect our recruitment strategies. Further, the reductions in force that were announced in 2023 and 2024 could negatively impact employee morale and make it more difficult to attract, retain and hire new talent. Our failure to attract and retain suitably qualified individuals could have an adverse effect on our ability to operate our business and achieve our corporate strategies.

In addition, we invest significant time and expense in training our employees, which increases their value to competitors who may seek to recruit them. If we fail to retain our employees, we could incur significant expenses in hiring and training their replacements and the quality of our services and our ability to serve our members could be adversely affected.

If we lose the services of any of our key management personnel, our business could suffer.

Our future success significantly depends on the continued service and performance of our key management personnel. Competition for these employees is intense and we may not be able to replace, attract and retain key personnel. We do not maintain key-man insurance for every member of our senior management team. The loss of the service of our senior management team or key team members, and the process to replace any of them, or the inability to attract additional qualified personnel as needed, all of which would involve significant time and expense, could harm our business.

Our success and future growth depend on our branding and marketing efforts.

If our marketing efforts are not successful or if we are unsuccessful in developing our brand marketing campaigns, our ability to attract and retain members, attract new strategic partners and grow our business may be negatively impacted. If any of our current marketing channels becomes less effective, if we are unable to continue to use any of these channels, if the cost of using these channels significantly increases or if we are not successful in generating new channels, we may not be able to attract new members in a cost-effective manner or increase the activity of our existing members. If we are unable to recover our marketing costs, including through increases in the size, value or overall number of credit products we originate, or through our savings product, it could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Any acquisitions, strategic investments, entries into new businesses, joint ventures, divestitures, and other transactions could fail to achieve strategic objectives, disrupt our ongoing operations or result in operating difficulties, liabilities and expenses, harm our business, and negatively impact our results of operations.

Our success will depend, in part, on our ability to grow our business. In some circumstances, we may determine to do so through the acquisition of complementary businesses and technologies rather than through internal development. The identification of suitable acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified acquisitions. We have previously acquired, and in the future, may acquire, complementary assets or businesses. Further, the full benefits of acquisitions, including anticipated growth opportunities, may not be realized as expected or may not be achieved within the anticipated time frame, or at all. The risks we face in connection with acquisitions include:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- utilization of our financial resources for acquisitions or investments that may fail to realize the anticipated benefits;
- inability of the acquired technologies, products or businesses to achieve expected levels of revenue, profitability, productivity or other benefits;
- coordination of technology, product development and sales and marketing functions and integration of administrative systems;
- transition of the acquired company's members to our systems;
- retention of employees from the acquired company;
- regulatory risks, including maintaining good standing with existing regulatory bodies or receiving any necessary approvals, as well as being subject to new regulators with oversight over an acquired business;
- acquisitions could result in dilutive issuances of equity securities or the incurrence of debt;
- cultural challenges associated with integrating employees from the acquired company into our organization;
- the need to implement or improve controls, procedures and policies at a business that prior to the acquisition may have lacked effective controls, procedures and policies;
- potential write-offs of loans or intangibles or other assets acquired in such transactions that may have an adverse effect on our results of operations in a given period;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, security weaknesses and incidents, tax liabilities and other known and unknown liabilities;
- assumption of contractual obligations that contain terms that are not beneficial to us, require us to license or waive intellectual property or increase our risk for liability; and
- litigation, claims or other liabilities in connection with the acquired company.

We have previously divested certain assets and products lines and we may continue to do so in the future. For example, on November 12, 2024, we completed the sale of our credit cards receivable portfolio. If we decide to sell assets or product lines, we may have difficulty obtaining terms acceptable to us in a timely manner, or at all. Additionally, we may experience difficulty separating out portions of, or entire, product lines, incur potential loss of revenue or experience negative impact on margins, or we may not achieve the desired strategic and financial benefits. Such potential transactions may also delay achievement of our strategic objectives, cause us to incur additional expenses, potentially disrupt customer or employee relationships, and expose us to unanticipated or ongoing obligations and liabilities, including as a result of our indemnification obligations. Further, during the pendency of a divestiture, we may be subject to risks related to a decline in the business, loss of employees, customers, or vendors and the risk that the transaction may not close, any of which would have a material adverse effect on the assets or product lines to be divested and the Company. If a divestiture is not completed for any reason, we may not be able to find another buyer on the same terms, and we may have incurred significant costs without the corresponding benefit.

Our failure to address these risks or other problems encountered in connection with our future acquisitions and investments could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities and harm our business generally.

Fraudulent activity could negatively impact our business, brand and reputation and require us to continue to take steps to reduce fraud risk.

Third parties have, and we expect that they will likely continue to attempt to commit fraud by, among other things, fraudulently obtaining credit products or creating fictitious accounts using stolen identities or personal information and making transactions with stolen financial instruments. We are subject to the risk of fraudulent activity associated with customers and third parties handling customer information and we have been subject to fraudulent activity in the past. Third parties may also seek to engage in abusive schemes or fraud attacks that are often difficult to detect and may be deployed at a scale that would otherwise not be possible in physical transactions. Risks associated with each of these include theft of funds and other monetary loss, the effects of which could be compounded if not detected quickly. Fraudulent activity may not be detected until well after it occurs and the severity and potential impact may not be fully known for a substantial period of time after it has been discovered. Measures to detect and reduce the risk of fraud and abusive behavior are complex, require continuous monitoring and enhancements, and may not be effective in detecting and preventing fraud, particularly new and continually evolving forms of fraud or in connection with new or expanded product offerings. If these measures do not succeed, our business could be materially adversely impacted.

Despite our efforts, the possibility of fraudulent or other malicious activities and human error or malfeasance cannot be eliminated entirely and will evolve as new and emerging technology is deployed, including the increasing use of personal mobile and computing devices that are outside of our network and control environments. These mobile technologies may be more susceptible to the fraudulent activities of organized criminal, perpetrators of fraud, hackers, terrorists and others. Additionally, increasing our product and service offerings may introduce opportunities for fraudulent activity that we have not previously experienced. Numerous and evolving fraud schemes and misuse of our products and services could subject us to significant costs and liabilities, require us to change our business practices, cause us to incur significant remediation costs, lead to loss of member confidence in, or decreased use of, our products and services, damage our reputation and brands, divert the attention of management from the business, result in litigation (including class action litigation), and lead to increased regulatory scrutiny and possibly regulatory investigations and intervention, any of which could have a material adverse impact on our business.

Security breaches and incidents may harm our reputation, adversely affect our results of operations, and expose us to liability.

We are increasingly dependent on information systems, services and infrastructure to operate our business. In the ordinary course of our business, we collect, process, transmit and store large amounts of sensitive information, including personal information, credit information and other sensitive data of our members and potential members. It is critical that we do so in a manner designed to maintain the confidentiality, integrity and availability of such sensitive information. Our reputation and ability to attract, retain and serve our members is dependent upon the reliable performance and security of our technology infrastructure and those of third parties that we utilize in our operations. These systems may be subject to damage or interruption from, among other things, earthquakes, adverse weather conditions, other natural disasters, terrorist attacks, rogue employees, power loss, telecommunications failures, technological errors or outages, and cybersecurity risks. Like other financial and technology services firms, we have been and continue to be the subject of actual or attempted unauthorized access, mishandling or misuse of information, computer viruses, ransomware or other malware, and cyber-attacks that could obtain or disclose confidential information, destroy data, disrupt or degrade service, threaten the integrity and availability of our systems, distributed denial of service attacks, social engineering, security breaches and incidents, and infiltration, exfiltration or other similar events. Our adoption of remote working arrangements for our corporate and many of our contact center employees may result in increased consumer or employee privacy, security, and fraud concerns arising from the increased electronic transfer and other online activity. For example, our employees are accessing our servers remotely through home or other networks to perform their job responsibilities and such security systems may be less secure than those used in our offices, which may subject us to increased security risks, including cybersecurity-related events, and expose us to risks of data or financial loss and associated disruptions to our business operations. Techniques used in cybersecurity attacks to obtain unauthorized access, disable or sabotage information technology systems change frequently, as data breaches and other cybersecurity events have become increasingly commonplace, including as a result of the intensification of state-sponsored cybersecurity attacks during periods of geopolitical conflict, such as the ongoing conflicts in Ukraine and the Middle East. We have seen, and will continue to see, industry-wide vulnerabilities, which could affect our or other parties' systems. We also have incorporated A.I. technologies into our platform, and may continue to incorporate additional A.I. technologies into our platform in the future. Our use of A.I. technologies may create additional cybersecurity risks or increase cybersecurity risks, including risks of security breaches and incidents. Further, A.I. technologies may be used in connection with certain cybersecurity attacks, resulting in heightened risks of security breaches and incidents.

While we regularly monitor data flow inside and outside the company, attackers have become very sophisticated in the way they conceal access to systems, and we may not be aware that we have been attacked or otherwise have suffered a security breach or incident. Any event that leads to unauthorized access, use, destruction, or disclosure of personal information or other sensitive information that we maintain, including our own proprietary business information and sensitive information such as personal information regarding our members or employees, could disrupt our business, harm our reputation, compel us to comply with applicable federal and/or state breach notification laws and foreign law equivalents, subject us to time consuming, distracting and expensive litigation, regulatory investigation and oversight, mandatory corrective action, require us to verify the correctness of data, or otherwise subject us to liability under laws, regulations and contractual obligations, including those that protect the privacy and security of personal information.

We also face indirect technology, cybersecurity and operational risks relating to the members and other third parties with whom we do business or upon whom we rely on, or whose technology we use to facilitate or enable our business activities, including suppliers, vendors, payment processors, and parties who have access to confidential information due to our agreements with them. The use of bank partnerships could leave us exposed to additional information security risks arising from the interaction between our and any partners' information technology infrastructure, and the sharing between us of member information. We cannot guarantee that our systems and networks, or those of any third parties with whom we do business, have not been breached or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to any of our systems and networks. Potential vulnerabilities can be exploited from inadvertent or intentional actions of our employees, contractors, third-party vendors, business partners, or by malicious third parties. In addition, any security compromise in our industry, whether actual or perceived, or information technology system disruptions, whether from attacks on our technology environment or from technical errors, computer malware, natural disasters, terrorism, war, geopolitical conflicts, or telecommunication or electrical failures, could interrupt our business or operations, harm our reputation, erode borrower confidence, negatively affect our ability to attract new members, or subject us to third-party lawsuits, regulatory fines or other action or liability, which could adversely affect our business and results of operations.

Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until they are launched against a target, we and our vendors may be unable to anticipate these techniques or to implement adequate preventative measures. Any failure or perceived failure by us, or the third parties with whom we do business, to comply with our privacy, confidentiality, or cybersecurity-related legal or other obligations to third parties, or any security breaches impacting us, our third-party providers or partners, or any security incidents or other events that result in the unauthorized access, release, destruction, or transfer of sensitive information, which could include personal information, may result in governmental investigations, enforcement actions, regulatory fines, litigation, or public statements against us by advocacy groups or others. In addition, a security breach or incident could cause third parties, to lose trust in us or subject us to claims by third parties that we have breached our privacy- and confidentiality-related obligations. Any belief by members or others that a security breach or other incident has affected us, even if a security breach or other incident has not affected us or any of our third-party providers or partners, could have any or all of the foregoing impacts on us, including harm to our reputation. Even the perception of inadequate security may harm our reputation and negatively impact our ability to attract and retain members. Moreover, security incidents and other inappropriate access can be difficult to detect, and any delay in identifying them may lead to increased harm of the types described above. Due to the nature of security incidents, we cannot fully guarantee that our security measures intended to protect our systems and data will successfully prevent service interruptions or security incidents.

We incur significant costs to detect and prevent security breaches and other security-related incidents, and as we continuously explore cost-saving initiatives and technology reworks to enhance operational efficiency, the integration of new technologies, upgrades, or modifications undertaken for the purpose of cost-savings could create unforeseen challenges that may impact the robustness of our security infrastructure and result in significant legal and financial exposure and/or reputational harm. While these endeavors are aimed at improving various efficiencies of our business, they may inadvertently expose our security systems to vulnerabilities that could be exploited by malicious actors, leading to unauthorized access, data breaches or other security incidents. Any event that leads, or is believed to have led, to unauthorized access to, or use, loss, corruption, disclosure or other processing of our data could disrupt our business; harm our reputation; compel us to comply with applicable federal and/or state breach notification laws and foreign law equivalents; subject us to litigation, regulatory investigation and oversight, or mandatory corrective action; require us to verify the correctness of database contents; or otherwise subject us to liability under laws and contractual obligations, including those that protect the privacy and security of personal information. This could result in increased costs for us to address the incident and in an effort to prevent further breaches or incidents, and result in significant legal and financial exposure and/or reputational harm. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity.

We cannot ensure that any limitations of liability provisions in any agreements with third parties would be enforceable or adequate or would otherwise protect us from any liabilities or damages with respect to any particular cybersecurity claim. We maintain errors, omissions, and cyber liability insurance policies covering certain security and privacy damages. However, we cannot be certain that our coverage will continue to be available on economically reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on our business and financial condition.

Our retail locations also process physical member loan documentation that contain confidential information about our members, including financial and personal information. We retain physical records in various storage locations outside of our retail locations. The loss or theft of, or other unauthorized access to or use of, member information and data from our retail locations or other storage locations could subject us to additional regulatory scrutiny, possible civil litigation and possible financial liability and losses.

Any significant disruption in our computer systems and critical third-party vendors may impair the availability of our websites, applications, products or services, or otherwise harm our business.

Our ability to deliver products and services, and otherwise operate our business and comply with applicable laws, depends on the efficient and uninterrupted operation of our computer systems and third-party data centers, as well as third-party providers. Our computer systems, including those provided by third-party providers and partners, may encounter service interruptions at any time due to system or software failure, natural disasters, severe weather conditions, health epidemics or pandemics, terrorist attacks, cyber-attacks, computer viruses, ransomware or other malware, physical or electronic break-ins, technical errors, insider threats, power outages or other events. Any of these occurrences may interrupt the availability, or reduce or adversely affect the functionality of our websites, applications, products or services, including our ability to service our loans, process loan applications, and provide digital financial services to our members. Our disaster recovery plan has not been tested under actual disaster conditions, and we may not have sufficient capacity to recover all data and services in the event of an outage. Additionally, our reliance on third-party providers may mean that we are not able to resolve operational problems internally or on a timely basis, as our operations will depend upon such third-party providers communicating appropriately and responding swiftly to their own service disruptions.

The implementation of technology changes and upgrades to maintain current and integrate new systems may cause service interruptions, transaction processing errors or system conversion delays and may cause us to fail to comply with applicable laws, all of which could have a material adverse effect on our business. We expect that new technologies and business processes applicable to the financial services industry will continue to emerge and that these new technologies and business processes may be better than those we currently use. There is no assurance that we will be able to successfully adopt new technology as critical systems and applications become obsolete and better ones become available. A failure to maintain and/or improve current technology and business processes, address capacity constraints, upgrade our systems and continually develop our technology and infrastructure, could disrupt our operations or cause our products and services to be less competitive.

In addition, the software that we have developed to use in our daily operations is highly complex and may contain undetected technical errors that could cause our computer systems to fail. For example, each loan that we make involves our proprietary automated underwriting process and depends on the efficient and uninterrupted operation of our computer systems. Any failure of our computer systems involving our automated underwriting process and any technical or other software errors pertaining to this automated underwriting process could compromise our ability to accurately evaluate potential members, which could result in significant claims and liability and negative publicity. Additionally, in the event of damage or interruption, our insurance policies may not adequately compensate us for any of our losses.

We are, and intend in the future to continue, expanding into new geographic regions, and our failure to comply with applicable laws or regulations, or accurately predict demand or growth, related to these geographic regions could have an adverse effect on our business.

We intend to continue expanding into new geographic regions, including through strategic partnerships or through our bank partnership programs. In addition, each of the new states where we do not currently operate may have different laws and regulations that apply to our products and services. As such, we expect to be subject to significant additional legal and regulatory requirements, including various federal and state consumer lending laws. We have limited experience in managing risks and the compliance requirements attendant to these additional legal and regulatory requirements in new geographies or related to strategic partnerships. The costs of compliance and any failure by us to comply with such regulatory requirements in new geographies could harm our business. If our partners decide to or are no longer able to provide their services, we could incur temporary disruptions in our loan transactions or we may be unable to do business in certain states or certain locations.

We are exposed to geographic concentration risk.

The geographic concentration of our loan originations may expose us to an increased risk of loss due to risks associated with certain regions. Certain regions of the U.S. from time to time will experience weaker economic conditions and higher unemployment and, consequently, will experience higher rates of delinquency and loss than on similar loans nationally. In addition, natural, man-made disasters or health epidemics or public health outbreaks in specific geographic regions may result in higher rates of delinquency and loss in those areas. A significant portion of our outstanding receivables originated in certain states, and within the states where we operate, originations are generally more concentrated in and around metropolitan areas and other population centers. Therefore, economic conditions, natural, man-made disasters, health epidemics or public health outbreaks, public policies that have the effect of drawing financial-services companies into contentious political or social issues, or other factors affecting these states or areas in particular could adversely impact the delinquency and default experience of the receivables and could adversely affect our business. Further, the concentration of our outstanding receivables in one or more states would have a disproportionate effect on us if governmental authorities in any of those states take action against us or take action affecting how we conduct our business.

As of December 31, 2024, 41%, 27%, 10%, 6% and 4% of our Owned Principal Balance at End of Period related to members from California, Texas, Florida, Illinois and New Jersey, respectively. If any of the events noted in these risk factors were to occur in or have a disproportionate impact in regions where we operate or plan to commence operations, it may negatively affect our business in many ways, including increased delinquencies and loan losses or a decrease in future originations.

Our proprietary credit risk models rely in part on the use of third-party data to assess and predict the creditworthiness of our members, and if we lose the ability to license or use such third-party data, or if such third-party data contain inaccuracies, it may harm our results of operations.

We rely on our proprietary credit risk models, which are statistical models built using third-party alternative data, credit bureau data, application data and our credit experience gained through monitoring the payment performance of our members over time. If we are unable to access certain third-party data used in our credit risk models, or our access to such data is limited through new regulation or otherwise, our ability to accurately evaluate potential members will be compromised, and we may be unable to effectively predict probable credit losses inherent in our loan portfolio, which would negatively impact our results of operations. Third-party data sources, including credit bureau data and other alternative data sources, are aggregated by our risk engine to be used in our credit risk models to score applicants, make credit decisions, and in our verification processes to confirm member-reported information. If the information that we receive from third parties about a member is inaccurate or does not accurately reflect the member's creditworthiness, this may cause us to provide loans to higher risk members than we intended through our underwriting process and/or inaccurately price the loans we make. In addition, this information may not always be complete, up-to-date or properly evaluated. For example, in some cases, information from third parties has a lag, such as credit reports that do not reflect delinquencies until the end of the month during which a borrower becomes 30 days delinquent, or where a customer may have lost his or her job in the course of applying or shortly after receiving a loan. In the case of many buy-now-pay-later products available on the market, such products are often not reported to or by the credit bureaus. Further, regulators may require banks and other lenders to not report certain negative performance data, such as medical debt, to the credit bureaus. As a result, credit bureau data may prove less reliable in predicting credit risk for borrowers.

We use numerous third-party data sources and multiple credit factors within our proprietary credit risk models, which helps mitigate, but does not eliminate, the risk of an inaccurate individual report. In addition, there are risks that the costs of our access to third-party data may increase or our terms with such third-party data providers could worsen. In recent years, well-publicized allegations involving the misuse or inappropriate sharing of personal information have led to expanded governmental scrutiny of practices relating to the safeguarding of personal information and the use or sharing of personal data by companies in the U.S. and other countries. That scrutiny has in some cases resulted in, and could in the future lead to, the adoption of stricter laws and regulations relating to the use and sharing of personal information. These types of laws and regulations could prohibit or significantly restrict our third-party data sources from sharing information, or could restrict our use of personal data when developing our proprietary credit risk models, or for fraud prevention purposes. These restrictions could also inhibit our development or marketing of certain products or services, or increase the costs of offering them to members or reduce the effectiveness of credit models at predicting credit outcomes or preventing fraud.

We follow procedures to verify a member's identity and address which are designed to minimize fraud. These procedures may include visual inspection of applicant identification documents to ensure authenticity, review of paystubs or bank statements for proof of income and employment, and review of analysis of information from credit bureaus, fraud detection databases and other alternative data sources for verification of identity, employment, income and other debt obligations. If any of the information that is considered in the loan review process is inaccurate, whether intentional or not, and such inaccuracy is not detected prior to loan funding, the loan may have a greater risk of default than expected. If any of our procedures are not followed, or if these procedures fail, fraud may occur. Additionally, there is a risk that following the date of the loan application, a member may have defaulted on, or become delinquent in the payment of, a pre-existing debt obligation, taken on additional debt, lost his or her job or other sources of income or experienced other adverse financial events. Fraudulent activity or significant increases in fraudulent activity could also lead to regulatory intervention, negatively impact our results of operations, brand and reputation and require us to take additional steps to reduce fraud risk, which could increase our costs.

A deterioration in the financial condition of counterparties, including financial institutions, could expose us to credit losses, limit access to liquidity or disrupt our business.

We have entered into, and may in the future enter into, financing and derivative transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, hedge funds, and other financial institutions. Furthermore, the operations of U.S. and global financial services institutions are interconnected, and a decline in the financial condition of one or more financial services institutions, or the perceived lack of creditworthiness of such financial institutions, may expose us to credit losses or defaults, limit access to liquidity or otherwise disrupt our business. As such, our financing and derivative transactions expose us to the risk of counterparty default, which can be exacerbated during periods of market illiquidity.

Our vendor relationships subject us to a variety of risks, and the failure of third parties to comply with legal or regulatory requirements or to provide various services that are important to our operations could have an adverse effect on our business.

We have vendors that, among other things, provide us with key services, including financial, technology and other services to support our loan origination, servicing and other activities. Our expansion into new channels, products or markets may introduce additional third-party service providers, strategic partners and other third parties on which we may become reliant. For example, in connection with the secured personal loan product, we work with third parties that provide information and/or services in connection with valuation, title management and title processing, repossessions, and remarketing. These types of third-party relationships are subject to increasingly demanding regulatory requirements and attention by our partner banks' federal bank regulators (the Federal Reserve Board, the Office of Comptroller of the Currency and the Federal Deposit Insurance Corporation) and our consumer financial services regulators, including state regulators and the CFPB, which could increase the scope of management involvement and decreasing the benefit that we receive from using third-party vendors. We could be adversely impacted to the extent our vendors and partners fail to comply with the legal requirements applicable to the particular products or services being offered. Moreover, if our bank partners or their regulators conclude that we have not met the heightened standards for oversight of our third-party vendors, we could be subject to enforcement actions, civil monetary penalties, supervisory orders to cease and desist or other remedial actions.

In some cases, third-party vendors are the sole source, or one of a limited number of sources, of the services they provide to us. Most of our vendor agreements are terminable on little or no notice, and if our current vendors were to stop or were unable to continue providing services to us on acceptable terms, we may be unable to procure alternatives from other vendors in a timely and efficient manner on acceptable terms or at all. If any third-party vendor fails to provide the services we require, due to factors outside our control, we could be subject to regulatory enforcement actions, suffer economic and reputational harm and incur significant costs to resolve any such disruptions in service. For a further discussion of the risks applicable to our partnership with Pathward, see "Risk Factors—*We currently rely on Pathward to originate a substantial portion of our loans. If our relationship with Pathward terminates, or if Pathward were to suspend, limit, or cease its operations or loan origination activities for any reason, and we are unable to engage another originating bank partner on a timely basis or at all, our business, results of operations and financial condition would be materially and adversely affected.*"

Our mission to provide inclusive, affordable financial services that empower our members to build a better future may conflict with the short-term interests of our stockholders or may not provide the long-term benefits that we expect and may adversely impact our business operations, results of operations, and financial condition.

Our mission is to provide inclusive, affordable financial services that empower our members to build a better future. We have made and may continue to make decisions that we believe will benefit our members and therefore provide long-term benefits for our business, even if our decision negatively impacts our short-term results of operations. For example, we constrain the maximum rates we charge in order to further our goal of making our loans affordable for our target members. Our decisions may negatively impact our short-term financial results or not provide the long-term benefits that we expect and may adversely impact our business operations, results of operations, and financial condition.

If we cannot maintain our corporate culture as we grow, we could lose the innovation, collaboration and focus on the mission that contribute to our business.

We believe that a critical component of our success is our corporate culture and our deep commitment to our mission. We believe this mission-based culture fosters innovation, encourages teamwork and cultivates creativity. Our mission defines our business philosophy as well as the emphasis that we place on our members, our people and our culture and is consistently reinforced to and by our employees. As we continue to evolve our business, including from the integration of employees and businesses acquired in connection with previous or future acquisitions or from our cost-saving measures, we may find it difficult to maintain these valuable aspects of our corporate culture and our long-term mission. Operating as a remote-first company may make it difficult for us to preserve our corporate culture and could negatively impact on workforce morale and productivity. Any failure to preserve our culture could negatively impact our future success, including our ability to attract and retain employees, encourage innovation and teamwork, and effectively focus on and pursue our mission and corporate objectives.

We are dependent on hiring an adequate number of hourly bilingual employees to run our business and are subject to government regulations concerning these and our other employees, including minimum wage laws.

Our workforce is comprised largely of bilingual employees who work on an hourly basis. In certain areas where we operate, there is significant competition for hourly bilingual employees and the lack of availability of an adequate number of hourly bilingual employees could adversely affect our operations. In addition, we are subject to applicable rules and regulations relating to our relationship with our employees, including minimum wage and break requirements, pay transparency, leave requirements, health benefits, unemployment and sales taxes, overtime and working conditions and immigration status. We are from time to time subject to employment-related claims, including wage and hour claims. Further, legislated increases in the federal and state minimum wage, as well as increases in additional labor cost components, such as employee benefit costs, workers' compensation insurance rates, and compliance costs and fines, as well as the cost of any potential litigation in connection with these regulations, would increase our labor costs.

Misconduct by our employees could harm us by subjecting us to monetary loss, significant legal liability, regulatory scrutiny and reputational harm.

Our reputation is critical to maintaining and developing relationships with our existing and potential members and third parties with whom we do business. There is a risk that our employees could be accused of or engage in misconduct that adversely affects our business, including fraud, redirection, misappropriation of member funds, improper execution of loan transactions, embezzlement and theft, disclosure of personal and business information and the failure to follow protocol when interacting with members that could lead us to suffer direct losses from the activity as well as serious reputational harm. Employee misconduct could also lead to regulatory sanctions and prompt regulators to allege or to determine based upon such misconduct that we have not established adequate supervisory systems and procedures to inform employees of applicable rules or to detect and deter violations of such rules. Misconduct by our employees, or even unsubstantiated allegations of misconduct, could harm our reputation and our business.

Our international operations involve inherent risks which could result in harm to our business.

As of December 31, 2024, we had 1,527 employees in Mexico, including employees related to our two contact centers. These employees provide certain English/Spanish bilingual support related to member-facing contact center activities, administrative and technology support of the contact centers and back-office support services. In addition, we have a technology development center in India, where we had 193 employees as of December 31, 2024. We have also previously engaged vendors that utilized employees or contractors based outside of the U.S. These international activities are subject to inherent risks that are beyond our control, including:

- risks related to government regulation or required compliance with local laws;
- local licensing and reporting obligations;
- difficulties in developing, staffing and simultaneously managing a number of varying foreign operations as a result of distance, language and cultural differences;
- different, uncertain, overlapping or more stringent local laws and regulations;
- political and economic instability, tensions, security risks and changes in international diplomatic and trade relations;
- state or federal regulations that restrict offshoring of business operational functions or require offshore partners to obtain additional licenses, registrations or permits to perform services on our behalf;
- natural disasters, public health issues, epidemics or public health outbreaks, acts of war, and terrorism, and other events outside our control;
- compliance with applicable U.S. laws and foreign laws related to consumer protection, taxation, intellectual property, privacy, data security, corruption, money laundering, and export/trade control;
- misconduct by our outsourcing partners and their employees or even unsubstantiated allegations of misconduct;
- risks due to lack of direct involvement in hiring and retaining personnel; and
- potentially adverse tax developments and consequences.

Violations of the complex foreign and U.S. laws, rules and regulations that apply to our international operations and offshore activities of our service providers may result in reputational harm, heightened regulatory scrutiny, fines, criminal actions or sanctions against us, our directors or our employees, as well as restrictions on the conduct of our business.

If we discover a material weakness in our internal control over financial reporting that we are unable to remedy or otherwise fail to maintain effective internal control over financial reporting or disclosure controls and procedures, our ability to report our financial results on a timely and accurate basis and the market price of our common stock may be adversely affected.

We have developed our disclosure controls, internal control over financial reporting and other procedures to ensure information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. To maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended and anticipate we will continue to expend significant resources, including accounting-related costs and significant management oversight. Any failure to maintain the adequacy of our internal controls, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and could materially impair our ability to operate our business. Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business, including our cost-saving measures. If our internal controls are perceived as inadequate or we are unable to produce timely or accurate financial statements, investors may lose confidence in our operating results and our stock price could decline. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on Nasdaq.

Section 404 of the Sarbanes-Oxley Act requires our management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting. We are also required to have our independent registered public accounting firm attest to, and issue an opinion on, the effectiveness of our internal control over financial reporting. If we are unable to assert that our internal control over financial reporting is effective, or if, when required, our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which could subject us to sanctions or investigations by the SEC or other regulatory authorities, adversely affect our ability to access the credit markets and sell additional equity and commit additional financial and management resources to remediate deficiencies.

Because we receive a significant amount of cash in our retail locations through member loan repayments, we may be subject to theft and cash shortages due to employee errors.

Since our business requires us to receive a significant amount of cash in each of our retail locations, we are subject to the risk of theft (including by or facilitated by employees) and cash shortages due to employee errors. We have experienced theft and attempted theft in the past. Although we have implemented various procedures and programs to reduce these risks, maintain insurance coverage for theft and provide security measures for our facilities, we cannot make assurances that theft and employee error will not occur.

Our business is subject to the risks of natural disasters, public health crises and other catastrophic events, and to interruption by man-made problems.

A significant natural disaster, such as an earthquake, fire, hurricanes, flood or other catastrophic event (many of which are becoming more acute and frequent as a result of climate change), or interruptions by strikes, crime, terrorism, social unrest, cyber-attacks, computer viruses, internal or external system failures, telecommunications failures, a failure of banking or other financial institutions, pandemics or other public health crises, power outages or disruptions, political instability, geopolitical unrest, war, or other large-scale conflicts or unpredictable occurrences, could have an adverse effect on our business, results of operations and financial condition. For example, a significant natural disaster in Northern California or any other location in which we have offices or facilities or employees working remotely, could adversely affect our business operations, financial condition and prospects, and our insurance coverage may be insufficient to compensate us for losses that may occur.

Our IT systems are backed up regularly to highly available, alternate data centers in a different region, and we have conducted disaster recovery testing of our mission critical systems. Despite any precautions we may take, however, the occurrence of a natural disaster or other unanticipated problems at our data centers could result in lengthy interruptions in our services. In addition, acts of war, terrorism, and other geopolitical unrest could cause disruptions in our business and lead to interruptions, delays or loss of critical data.

In addition, a large number of members make payments and apply for loans at our retail locations. If one or more of our retail locations becomes unavailable for any reason or other public health crisis, localized weather events, or natural or man-made disasters, our ability to conduct business and collect payments from members on a timely basis may be adversely affected, which could result in lower loan originations, higher delinquencies and increased losses. For example, during parts of the COVID-19 pandemic, we temporarily closed a few of our retail locations due to public health orders or other concerns, which we believe resulted in lower Aggregate Originations. While all of our retail locations are currently open, it is possible that we will have to temporarily close retail locations as necessary due to public health orders or other concerns relating to any public health crisis. The closure of retail locations could further adversely affect our loan originations, member experience, results of operations and financial condition.

The aforementioned risks may be further increased if our business continuity plans prove to be inadequate and there can be no assurance that both personnel and non-mission critical applications can be fully operational after a declared disaster within a defined recovery time. If our personnel, systems, or primary data center facilities are impacted, we may suffer interruptions and delays in our business operations. In addition, if these events impact our members or their ability to timely repay their loans, our business could be negatively affected.

In addition, the impacts of climate change on the global economy and our industry are rapidly evolving. We may be subject to increased regulations, reporting requirements, standards or expectations regarding the environmental impacts of our business. While we seek to mitigate our business risks associated with climate change, there are inherent climate-related risks wherever business is conducted. Any of our primary locations may be vulnerable to the adverse effects of climate change. For example, our Bay Area headquarters has experienced and may continue to experience, climate-related events and at an increasing frequency, including floods, drought, water scarcity, heat waves, wildfires and resultant air quality impacts and power shutoffs associated with the wildfires. Changing market dynamics, global policy developments and increasing frequency and impact of extreme weather events on critical infrastructure in the United States and elsewhere have the potential to disrupt our business, the business of our critical vendors, partners and members, and may cause us to experience higher attrition, losses and additional costs to maintain or resume operations. In addition, current and emerging legal and regulatory requirements with respect to climate change (e.g., carbon pricing) and other aspects of environmental, social and governance reporting (e.g., disclosure requirements) may result in increased compliance requirements on our business, which may increase our operating costs and disrupt our business.

We may not maintain sufficient business interruption or property insurance to compensate us for potentially significant losses, including potential harm to our business that may result from interruptions in our ability to provide our financial products and services.

Unfavorable outcomes in legal proceedings may harm our business and results of operations.

We have been, and may in the future become, subject to litigation, claims, investigations, legal and administrative cases and proceedings, whether civil or criminal, or lawsuits by governmental agencies or private parties. If the results of any pending or future legal proceedings are unfavorable to us or if we are unable to successfully defend against third-party lawsuits, we may be required to pay monetary damages or fulfill our indemnification obligations or we may be subject to fines, penalties, injunctions or other censure. Even if we adequately address the issues raised by an investigation or proceeding or successfully defend a third-party lawsuit or counterclaim, we may have to devote significant financial and management resources to address these issues.

Health epidemics or other outbreaks, such as the COVID-19 pandemic, may adversely impact our business and results of operations.

Our business could be adversely impacted by the effects of health epidemics or other outbreaks. For example, the COVID-19 pandemic and health and safety measures taken by governments and private industry in response to the COVID-19 pandemic significantly impacted worldwide economic activity and consumer behavior and created economic uncertainty. Worker shortages, supply chain issues, inflationary pressures, vaccine and testing requirements, the emergence of new health epidemics or outbreaks and new variants of COVID-19, and the reinstatement and subsequent lifting of restrictions and health and safety related measures in response to the emergence of new health epidemics or outbreaks and new variants of COVID-19 have occurred in the past and may occur in the future.

We are unable to predict the future path or impact of any global or regional health epidemics, other outbreaks, or resurgences of COVID-19, including existing or future variants. An extended period of disruption as a result of a health epidemic or public health outbreaks, including COVID-19, may negatively impact us, as well as our members, vendors, and partners.

Funding and Liquidity Risks

We have incurred substantial debt and may issue debt securities or otherwise incur substantial debt in the future, which may adversely affect our financial condition and negatively impact our operations.

We have a substantial amount of indebtedness, which requires significant interest payments. From time to time, we may seek to obtain additional capital. We depend on securitization transactions, warehouse facilities and other forms of debt financing, as well as whole loan and structured loan sales, in order to finance the growth of our business and the origination of most of the loans we make to our members. Our outstanding borrowings or any additional indebtedness we may incur, could require us to divert funds identified for other purposes for debt service and impair our liquidity position. If we cannot generate sufficient cash flow from operations to service our debt, we may need to adopt one or more alternatives to refinance our debt, dispose of assets or obtain necessary funds, including obtaining additional equity capital which could be on terms that may be onerous or highly dilutive. For example, in October 2024, we announced that we had entered into a Credit Agreement to refinance our existing Corporate Financing facility with a new senior secured term loan.

We do not know whether we will be able to take any of these actions on a timely basis, on terms satisfactory to us or at all.

Our substantial level of indebtedness and the current constraints on our liquidity could have important consequences, including the following:

- we must use a substantial portion of our cash flow from operations to pay interest and principal on our debt, which reduces or will reduce funds available to us for other purposes such as working capital, capital expenditures, other general corporate purposes, execution of growth strategies, and potential acquisitions;
- our ability to refinance such indebtedness or to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be impaired;
- default and foreclosure on our and our subsidiaries' assets if asset performance and our operating revenue are insufficient to repay debt obligations;
- mandatory repurchase obligations for any loans conveyed or sold into a debt financing or under a whole loan purchase facility if the representations and warranties we made with respect to those loans were not correct when made;
- acceleration of obligations to repay the indebtedness (or other outstanding indebtedness to the extent of cross default triggers), even if we make all principal and interest payments when due, if we breach any covenants that require the maintenance of certain financial ratios with respect to us or the loan portfolio securing our indebtedness or the maintenance of certain reserves or tangible net worth and do not obtain a waiver for such breach or renegotiate such covenant;
- inability to obtain necessary additional financing if the debt security contains covenants restricting our ability to obtain such financing while the debt security is outstanding;
- inability to obtain necessary additional financing if changes in the characteristics of our loans or our collection and other loan servicing activities change and cease to meet conditions precedent for continued or additional availability under our debt financings;
- limitations on our flexibility in planning for and reacting to changes in our business and in the industry in which we operate;
- place us at a disadvantage compared to our competitors that have less debt;
- defaults based on loan portfolio performance or default in our collection and loan servicing obligations could result in our being replaced by a third-party or back-up servicer and notification to our members to redirect payments;
- downgrades or revisions of agency ratings for our debt financing;
- monitoring, administration and reporting costs and expenses, including legal, accounting and other monitoring reporting costs and expenses, required under our debt financings; and
- we may be more vulnerable to economic downturn and adverse developments in our business, including potential economic recession, inflation, and other factors outside our control.

Our ability to meet our expenses, to remain in compliance with our covenants under our debt instruments and to make future principal and interest payments in respect of our debt depends on, among other factors, our operating performance, competitive developments and financial market conditions, all of which are significantly affected by financial, business, economic and other factors. We are not able to control many of these factors. Given current industry and economic conditions, our cash flow may not be sufficient to allow us to pay principal and interest on our debt and meet our other obligations.

To the extent our relationship with lenders is negatively affected by disputes that may arise from time to time, it may be more difficult to seek covenant relief, if needed, or to raise additional funds in the future.

A breach of early payment triggers or covenants or other terms of our agreements with lenders could result in an early amortization, default, and/or acceleration of the related funding facilities.

The primary funding sources available to support the maintenance and growth of our business include, among others, asset-backed securitizations, revolving debt facilities (including the Secured Financing), Corporate Financing, and structured and whole loan sales. If we are unable to comply with various conditions precedent to availability under these facilities (including the eligibility of our loans), covenants and other specified requirements set forth in our agreements with our lenders, this could result in the early amortization, default and/or acceleration of our existing facilities. Such covenants and requirements include financial covenants, portfolio performance covenants and other events. The Corporate Financing contains financial covenants requiring the maintenance of minimum liquidity and a maximum adjusted EBITDA-based corporate leverage covenant, together with other customary affirmative and negative covenants, and events of default. The obligations are secured by assets of the Company and its subsidiaries. Compliance with these covenants may limit our ability to take actions that might be to our advantage or to the advantage of our stockholders.

Our securitizations contain collateral performance threshold triggers related to the three-month average annualized gross charge-off or net charge-off rate which, if exceeded, would lead to early amortization. To support our collateral requirements under our financing agreements, we use a random selection process to take loans off our warehouse line to pledge to our securitizations. An inability to originate enough loans to meet the collateral requirements in our financing arrangements, could result in the early amortization, default and/or acceleration of our existing facilities. Moreover, we currently act as servicer with respect to the unsecured consumer loans held by our subsidiaries. If we default in our servicing obligations or fail to meet certain financial covenants, an early amortization event or event of default could occur, and/or we could be replaced by our back-up servicer or another successor servicer. If the back-up servicer or successor servicer is not adequate, the collection and processing of repayments may be impaired.

During an early amortization period or if an event of default exists, principal and interest collections from the loans in our asset-backed facilities would be applied to repay principal under such facilities and principal collections would no longer be available on a revolving basis to fund purchases of newly originated loans. If an event of default exists under our revolving debt or loan sale facilities, the applicable lenders or purchasers' commitments to extend further credit or purchase additional loans under the related facility would terminate. If collections were insufficient to repay the amounts due under our securitizations and our revolving debt facilities, the applicable lenders, trustees and noteholders could seek remedies, including against the collateral pledged under such facilities. Any of these events would negatively impact our liquidity, including our ability to originate new loans, and require us to rely on alternative funding sources. If we were unable to arrange new or alternative methods of financing on favorable terms, we might have to curtail the origination of loans, and we may be replaced by our back-up servicer or another successor servicer.

Various risks, uncertainties and events beyond our control could affect our ability to comply with these covenants and maintain these financial ratios. Failure to comply with any of the covenants in our existing or future financing agreements could result in a default under those agreements and under other agreements containing cross-default provisions. A default would permit lenders to accelerate the maturity for the debt under these agreements and to foreclose upon any collateral securing the debt. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations. In addition, the limitations imposed by financing agreements on our ability to incur additional debt and to take other actions might significantly impair our ability to obtain other financing. For more information on covenants, requirements and events, see *Note 8, Borrowings* of the Notes to the Consolidated Financial Statements included elsewhere in this report.

Our securitizations and structured and whole loan sales may expose us to certain risks, and we can provide no assurance that we will be able to conduct such transactions in the future, which may require us to seek more costly financing.

We have securitized, and may in the future securitize, certain of our loans to generate cash to originate new loans or pay our outstanding indebtedness. In each such transaction, we sell and convey a pool of loans to a special purpose entity ("SPE"). Concurrently, each SPE issues notes or certificates pursuant to the terms of an indenture. The securities issued by the SPE are secured by the pool of loans owned by the SPE. In exchange for the sale of a portion of the pool of loans to the SPE, we receive cash, which are the proceeds from the sale of the securities. We also contribute a portion of the pool of loans in consideration for the equity interests in the SPE. Subject to certain conditions in the indenture governing the notes issued by the SPE (or the agreement governing the SPE's revolving loan), the SPE is permitted to purchase additional loans from us or distribute to us residual amounts received by it from the loan pool, which residual amounts are the cash amounts remaining after all amounts payable to service providers and the noteholders have been satisfied. We also have the ability to swap pools of loans with the SPE. Our equity interest in the SPE is a residual interest in that it entitles us as the equity owner of the SPE to residual cash flows, if any, from the loans and to any assets remaining in the SPE once the notes are satisfied and paid in full (or in the case of a revolving loan, paid in full and all commitments terminated). As a result of challenging credit and liquidity conditions, the value of the subordinated securities we retain in our securitizations might be reduced or, in some cases, eliminated.

The securitization market is subject to changing market conditions, and we may not be able to access this market when we would otherwise deem appropriate. For example, the securitization market has been volatile, driven by fluctuating rates, inflation, and recessionary concerns. Further, other matters, such as (i) accounting standards applicable to securitization transactions and (ii) capital and leverage requirements applicable to banks and other regulated financial institutions holding asset-backed securities, could result in decreased investor demand for securities issued through our securitization transactions, or increased competition from other institutions that undertake securitization transactions. In addition, compliance with certain regulatory requirements may affect the type of securitizations that we are able to complete.

Asset-backed securities and the securitization markets were heavily affected by the Dodd-Frank Act and have also been a focus of increased regulation by the SEC. For example, the Dodd-Frank Act mandates the implementation of rules requiring securitizers or originators to retain an economic interest in a portion of the credit risk for any asset that they securitize or originate. Furthermore, sponsors are prohibited from diluting the required risk retention by dividing the economic interest among multiple parties or hedging or transferring the credit risk the sponsor is required to maintain. Rules relating to securitizations rated by nationally-recognized statistical rating agencies require that the findings of any third-party due diligence service providers be made publicly available at least five business days prior to the first sale of securities, which has led and will continue to lead us to incur additional costs in connection with each securitization. In addition, some of the regulations to be implemented under the Dodd-Frank Act relating to securitization have not yet been finalized. Any new rules or changes to the Dodd-Frank Act (or the current rules thereunder) could adversely affect our ability and our cost to access the asset-backed securities market.

If it is not possible or economical for us to securitize our loans in the future, we would need to seek alternative financing to support our operations and to meet our existing debt obligations, which may not be available on commercially reasonable terms, or at all. If the cost of such alternative financing were to be higher than our securitizations, we would likely reduce the fair value of our loans receivable held for investment, which would negatively impact our results of operations.

The gain on sale generated by any of our structured or whole loan sales and servicing fees earned on sold loans represents additional liquidity. Demand for our loans at the current premiums may be impacted by factors outside our control, including availability of loan pools, demand by investors for loan assets and attractiveness of returns offered by competing investment alternatives offered by other loan originators with more attractive characteristics than our loan pools and loan purchaser interest. If we are unable to sell additional loans or obtain other financing, our revenue and liquidity may be negatively impacted and we may not be able to grow our business as planned and we may have to further curtail our originations.

Our results of operations are affected by our ability to sell our loans for a premium over their net book value. Potential loan purchasers might reduce the premiums they are willing to pay, or even require a discount to principal balance, for the loans that they purchase during periods of economic slowdown or recession to compensate for any increased risks. A reduction in the sale price of the loans we sell under any future whole loan sale program would likely result in a reduction in the fair value of our Loans Receivable at Fair Value, which would negatively impact our results of operations. Any sustained decline in demand for our loans or increase in delinquencies, defaults or foreclosures may reduce the price we receive on future loan sales below our loan origination cost.

We may need to raise additional funds in the future, including through equity, debt, or convertible debt financings, to support business growth and those funds may not be available on acceptable terms, or at all.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new financial products and services, enhance our risk management model, improve our operating infrastructure, or acquire complementary businesses and technologies. Additionally, increases in our cost of funds and charge-offs may reduce our margins and require us to raise more capital to support our existing business and execute our corporate strategies. Accordingly, we may need to engage in equity, debt or convertible debt financings to secure additional funds. If we raise additional funds by issuing equity securities or securities convertible into equity securities, those securities may have rights, preferences or privileges senior to the rights of our common stock and our stockholders may experience dilution. Any large equity or equity-linked offering could also negatively impact our stock price. A number of factors, including market volatility or depressed valuations, trading prices in the equity markets, our financial condition and capital market conditions will impact our ability to obtain equity or debt financing.

Debt financing, if available, may have a high cost of funds and may involve covenants restricting our operations or our ability to incur additional debt. For example, our corporate lenders have previously and may in the future require warrants to boost their return, the issuance of which has been and may in the future be dilutive to our stockholders. Any debt or additional equity financing that we raise may contain terms that are not favorable to us or our stockholders and could also negatively impact our stock price. A number of factors, including market volatility or depressed valuations, trading prices in the equity markets, our financial condition and capital market conditions will impact our ability to obtain equity or debt financing. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could have an adverse effect on our business, results of operation and financial condition.

We maintain cash deposits in excess of federally insured limits. Adverse developments affecting financial institutions, including bank failures, could adversely affect our liquidity and financial performance.

We regularly maintain domestic cash deposits in Federal Deposit Insurance Corporation ("FDIC") insured banks that exceed the FDIC insurance limits. Bank failures, events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, or concerns or rumors about such events, may lead to liquidity constraints. For example, on March 10, 2023, Silicon Valley Bank failed and was taken into receivership by the FDIC. Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership and on May 1, 2023, First Republic Bank was taken into receivership. While we primarily maintain cash deposits in large money center banks and did not maintain deposits at Silicon Valley Bank, Signature Bank, Silvergate Capital Corp. or First Republic Bank, the failure of a bank, or other adverse conditions in the financial or credit markets impacting financial institutions at which we maintain balances, could adversely impact our liquidity and financial performance. There can be no assurance that our deposits in excess of the FDIC or other comparable insurance limits will be backstopped by the U.S. treasury, or that any bank or financial institution with which we do business will be able to obtain needed liquidity from other banks, government institutions or by acquisition in the event of a failure or liquidity crisis.

Intellectual Property Risks

It may be difficult and costly to protect our intellectual property rights, and we may not be able to ensure their protection.

Our ability to offer our products and services to our members depends, in part, upon our proprietary technology. We may be unable to protect our proprietary technology effectively which would adversely affect our ability to compete with them. We rely on a combination of copyright, trade secret, trademark laws and other rights, as well as confidentiality procedures and contractual provisions to protect our proprietary technology, processes and other intellectual property and do not have patent protection. However, the steps we take to protect our intellectual property rights may be inadequate. For example, a third party may attempt to reverse engineer or otherwise obtain and use our proprietary technology without our consent. The pursuit of a claim against a third party for infringement of our intellectual property could be costly, and there can be no guarantee that any such efforts would be successful. Our failure to secure, protect and enforce our intellectual property rights could adversely affect our brand and business.

We have been, and may in the future be, sued by third parties for alleged infringement of their proprietary rights.

Our proprietary technology, including our credit risk models and A.I. algorithms, and their outputs, may infringe upon claims of third-party intellectual property, and we may face intellectual property challenges from such other parties. The expansion of our suite of financial products and services may create additional trademark risk. We may not be successful in defending against any such challenges or in obtaining licenses to avoid or resolve any intellectual property disputes. If we are unsuccessful, such claim or litigation could result in a requirement that we pay significant damages or licensing fees, which would negatively impact our financial performance. We may also be obligated to indemnify parties or pay substantial settlement costs, including royalty payments, and to modify applications or refund fees. Even if we were to prevail in such a dispute, any litigation regarding our intellectual property could be costly and time consuming, and may divert the attention of our management and key personnel from our business operations.

Moreover, it has become common in recent years for individuals and groups to purchase intellectual property assets for the sole purpose of making claims of infringement and attempting to extract settlements from companies such as ours. Even in instances where we believe that claims and allegations of intellectual property infringement against us are without merit, defending against such claims is time consuming and expensive and could result in the diversion of time and attention of our management and employees. In addition, although in some cases a third party may have agreed to indemnify us for such costs, such indemnifying party may refuse or be unable to uphold its contractual obligations. In other cases, our insurance may not cover potential claims of this type adequately or at all, and we may be required to pay monetary damages, which may be significant.

Our credit risk models, A.I. capabilities, and internal systems rely on software that is highly technical, and if it contains undetected errors, our business could be adversely affected.

Our credit risk models, A.I. capabilities, and internal systems rely on internally developed software that is highly technical and complex. In addition, our models, A.I. capabilities, and internal systems depend on the ability of such software to store, retrieve, process and manage immense amounts of data. The software on which we rely has contained, and may now or in the future contain, undetected errors, bugs or other defects. Some errors may only be discovered after the code has been released for external or internal use. Errors, bugs or other defects within the software on which we rely may result in a negative experience for our members, or compromise our ability to protect member data or our intellectual property. Specifically, any defect in our credit risk models could result in the approval of unacceptably risky loans. Such defects could also result in reputational harm, increased regulatory scrutiny, fines or penalties, loss of members, loss of revenue, adjustments to the fair value of our loans receivable held for investment or our asset-backed notes, challenges in raising capital, or liability for damages, any of which could adversely affect our business, financial condition and results of operations.

Some aspects of our business processes include open source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.

We incorporate open source software into processes supporting our business. Such open source software may include software covered by licenses like the GNU General Public License and the Apache License. The terms of various open source licenses have not been interpreted by U.S. courts, and there is a risk that such licenses could be construed in a manner that limits our use of the software, inhibits certain aspects of our systems and negatively affects our business operations.

Some open source licenses contain requirements that we make source code available at no cost for modifications or derivative works we create based upon the type of open source software we use. We may face claims from third parties claiming ownership of, or demanding the release or license of, such modifications or derivative works (which could include our proprietary source code or credit risk models) or otherwise seeking to enforce the terms of the applicable open source license. If portions of our proprietary credit risk models are determined to be subject to an open source license, or if the license terms for the open source software that we incorporate change, we could be required to publicly release the affected portions of our source code, re-engineer all or a portion of our model or change our business activities, any of which could negatively affect our business and our intellectual property rights.

In addition to risks related to license requirements, the use of open source software can lead to greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Use of open source software may also present additional security risks because the public availability of such software may make it easier for hackers and other third parties to determine how to breach our website and systems that rely on open source software. Many of the risks associated with the use of open source software cannot be eliminated and could adversely affect our business.

Industry and Regulatory Risks

The financial services industry is highly regulated. Changes in regulations or in the way regulations are applied to our business could adversely affect our business.

We are subject to various federal, state and local regulatory regimes related to the financial services that we provide. The principal policy objectives of these regulatory regimes are to provide meaningful disclosures to consumers, to protect against unfair, deceptive and abusive acts or practices and to prevent discrimination. Laws and regulations, among other things, impose licensing and qualifications requirements; require various disclosures and consents; mandate or prohibit certain terms and conditions for various financial products; prohibit discrimination based on certain prohibited bases; prohibit unfair, deceptive or abusive acts or practices; require us to submit to examinations by federal and state regulatory regimes; and require us to maintain various policies, procedures and internal controls.

Federal and state agencies have broad enforcement powers over us, including powers to periodically examine and continuously monitor our operations and to investigate our business practices and broad discretion to deem particular practices unfair, deceptive, abusive or otherwise not in accordance with the law. State attorneys general have a variety of legal mechanisms at their disposal to enforce state and federal consumer financial laws. For example, Section 1042 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") grants state attorneys general the ability to enforce the Dodd-Frank Act and regulations promulgated under the Dodd-Frank Act's authority and to secure remedies against entities within their jurisdiction. State attorneys general also have a variety of legal mechanisms at their disposal to enforce state and federal consumer financial laws and have enforcement authority under state law with respect to unfair or deceptive practices. Generally, under these statutes, state attorneys general may conduct investigations, bring actions, and recover civil penalties or obtain injunctive relief against entities engaging in unfair, deceptive, or fraudulent acts. Attorneys general may also coordinate among themselves or with other regulators to enter into coordinated actions or settlements. Finally, several consumer financial laws like the Truth in Lending Act and Fair Credit Reporting Act grant enforcement or litigation authority to state attorneys general.

Changes in laws or regulations, or the regulatory application or interpretation of the laws and regulations applicable to us, could adversely affect our ability to operate in the manner in which we currently conduct business, and may also make it more difficult or costly for us to originate additional loans, or for us to collect payments on our loans to members or otherwise operate our business by subjecting us, our service providers, or strategic partners, to additional licensing, registration and other regulatory requirements in the future.

Failure to comply with applicable laws and regulations could result in additional compliance requirements, limitations on our ability to collect or retain all or part of the principal of or interest on loans, fines or penalties, an inability to continue operations, modification in business practices, regulatory actions, loss of required licenses or registrations, potential impairment, voiding, or voidability of loans, rescission of contracts, civil and criminal liability and damage to our reputation. It could also result in a default or early amortization event under certain of our debt facilities and reduce or terminate availability of debt financing to us to fund originations. To the extent it is determined that any loan we make was not originated in accordance with all applicable laws as we are required to represent under our securitization and other debt facilities and in loan sales to investors, we could be obligated to repurchase for cash or swap for qualifying assets, any such loan determined not to have been originated in compliance with legal requirements. We may not have adequate liquidity and resources to make such cash repurchases or swap for qualifying assets.

Litigation, regulatory actions and compliance issues could subject us to significant fines, penalties, judgments, remediation costs and/or requirements resulting in increased expenses and reputational harm.

In the ordinary course of business, we have been named as a defendant in various legal actions, including class actions and other litigation. Generally, this litigation arises from the claims of violation of do-not-call, credit reporting, collection, and bankruptcy laws. We have in the past chosen to settle (and may in the future choose to settle) certain matters in order to avoid the time and expense of litigating them. Although none of the settlements have been material to our business, there is no assurance that, in the future, such settlements will not have a material adverse effect on our business. The complexity of the laws related to secured personal loans regarding vehicle titling, lien placement and repossession may enhance the risk of consumer litigation. Further, the origination of loans through bank partnerships may increase the risk of litigation or regulatory scrutiny including based on the "true lender" theory that seeks to recharacterize a lending transaction. State legislation requiring licensure and state restrictions including fee and rate limits on bank partner loans may also reduce profitability and/or increase regulatory and litigation risk. Additionally, platforms offering banking services and products through partners have also been challenged by federal and state regulators on a variety of claims.

Regulatory bodies may enact new laws or promulgate new regulations or view matters or interpret laws and regulations differently than they have in the past, or commence investigations or inquiries into our business practices. For example, in April 2022, the CFPB announced that it intends to examine nonbank financial companies that pose risks to consumers, and in November 2022, the Treasury Department issued a report encouraging the CFPB to increase its supervisory activity with respect to larger nonbank lenders. If the CFPB decides to subject us to its supervisory process, it could significantly increase the level of regulatory scrutiny of our business practices. Further, in June 2024, the CFPB finalized a rule requiring a nonbank entity to register with the CFPB if it receives a final public written order or judgment (including a consent order or stipulated order) from a federal, state or local government agency for violation of consumer protection laws, and in January 2023, the CFPB announced a proposed rule requiring a supervised nonbank to register if it uses certain contract terms and conditions that claim to waive or limit consumer rights and protections (including arbitration clauses). Each of these registries has the potential to increase the operational costs and regulatory scrutiny of our business practices. In addition, the Biden Administration previously announced a government-wide effort to eliminate "junk fees" which could subject our business practices to even further scrutiny. The CFPB's action on junk fees initially focused on fees associated with deposit products, such as "surprise" overdraft fees and not-sufficient-funds fees, but has since expanded. Furthermore, what constitutes a "junk fee" remains unclear and both the CFPB and Federal Trade Commission have taken steps to increase scrutiny of fees. The CFPB has called out other fees, such as pay-to-pay fees charged by debt collectors, and is actively soliciting consumer input on fee practices associated with other consumer financial products or services, signaling that the "junk fee" initiative is likely to continue to broaden in scope. In December 2024, the CFPB issued an advance notice of proposed rulemaking ("ANPR") to request public comment on potential amendments to Regulation V, which implements the Fair Credit Reporting Act. As described by the CFPB, the ANPR would address concerns regarding coerced debt, where individuals are manipulated into incurring debt without their consent, often within the context of abusive relationships, which can damage their credit scores and impact financial independence.

Our involvement in any such matter could cause harm to our reputation and divert management attention from the operation of our business, even if the matters are ultimately determined in our favor. If resolved against us, legal actions could result in excessive verdicts and judgments, injunctive relief, equitable relief, and other adverse consequences that may affect our financial condition and how we operate our business. It is unclear whether or the extent to which the CFPB's positions on any of the proposed or recently finalized rules discussed above will change under the Trump administration and the extent to which the government's focus on enforcement of federal consumer protection laws will change. It is possible that the CFPB could promulgate rules and bring enforcement actions that materially impact our business.

In addition, a number of participants in the consumer financial services industry have been the subject of putative class action lawsuits, state attorney general actions and other state regulatory actions, federal regulatory enforcement actions, including actions relating to alleged unfair, deceptive or abusive acts or practices, violations of state licensing and lending laws, including state usury laws, actions alleging violations of the Americans with Disabilities Act, discrimination on the basis of race, ethnicity, gender or other prohibited bases, and allegations of noncompliance with various state and federal laws and regulations relating to originating and servicing consumer finance loans and other consumer financial services and products. The current regulatory environment, increased regulatory compliance efforts, and enhanced regulatory enforcement have resulted in significant operational and compliance costs and may prevent us from providing certain products and services. There is no assurance that these regulatory matters or other factors will not, in the future, affect how we conduct our business or adversely affect our business. In particular, legal proceedings brought under state consumer protection statutes or under several of the various federal consumer financial services statutes subject to the jurisdiction of the CFPB may result in a separate fine for each violation of the statute, which, particularly in the case of class action lawsuits, could result in damages substantially in excess of the amounts we earned from the underlying activities.

Some of our consumer financing agreements include arbitration clauses. If our arbitration agreements were to become unenforceable for any reason, we could experience an increase to our consumer litigation costs and exposure to potentially damaging class action lawsuits.

In addition, from time to time, through our operational and compliance controls, we identify compliance issues that require us to make operational changes and, depending on the nature of the issue, result in financial remediation to impacted members. These self-identified issues and voluntary remediation payments could be significant, depending on the issue and the number of members impacted, and could generate litigation or regulatory investigations that subject us to additional risk.

Internet-based and electronic signature-based loan origination processes may give rise to greater risks than paper-based processes.

We use internet-based loan processes to obtain application information, distribute certain legally required notices to applicants and borrowers, and to obtain electronically signed loan documents in lieu of paper documents with wet borrower signatures obtained in person. These processes may entail greater risks than would paper-based loan origination processes, including risks regarding the sufficiency of notice for compliance with consumer protection laws, risks that borrowers may challenge the authenticity of their signature or of the loan documents, risks that a court of law may not enforce electronically signed loan documents and risks that, despite controls, unauthorized changes are made to the electronic loan documents. If any of those factors were to cause any loans, or any of the terms of the loans, to be unenforceable against the borrowers, or impair our ability to service our loans, the value of our loan assets would decrease significantly to us and to our whole loan purchasers, securitization investors and warehouse lenders. In addition to increased default rates and losses on our loans, this could lead to the loss of whole loan purchasers and securitization investors and trigger terminations and amortizations under our debt warehouse facilities, each of which would materially adversely impact our business.

The CFPB has broad authority to regulate consumer financial services, creating uncertainty as to how the agency's actions or the actions of any other new agency could impact our business.

The CFPB has broad authority to create and modify regulations under federal consumer financial protection laws and regulations, such as the Truth in Lending Act and Regulation Z, the Equal Credit Opportunity Act and Regulation B, the Fair Credit Reporting Act and Regulation V, the Electronic Funds Transfer Act and Regulation E, and to enforce compliance with those laws. The CFPB is charged with the examination and supervision of certain participants in the consumer financial services market, including short-term, small dollar lenders, and larger participants in other areas of financial services. While historically, we have not been subject to CFPB supervisory authority, it is possible that we may become subject to additional regulatory scrutiny and compliance costs going forward through supervision by the CFPB. In recent publications, the CFPB has indicated that the agency is significantly increasing its oversight and scrutiny over consumer finance and on April 25, 2022, the CFPB announced that it was invoking a previously unused legal provision to examine nonbank financial companies that it believes pose risk to consumers. The CFPB may also request, through examination or investigation, reports concerning our organization, business conduct, markets and activities and if the CFPB were to determine that we were engaging in activities that pose risks to consumers, may conduct on-site examinations of our business on a periodic basis.

In addition, the CFPB maintains an online complaint system that allows consumers to log complaints with respect to various consumer finance products, including the credit products we offer. This system could inform future CFPB decisions with respect to its regulatory, enforcement or examination focus. The CFPB also may issue requests for public input in certain areas of concern that may lead to increased regulatory scrutiny on us, our products and consumer finance industry and impose restrictions on fees and charges, thereby impacting results of our business. For example, in March 2022, it requested public input on fees for financial products and has indicated that it plans to ramp up enforcement actions against lenders that illegally charge credit card late-payment fees and may rewrite its rules that set thresholds for such fees.

Hello Digit, Inc. ("Digit") received a CID from the CFPB in June 2020. The CID was disclosed and discussed during the acquisition process. The stated purpose of the CID is to determine whether Digit, in connection with offering its products or services, misrepresented the terms, conditions, or costs of the products or services in a manner that is unfair, deceptive, or abusive. While the Company believes that the business practices of the Company, including Digit, have been in full compliance with applicable laws, in the interest of resolving this matter, on August 11, 2022, Digit agreed to a consent order with the CFPB resolving such CID. In connection with such consent order, Digit agreed to implement a redress and compliance plan to pay at least $68,145 in consumer redress to consumers who may have been harmed and paid a $2.7 million civil penalty to the CFPB in the third quarter of 2022.

Other federal or state regulators could launch similar investigations or join the CFPB in its investigation. In addition, actions by the CFPB could result in requirements to alter or cease offering affected financial products and services, making them less attractive and restricting our ability to offer them. The CFPB could also implement rules that restrict our effectiveness in servicing our financial products and services. Future actions by the CFPB (or other regulators) against us or our competitors that discourage the use of our or their services or restrict our business activities could result in reputational harm and adversely affect our business. If the CFPB changes regulations that were adopted in the past by other regulators and transferred to the CFPB by the Dodd-Frank Act, or modifies through supervision or enforcement past regulatory guidance or interprets existing regulations in a different or stricter manner than they have been interpreted in the past by us, the industry or other regulators, our compliance costs and litigation exposure could increase materially. It is also possible that regulators could promulgate rules and bring enforcement actions that materially impact our business and the business of our lending partners.

The collection, storage, use, disclosure, and other processing of personal information is an area of increasing complexity and scrutiny.

We collect, store, use, disclose, and otherwise process a large volume of personal information about individuals (including members and employees). New laws and regulations concerning the processing of personal information continue to be vigorously debated and enacted at all levels of government across the United States and around the globe while existing laws, such as the Gramm-Leach-Bliley Act, are being amended or reinterpreted to account for the rapidly evolving data economy. The California Consumer Privacy Act (the "CCPA"), as augmented and otherwise amended by the California Privacy Rights Act of 2020, imposes significant requirements on businesses processing consumer personal information – principally around enabling and honoring consumer choices related to such processing. Violations of the CCPA can result in civil penalties assessed by the Attorney General or the California Privacy Protection Agency and individual plaintiffs may pursue statutory damages in a private right of action for certain data breaches. Several U.S. states have already followed California's lead in enacting comprehensive privacy legislation and others are likely to do so in the future. The CCPA and other state comprehensive privacy laws enacted to date contain certain exemptions for personal information that is subject to the Gramm-Leach-Bliley Act. In some cases, these laws also contain broader exemptions for entities such as Oportun that are subject to the Gramm-Leach-Bliley Act. These exemptions may not exempt Oportun completely from these laws, however, and such exemptions' scope and interpretation remain subject to uncertainty. Further, future laws may not include such exemptions. At the federal level, regulators, including the CFPB and FTC, have adopted, or are considering adopting, laws and regulations concerning personal information and data privacy and security. The FTC, for example, released its updated Standards for Safeguarding Customer Information (Safeguards Rule), effective June 9, 2023, which raises the bar for covered financial institutions' information security programs through proscriptive requirements for things like accountability and oversight, performing risk assessments, encryption, and enabling multi-factor authentication to protect all forms of customer information. Further, on October 22, 2024, the CFPB finalized the Section 1033 Rule on Personal Financial Data Rights, which requires certain financial institutions, and any party who controls or possesses information concerning a covered financial product or service, to provide financial data to consumers in a standardized electronic format through a consumer interface and limits collecting and maintaining data only as necessary to carry out transactions a consumer requests, prohibiting use of any information for targeted or behavioral advertising. The final rule has been challenged in the Eastern District Court of Kentucky. The U.S. federal government also is contemplating federal privacy legislation. This patchwork of legislation and regulation may give rise to conflicts or differing views of personal privacy rights and of privacy, data protection, and security obligations to which companies such as Oportun must adhere.

The rapidly evolving regulatory environment relating to privacy, data protection, and cybersecurity, along with increased scrutiny from consumers and their advocates and increased complexity in Oportun's organizational structure, demands careful attention to our own processing of personal information and processing by third parties acting on our behalf. For example, we've seen an increase in third-party arrangements, including, for example, with lead aggregators, bank partners, Lending as a Service partners and affiliate relationships. Our failure, or any failure by third parties with whom we do business, to comply with applicable laws or regulations or contractual obligations required by our business partners relating to privacy, data protection, or cybersecurity, and even a perceived failure, could damage our reputation, harm our ability to obtain market adoption, discourage existing and prospective members from using our products and services, require us to change our business practices, business partners or operational structure, or result in investigations, claims, or fines by governmental agencies and private plaintiffs, and other liabilities. Even in the absence of a challenge to our practices, we may incur substantial costs to implement new systems to comply with regulatory requirements, such as consumer requests concerning the processing of their personal information and to honor any choices that may be available to them by law.

Our business has in the past been subject to the regulatory framework applicable to registered investment advisers, including regulation by the SEC.

On March 29, 2024, we withdrew our registration as an investment adviser. Prior to the withdrawal, we were registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). We previously offered investment management services through Digit Advisors, LLC which provided automated investment advice regarding the selection of a portfolio of exchange traded funds through our mobile application.

Investment advisers are subject to the anti-fraud provisions of the Advisers Act and to fiduciary duties derived from these provisions. These provisions and duties imposed restrictions and obligations on us with respect to our dealings with our members, including for example restrictions on transactions with our affiliates. Our investment adviser has in the past been subject to SEC examinations. Our investment adviser was also subject to other requirements under the Advisers Act and related regulations primarily intended to benefit advisory clients. These additional requirements relate to matters including maintaining effective and comprehensive compliance programs, record-keeping and reporting and disclosure requirements. The Advisers Act generally grants the SEC broad administrative powers, including the power to limit or restrict an investment adviser from conducting advisory activities in the event such investment adviser fails to comply with federal securities laws. Additional sanctions that may be imposed for failure to comply with applicable requirements include the prohibition of individuals from associating with an investment adviser, the revocation of registrations and other censures and fines. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against us or our employees were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm our reputation and ability to gain or retain members.

Our bank partnership products may lead to regulatory risk and may increase our regulatory burden.

We previously provided our credit card products through a bank partnership program with WebBank and we currently have bank partnership programs with Pathward, N.A., to offer unsecured personal loans, secured personal loans, and provide deposit accounts, and other transaction services to our members. State and federal agencies have broad discretion in their interpretation of laws and their interpretation of requirements related to bank partnership programs and may elect to alter standards or the interpretation of the standards applicable to these programs. States are also introducing and passing legislation designed to examine these programs by defining who has the "predominant economic interest" in the loan transaction and prohibiting such entity from collecting interest and fees above state mandated caps. In addition, as a result of our bank partnerships, prudential bank regulators with supervisory authority over our partners have the ability to regulate aspects of our business. There has also been significant recent government enforcement action and litigation challenging the validity of such arrangements for lending products, including disputes seeking to recharacterize lending transactions on the basis that the non-bank party rather than the bank is the "true lender" or "de facto lender", and in case law challenging the "valid when made" doctrine, which holds that based on federal preemption, state interest rate limitations are not applicable in the context of certain bank-non-bank partnership arrangements.

The uncertainty of the federal and state regulatory environments around bank partnership programs means that our efforts to launch products and services through bank partners may not ultimately be successful, or may be challenged by legislation or regulatory action. If the legal structure underlying our relationship with our bank partners were to be successfully challenged, we may be found to be in violation of state licensing requirements and state laws regulating interest rates and fees. In the event of such a challenge or if our arrangements with our bank partners were to change or end for any reason, we would need to rely on an alternative bank relationship, find an alternative bank relationship, rely on existing state licenses, obtain new state licenses, pursue a national bank charter, and/or be subject to the interest rate limitations of certain states. In addition, adverse orders or regulatory enforcement actions against our bank partners, even if unrelated to our business, could impose restrictions on their ability to continue to extend credit or on current terms. Regulation by federal and state regulators may also subject us to increased compliance, legal and operational costs, and could subject our business model to scrutiny and otherwise increase our regulatory burden, or may adversely affect our ability to expand our business.

Anti-money laundering, anti-terrorism financing and economic sanctions laws could have adverse consequences for us.

We maintain a compliance program designed to enable us to comply with all applicable anti-money laundering and anti-terrorism financing laws and regulations, including the Bank Secrecy Act and the USA PATRIOT Act and U.S. economic sanctions laws administered by the Office of Foreign Assets Control. This program includes policies, procedures, processes and other internal controls designed to identify, monitor, manage and mitigate the risk of money laundering and terrorist financing and engaging in transactions involving sanctioned countries persons and entities. These controls include procedures and processes to detect and report suspicious transactions, perform member due diligence, respond to requests from law enforcement, and meet all recordkeeping and reporting requirements related to particular transactions involving currency or monetary instruments. Our failure to comply with anti-money laundering, economic and trade sanctions regulations, and similar laws could subject us to substantial civil and criminal penalties, or result in the loss or restriction of our state licenses, or liability under our contracts with third parties, which may significantly affect our ability to conduct some aspects of our business. Changes in this regulatory environment, including changing interpretations and the implementation of new or varying regulatory requirements, may significantly affect or change the manner in which we currently conduct some aspects of our business.

We may have to constrain our business activities to avoid being deemed an investment company under the Investment Company Act.

The Investment Company Act of 1940, as amended (the "Investment Company Act") contains substantive legal requirements that regulate the way "investment companies" are permitted to conduct their business activities. We believe we have conducted, and we intend to continue to conduct, our business in a manner that does not result in our company being characterized as an investment company, including by relying on certain exemptions from registration as an investment company. We rely on guidance published by the SEC staff or on our analyses of such guidance to determine our qualification under these and other exemptions. To the extent that the SEC staff publishes new or different guidance with respect to these matters, we may be required to adjust our business operations accordingly. If we are deemed to be an investment company, we may attempt to seek exemptive relief from the SEC, which could impose significant costs and delays on our business. We may not receive such relief on a timely basis, if at all, and such relief may require us to modify or curtail our operations. If we are deemed to be an investment company, we may also be required to institute burdensome compliance requirements and our activities may be restricted.

We are subject to governmental export and import controls that could subject us to liability, impair our ability to compete in international markets and adversely affect our business.

Although our business does not involve the commercial sale or distribution of hardware, software or technology, in the normal course of our business activities we may from time to time ship general commercial equipment outside the United States to our subsidiaries or affiliates for their internal use. In addition, we may export, transfer or provide access to software and technology to non-U.S. persons such as employees and contractors, as well as third-party vendors and consultants engaged to support our business activities. In all cases, the sharing of software and/or technology is solely for the internal use of the company or for the use by business partners to provide services to us, including software development. However, such shipments and transfers may be subject to U.S. and foreign regulations governing the export and import of goods, software and technology. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to significant sanctions, fines, penalties and reputational harm. Further, any change in applicable export, import or economic sanctions regulations or related legislation, shift in approach to the enforcement or scope of existing regulations or change in the countries, persons or technologies targeted by these regulations could adversely affect our business.

General Risk Factors

You may be diluted by the future issuance of additional common stock in connection with our equity incentive plans, acquisitions, financings, investments or otherwise.

Our amended and restated certificate of incorporation authorizes us to issue shares of common stock authorized but unissued and rights relating to common stock for the consideration and on the terms and conditions established by our Board in its sole discretion, whether in connection with acquisitions or otherwise. We have authorized a total of 15,195,185 shares for issuance under our 2019 Equity Incentive Plan with 9,903,205 shares, net of vested and exercised shares, remaining available for issuance, 2,271,288 shares for issuance under our 2019 Employee Stock Purchase Plan, and 1,105,000 shares authorized for issuance under our Amended and Restated 2021 Inducement Equity Incentive Plan with 816,842 shares, net of vested and exercised shares, remaining for issuance, each subject to adjustment in certain events. Any common stock that we issue, including under our existing equity incentive plans or other equity incentive plans that we may adopt in the future, or in connection with any acquisitions, financings, investments or otherwise, could dilute your percentage ownership.

The issuance of shares of our Common Stock upon exercise of our outstanding Warrants issued in connection with our Corporate Financing, would increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.

As of December 31, 2024, the Warrants (as defined below) to purchase 9,046,459 shares of our Common Stock issued in connection with our Corporate Financing, were outstanding and exercisable. The exercise price of these Warrants is $0.01 per share. To the extent such Warrants are exercised, additional shares of common stock will be issued, which will result in dilution to holders of our common stock and increase the number of shares eligible for resale in the public market. The fact that such Warrants may be exercised or sales of substantial numbers of such shares in the public market could adversely affect the market price of our common stock.

The price of our common stock may be volatile, and you could lose all or part of your investment.

The trading price of our common stock has been and may continue to be volatile and will depend on a number of factors, including those described in this "Risk Factors" section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our common stock, because you might be unable to sell your shares at or above the price you paid. Factors that could cause fluctuations in the trading price of our common stock include the following:

- failure to meet quarterly or annual guidance with regard to revenue, margins, earnings or other key financial or operational metrics;
- fluctuations in the trading volume of our share or the size of our public float;
- price and volume fluctuations in the overall stock market from time to time;
- changes in operating performance and market valuations of similar companies;
- failure of financial analysts to maintain coverage of us, changes in financial estimates by any analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- speculation in the press or investment community;
- any major change in our management;
- sales of shares of our common stock by us or our stockholders;
- actual or anticipated fluctuations in our results of operations;
- actual or perceived security breaches or incidents impacting us or our third-party service providers;
- changes in prevailing interest rates;
- quarterly fluctuations in demand for our loans;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- developments or disputes concerning our intellectual property or other proprietary rights;
- litigation, government investigations and regulatory actions;
- passage of legislation or other regulatory developments that adversely affect us or our industry;
- general economic conditions, such as fluctuating interest and inflation rates, recessions, tightening of credit markets and recent or potential bank failures;
- developments relating to our reduction in force and other streamlining measures announced in 2023 and 2024; and
- other risks and uncertainties described in these risk factors.

If financial or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock is influenced by the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts or the content and opinions included in their reports. If any of the analysts who cover us issue an adverse or misleading opinion regarding our stock price, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. In addition, analysts may establish and publish their own periodic projections for us. These projections may vary widely and may not accurately predict the results we actually achieve. Our share price may decline if our actual results do not match the projections of these research analysts.

The enactment of tax reform legislation and differences in interpretation of tax laws and regulations could adversely impact our financial position and results of operations.

We operate in multiple jurisdictions and are subject to tax laws and regulations of the U.S. federal, state and local and non-U.S. governments. U.S. federal, state and local and non-U.S. tax laws and regulations are complex and subject to varying interpretations. Legislation or other changes in U.S. federal, state and local and non-U.S. tax laws could increase our liability and adversely affect our after-tax profitability. For example, in August 2022, the United States enacted the Inflation Reduction Act of 2022, which implemented, among other changes, a 15% alternative minimum tax on adjusted financial statement income for certain large companies and a 1% excise tax on certain stock buybacks. In addition, many countries and the Organisation for Economic Co-operation and Development have reached an agreement to implement a 15% global minimum tax. Such proposed changes, as well as regulations and legal decisions interpreting and applying these changes, may have significant impacts on our effective tax rate, cash tax expenses and net deferred taxes in the future. As the legislation becomes effective in countries in which we do business, our taxes could increase and negatively impact our provision for income taxes. Additionally, U.S. federal, state and local and non-U.S. tax authorities may interpret tax laws and regulations differently than we do and challenge tax positions that we have taken. This may result in differences in the treatment of revenues, deductions, credits and/or differences in the timing of these items. The differences in treatment may result in payment of additional taxes, interest or penalties that could have an adverse effect on our financial position and results of operations. Limitations may also apply under state law.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

As of December 31, 2024, the Company had federal net operating loss carryforwards of $172.3 million, of which $17.7 million expires beginning in 2033 and $154.6 million carries forward indefinitely. Additionally, the Company had state net operating loss carryforwards of $186.5 million which are set to begin expiring in 2030. As of December 31, 2024, the Company had federal and California research and development tax credit carryforwards of $21.9 million and $10.4 million, respectively. The federal research and development tax credit expires beginning in 2041, and the California research and development tax credits are not subject to expiration. Realization of these net operating loss and research and development tax credit carryforwards depends on future income, and there is a risk that some of our existing carryforwards could expire unused or may be unavailable to fully offset future income tax liabilities, which could adversely affect our results of operations. Other limitations may also apply under state law. For example, in June 2024 California enacted legislation that limits the use of state net operating loss carryforwards and tax credits for tax years beginning on or after January 1, 2024, and before January 1, 2027. As a result of this legislation or other unforeseen reasons, we may not be able to utilize some or all of our net operating loss carryforwards and tax credits, even if we attain profitability.

In addition, under Sections 382 and 383 of the Internal Revenue Code, if a corporation undergoes an "ownership change," generally defined as a greater than 50% change (by value) in ownership by "5 percent shareholders" over a rolling three-year period, the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes, such as research and development credits, to offset its post-change income or taxes may be limited. We may experience ownership changes in the future as a result of shifts in our stock ownership. As a result, if we earn net taxable income, our ability to use our pre-change net operating loss carryforwards to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us.

Our directors, officers, and principal stockholders have substantial control over our company, which could limit your ability to influence the outcome of key transactions, including a change of control.

Our directors, executive officers, and each of our 5% stockholders and their affiliates, in the aggregate, beneficially own a significant number of the outstanding shares of our common stock. As a result, these stockholders, if acting together, will be able to influence or control matters requiring approval by our stockholders, including the election of directors and the approval of mergers, acquisitions or other extraordinary transactions. They may also have interests that differ from yours, and they may vote in a way with which you disagree or which may be adverse to your interests. This concentration of ownership may have the effect of delaying, preventing or deterring a change of control of our company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and might ultimately affect the market price of our common stock.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified Board members.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Act, the listing standards of the Nasdaq Stock Market, and other applicable securities rules and regulations, including with regard to corporate governance practices and the establishment and maintenance of effective disclosure and financial controls. Compliance with these rules and regulations increases our legal and financial compliance costs, makes some activities more difficult, time-consuming or costly and increases demand on our systems and resources.

In addition, changing laws, regulations and standards or interpretations thereof relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us.

Certain of our market opportunity estimates, growth forecasts, and key metrics could prove to be inaccurate, and any real or perceived inaccuracies may harm our reputation and negatively affect our business.

Market opportunity estimates, growth forecasts and key metrics, including those we have generated ourselves, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The estimates and forecasts relating to the size and expected growth of our market opportunity may prove to be inaccurate. It is impossible to offer every loan product, term or feature that every member wants, and our competitors may develop and offer products, terms or features that we do not offer. The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of the individuals covered by our market opportunity estimates will generate any particular level of revenues. Even if the markets in which we compete meet our size estimates and growth forecasts, our business could fail to grow at expected rates, if at all, for a variety of reasons outside of our control. Furthermore, in order for us to successfully address this broader market opportunity, we will need to successfully expand into new geographic regions where we do not currently operate.

Our key metrics are calculated using internal company data and have not been validated by an independent third-party. We have in the past implemented, and may in the future implement, new methodologies for calculating these metrics which may result in the metrics from prior periods changing, decreasing or not being comparable to prior periods. As our business develops, we may revise or cease reporting metrics if we determine that such metrics are no longer appropriate measures of our performance. Our key metrics may also differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology. If investors or analysts do not perceive our metrics to be sufficient or accurate representations of our business, or if we discover material inaccuracies in our metrics, our stock price, reputation and prospects would be adversely affected.

Certain provisions in our charter documents and under Delaware law could limit attempts by our stockholders to replace or remove our Board, delay or prevent an acquisition of our company, and adversely affect the market price of our common stock.

Provisions in our amended and restated certificate of incorporation, and amended and restated bylaws may have the effect of delaying or preventing a change of control or changes in our Board. These provisions include the following:

- a classified Board with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our Board;
- our Board has the right to elect directors to fill a vacancy created by the expansion of the Board or the resignation, death or removal of a director, which prevents stockholders from being able to fill Board vacancies;
- our stockholders may not act by written consent or call special stockholders' meetings;
- our amended and restated certificate of incorporation prohibits cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- stockholders must provide advance notice and additional disclosures in order to nominate individuals for election to the Board or to propose matters that can be acted upon at a stockholders' meeting, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtain control of our company; and
- our Board may issue, without stockholder approval, shares of undesignated preferred stock, which may make it possible for our Board to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to acquire us.

As a Delaware corporation, we are also subject to certain Delaware anti-takeover provisions. Under Delaware law, a corporation may not engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other things, the Board has approved the transaction. Such provisions could allow our Board to prevent or delay an acquisition of our company.

Certain of our executive officers may be entitled, pursuant to the terms of their employment arrangements, to accelerated vesting of their stock options following a change of control of our company under certain conditions. In addition to the arrangements currently in place with some of our executive officers, we may enter into similar arrangements in the future with other officers. Such arrangements could delay or discourage a potential acquisition.

Any provision of our amended and restated certificate of incorporation or amended and restated bylaws or Delaware law that has the effect of delaying or deterring a potential acquisition could limit the opportunity for our stockholders to receive a premium for their shares of our common stock in connection with such acquisition, and could also affect the price that some investors are willing to pay for our common stock.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware or the U.S. federal district courts will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action asserting a claim against us or any of our directors, officers or other employees arising pursuant to any provisions of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws, (4) any action to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws, or (5) any action asserting a claim against us or any of our directors, officers or other employees that is governed by the internal affairs doctrine. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or the rules and regulations thereunder. Furthermore, Section 22 of the Securities Act, creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation further provides that U.S. federal district courts will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition, and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers and other employees. If a court were to find either exclusive-forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

Our cybersecurity risk management process is aligned with our enterprise risk management framework and policy, which supports our efforts to identify, assess, and manage risks arising from cybersecurity threats. As part of our integrated approach to risk management, and to help safeguard the confidentiality, integrity and availability of our data and systems, we maintain a comprehensive cybersecurity program that is comprised of administrative and technical controls, cybersecurity, technology and privacy policies and procedures, management oversight, accountability structures, and technology design processes (collectively, our "Cybersecurity Program").

We monitor our environment using tools designed to detect security events on an ongoing basis and we engage with third parties to audit our information security program and to perform regular penetration tests of our applications and infrastructure environments. In addition, our third-party risk management program oversees and identifies service provider risks through pre-onboarding security evaluations, ongoing monitoring, and conducting regular reassessments, with an emphasis on those service providers that have access to our systems or networks or that receive or store non-public information. Any risks identified by or to us through these activities are reported in an internal risk register and actively managed. We work to remain vigilant with respect to new and emerging risks utilizing these tools, and our security team continues to review and make strategic investments in our information security program in support of our efforts to keep our data and systems secure.

Our Cybersecurity Program includes a cyber incident response plan that provides controls and procedures designed to enable swift response, remediation, and timely and accurate reporting of any material cybersecurity incident.

We also maintain an internally staffed cybersecurity operation center, which performs security monitoring and is directly responsible for our efforts to monitor, prevent, and detect cybersecurity incidents, as well as for appropriate and timely escalations concerning cybersecurity incidents that are discovered. Under our Cybersecurity Program, identified cybersecurity events and incidents are reported to our dedicated incident response team, which includes various members of our legal and compliance teams, cybersecurity team, relevant business teams, executive management, and, as warranted, our third-party security, audit, and consulting partners. Our program also retains an external third-party firm to activate as a supplement in the event of a significant security incident.

To promote organization-wide attention to cybersecurity issues, we conduct mandatory employee training on cybersecurity and provide ongoing cybersecurity education and awareness, such as mock phishing attacks, incident simulations, and cybersecurity awareness materials.

Governance

As delegated by our Board, the Audit and Risk Committee of the Board is responsible for oversight of our risk management process and framework which is designed to monitor and manage strategic and operational risks, including cybersecurity risk. Our senior management, including our Chief Technology Officer, is responsible for the oversight of our information systems and Cybersecurity Program. Our Cybersecurity Program is supported by our cybersecurity governance, risk and compliance team, which is led by our Head of Cybersecurity, who reports to our Chief Technology Officer, and is composed of experienced and skilled personnel who are responsible for our security assurance, risk and operational management. Our Head of Cybersecurity maintains responsibility for the regular assessment and management of cybersecurity risks, including by direct work implementing the Cybersecurity Program and by supervising our cybersecurity team. Our Chief Technology Officer has over 20 years of experience in information technology and systems infrastructure and holds an advanced degree in computer engineering, and our Head of Cybersecurity has over 12 years of experience in cybersecurity, investigations, compliance, and cyber-risk management, within the high-tech and financial services industries.

Our Chief Technology Officer, Chief Legal Officer and Head of Cybersecurity provide the Audit and Risk Committee with no less than quarterly updates on the status of the Cybersecurity Program, information systems and any material security incidents, or more frequently if circumstances warrant, including on topics related to information security, data privacy and cyber risks and mitigation strategies.

Like most technology companies, we have suffered cybersecurity incidents in the past and expect that we may face cybersecurity incidents in the future. As of the date of this report on Form 10-K, however, we have not identified risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect the Company, including its business strategy, results of operations, or financial condition. For additional information about the cybersecurity risks that we face, please see the discussion in Item 1A. "Risk Factors" in this annual report on Form 10-K, including the risk factor entitled "Business, Financial and Operational Risks; Security breaches and incidents may harm our reputation, adversely affect our results of operations, and expose us to liability."

Item 2. Properties

Our corporate headquarters is located in San Carlos, California pursuant to a lease expiring in February 2026. As of December 31, 2024, we leased additional facilities and office space in California, Mexico, and India. We also operate retail locations and co-locations throughout the United States.

Item 3. Legal Proceedings

The information set forth under Note 15, Leases, Commitments and Contingencies, in the accompanying Notes to the Consolidated Financial Statements is incorporated herein by reference. From time to time, we may bring or be subject to other legal proceedings and claims in the ordinary course of business, including legal proceedings with third parties asserting infringement of their intellectual property rights, consumer litigation, and regulatory proceedings. Other than as described in this report, we are not presently a party to any legal proceedings that, if determined adversely to us, we believe would individually or taken together have a material adverse effect on our business, financial condition, cash flows or results of operations.

Item 4. Mine Safety Disclosures

None.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information and Stockholders

Oportun's common stock has been listed for trading on the Nasdaq Global Select Market since September 26, 2019 under the symbol "OPRT". As of February 14, 2025, we had 143 registered stockholders of our common stock. This figure does not reflect the beneficial ownership of shares held in nominee name or held in trust by other entities. Therefore, the actual number of stockholders is greater than this number of registered stockholders of record.

Dividend Policy

We have never declared or paid any cash dividends on our capital stock, and we do not currently intend to pay any cash dividends on our capital stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to reduce debt outstanding under our Corporate Financing, support operations and finance the growth of our business. Any future determination to pay dividends will be made at the discretion of our Board.

Stock Performance

As a "Smaller Reporting Company" as defined by Item 10 of Regulation S-K, the Company is not required to provide this information.

Issuer Purchases of Equity Securities

None.

Unregistered Sales of Equity Securities

On November 14, 2024, pursuant to and in consideration for certain agreements set forth in the Refinancing Credit Agreement, the Company issued at an exercise price of $0.01 per share, to affiliates of Neuberger and to McLaren Harbor LLC, warrants to purchase 4,853,006 shares of the Company's common stock in an exempt transaction pursuant to Section 4(a)(2) of the Securities Act.

Use of Proceeds

None.

Item 6. Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

For more information about terms and abbreviations used in this report see the "Glossary" at the end of Part II of this report.

An index to our management's discussion and analysis follows:

Topic

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed consolidated financial statements and the related notes and other financial information included elsewhere in this report and the audited consolidated financial statements and the related notes and the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Annual Report on Form 10-K. Some of the information contained in this discussion and analysis, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the information contained in Part I, Item 1A. "Risk Factors" of this Annual Report on Form 10-K for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We are a mission-driven financial services company that puts our members' financial goals within reach. With intelligent borrowing, savings, and budgeting capabilities, we empower members with the confidence to build a better financial future. By intentionally designing our products to help solve the financial health challenges facing a majority of people in the U.S., we believe our business is well positioned for significant growth in the future. We take a holistic approach to serving our members and view it as our purpose to responsibly meet their current capital needs, help grow our members' financial profiles, increase their financial awareness and put them on a path to a financially healthy life. In our 18-year lending history, we have extended more than $19.7 billion in responsible credit through more than 7.4 million loans and credit cards. We have been certified as a Community Development Financial Institution ("CDFI") by the U.S. Department of the Treasury since 2009.

We offer access to a comprehensive suite of financial products, offered either directly or through partners, including lending and savings powered by A.I. Our financial products allow us to meet our members where they are and assist them with their overall financial health, resulting in opportunities to present multiple relevant products to our members. Our credit products include unsecured and secured personal loans. We also offer automated savings, through our Set & Save platform. Consumers are able to become members and access our products through the Oportun Mobile App and the Oportun.com website, which are our primary channels for onboarding and serving members. As of December 31, 2024, our personal loan products are also available over the phone or through our 128 retail locations, and 491 of our Lending as a Service partner locations.

Credit Products

Personal Loans - Our personal loan is a simple-to-understand, affordable, unsecured, fully amortizing installment loan with fixed payments throughout the life of the loan. We charge fixed interest rates on our loans, which vary based on the amount disbursed and applicable state law, with a cap of 36% annual percentage rate ("APR") in all cases. As of December 31, 2024, for all active loans in our portfolio and at time of disbursement, the weighted average term and APR at origination was 40 months and 34.3%, respectively. The average loan size for loans we originated in 2024 was $3,281. Our loans do not have prepayment penalties or balloon payments, and range in size from $300 to $10,000 with terms of 12 to 54 months. Generally, loan payments are structured on a bi-weekly or semi-monthly basis to coincide with our members' receipt of income. As part of our underwriting process, we verify income for all applicants and only approve loans that meet our ability-to-pay criteria. As of December 31, 2024, we originated unsecured personal loans in 3 states through state licenses and in 38 states through our partnership with Pathward, N.A.

Secured Personal Loans - In April 2020, we launched a personal installment loan product secured by an automobile, which we refer to as secured personal loans. Our secured personal loans range in size from $2,525 to $18,500 with terms ranging from 24 to 64 months. The average loan size for secured personal loans we originated in 2024 was $6,798. As of December 31, 2024, for all active loans in our portfolio and at time of disbursement, the weighted average term and APR at origination was 49 months and 31.5%, respectively. As part of our underwriting process, we evaluate the collateral value of the vehicle, verify income for all applicants and only approve loans that meet our ability-to-pay criteria. Our secured personal loans are currently offered in 6 states and we are in the process of expanding into other states.

Credit Cards - We launched Oportun® Visa® Credit Card, issued by WebBank, Member FDIC, in December 2019. On November 12, 2024, we completed the sale of the credit cards receivable portfolio. This transaction reflected a key milestone towards our initiative to enhance profitability by simplifying the business and driving performance in our core products.

Set & Save

Savings – Our Set & Save product is designed to understand a member's cash flows and save the right amount on a regular basis to effortlessly achieve savings goals. Members link their bank account with the platform and Set & Save utilizes machine learning to analyze a member's transaction activity and build forecasts of the member's future cash flows to make small, frequent savings decisions according to the member's financial goals in a personalized manner. Since 2015, our savings product has helped members save more than $11.4 billion and helped our members save an average of more than $1,800 annually.

The funds in these savings accounts are owned by members of our products and are not the assets of the Company. Therefore, these funds are not included in the Consolidated Balance Sheets.

Lending as a Service

Beyond our core direct-to-consumer lending business, we leverage our proprietary credit scoring and underwriting model to partner with other consumer brands and expand our member base. Our first Lending as a Service strategic partner was DolEx Dollar Express, Inc. with an initial launch in December 2020. In October of 2021, we launched another Lending as a Service partnership with Barri Financial Group in select locations (with both DolEx Dollar Express, Inc. and Barri Financial Group now consolidated into a single company "DolFinTech"). We recently re-launched our Lending as a Service program with a new streamlined Lead Generation program through which DolFinTech provides us with information for potential members and we are able to offer loans through our existing channels by phone, online, or in our retail locations. In addition, we recently announced a collaboration with Western Union. As part of these programs, Oportun originates, underwrites, and services the loan. We believe we will be able to offer our Lending as a Service Lead Generation program to additional partners with a much faster lead-to-market time, expanding our membership base while offering a true Oportun service experience.

Capital Markets Funding

To fund our growth at a low and efficient cost, we have built a diversified and well-established capital markets funding program, which allows us to partially hedge our exposure to rising interest rates or credit spreads by locking in our interest expense. Over the past twelve years, we have executed 22 amortizing and revolving bond offerings in the asset-backed securities market, the last 19 of which include tranches that have been rated investment grade. We have issued one-, two- and three-year fixed rate bonds which have provided us committed capital to fund future loan originations at a fixed Cost of Debt.

Additionally, we have entered into certain agreements with institutional investors to sell a portion of our loans as part of structured and whole loan agreements. Refer to Liquidity and Capital Resources in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" for information regarding these transactions.

Workforce Optimization and Streamlining Operations

During 2024, we announced a plan to reduce operating expenses by $30 million on an annualized basis to continue to streamline efficiency and improve profitability. In connection with the plan, we took a series of personnel and other cost saving measures inclusive of roles eliminated due to recent attrition, representing a reduction of approximately 12% of the Company's corporate staff, which excludes retail and contact center agents. We incurred non-recurring, pre-tax charges of $2.0 million, consisting primarily of severance payments, employee benefits contributions and related costs which were recorded through General, administrative and other on the Consolidated Statements of Operations for the year ended December 31, 2024.

In addition, we routinely evaluate the balance of investment and productivity of our retail locations, and as a result, we also made the decision to close 41 retail locations and reduce a portion of the workforce who manage and operate these retail locations. The income statement impact of $1.0 million was recorded through General, administrative and other on the Consolidated Statements of Operations for the year ended December 31, 2024. These amounts included expenses related to the retail location closures and all severance and benefits-related costs. We are continually evaluating the performance of retail and partner locations.

During 2023, we announced a series of personnel and other cost savings measures to reduce expenses and streamline efficiency, including reducing our corporate staff by approximately 40%. In relation to these and other personnel related activities, the income statement impact of $21.3 million was recorded through General, administrative and other on the Consolidated Statements of Operations for the year ended December 31, 2023.

In addition, during 2023, we made the decision to close 32 retail locations and reduce a portion of the workforce who manage and operate these retail locations. The income statement impact of $1.1 million was recorded through General, administrative and other on the Consolidated Statements of Operations for the twelve months ended December 31, 2023. These amounts included expenses related to the retail location closures and all severance and benefits-related costs.

Key Financial and Operating Metrics

We monitor and evaluate the following key metrics in order to measure our current performance, develop and refine our growth strategies, and make strategic decisions.

The following table and related discussion set forth key financial and operating metrics for our operations as of and for the years ended December 31, 2024 and 2023. For similar financial and operating metrics and discussion of our 2023 results compared to our 2022 results, refer to Part II. Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended December 31, 2023 as filed with the SEC on March 15, 2024.

	As of or for the Year Ended December 31,	
(in thousands of dollars)	2024	2023
Key Financial and Operating Metrics		
Aggregate Originations	$ 1,775,304	$ 1,813,058
Portfolio Yield	33.5 %	32.2 %
30+ Day Delinquency Rate	4.8 %	5.9 %
Annualized Net Charge-Off Rate	12.0 %	12.2 %
Other Metrics		
Managed Principal Balance at End of Period	$ 2,973,537	$ 3,182,148
Owned Principal Balance at End of Period	$ 2,678,232	$ 2,904,683
Average Daily Principal Balance	$ 2,766,634	$ 2,992,592

See "Glossary" at the end of Part II of this report for formulas and definitions of our key performance metrics.

Aggregate Originations

Aggregate Originations decreased to $1.78 billion for the year ended December 31, 2024, from $1.81 billion for the year ended December 31, 2023, representing a 2.1% decrease. The decrease is driven by a decline in the average loan size, which was a result of strategic changes in our underwriting standards and a higher proportion of front book vintages in the portfolio mix for the year 2024 as compared to 2023. We refer to the post-July 2022 underwriting vintages as our front book and the originations made prior to our significant credit-tightening in July 2022 we refer to as the back book. The decrease was offset by an increase in the number of loans originated, 536,018 and 467,188 for the years ended December 31, 2024 and 2023, respectively. This increase is primarily due to the reintroduction of our Access Loan program in the fourth quarter of 2023, which is a program intended to make credit available to select borrowers who do not qualify for credit under the Borrower's or any of its Subsidiaries' principal loan origination program.

Portfolio Yield

Portfolio yield increased to 33.5% for the year ended December 31, 2024, from 32.2% for the year ended December 31, 2023 primarily attributable to higher pricing on our personal loan products.

30+ Day Delinquency Rate

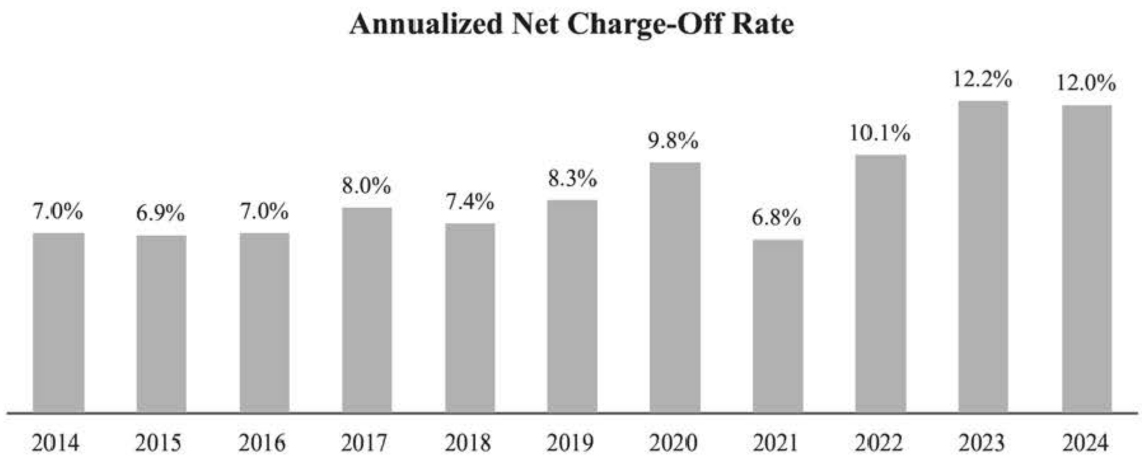
Our 30+ Day Delinquency Rate decreased 113 basis points to 4.8% as of December 31, 2024, from 5.9% as of December 31, 2023. The decrease was primarily due to improvement in credit outcomes in the current period compared to the prior year. The improvement is largely driven by increased front book vintages in our portfolio mix for fiscal year 2024 compared to 2023. Our front book has a better credit performance compared to our back book as we continued to tighten credit standards throughout 2023 and 2024 after significantly tightening underwriting standards in 2022.

Annualized Net Charge-Off Rate

Annualized Net Charge-Off Rate for the year ended December 31, 2024 and 2023 was 12.0% and 12.2%, respectively, down 18 basis points. The decrease is primarily driven by a $32.4 million decrease in Net Charge-offs, partially offset by a decrease in our Average Daily Principal balance of 7.6% from $3.0 billion to $2.8 billion for the years ended December 31, 2023 and 2024, respectively. The decline in Net Charge-offs is primarily due to improvement in credit quality driven by increased front book vintages in our portfolio mix for fiscal year 2024 compared to 2023. Our front book vintages have lower charge-off rates compared to our back book. As the average life of our loans is only one year, we expect the back book to become less impactful on our losses going forward.

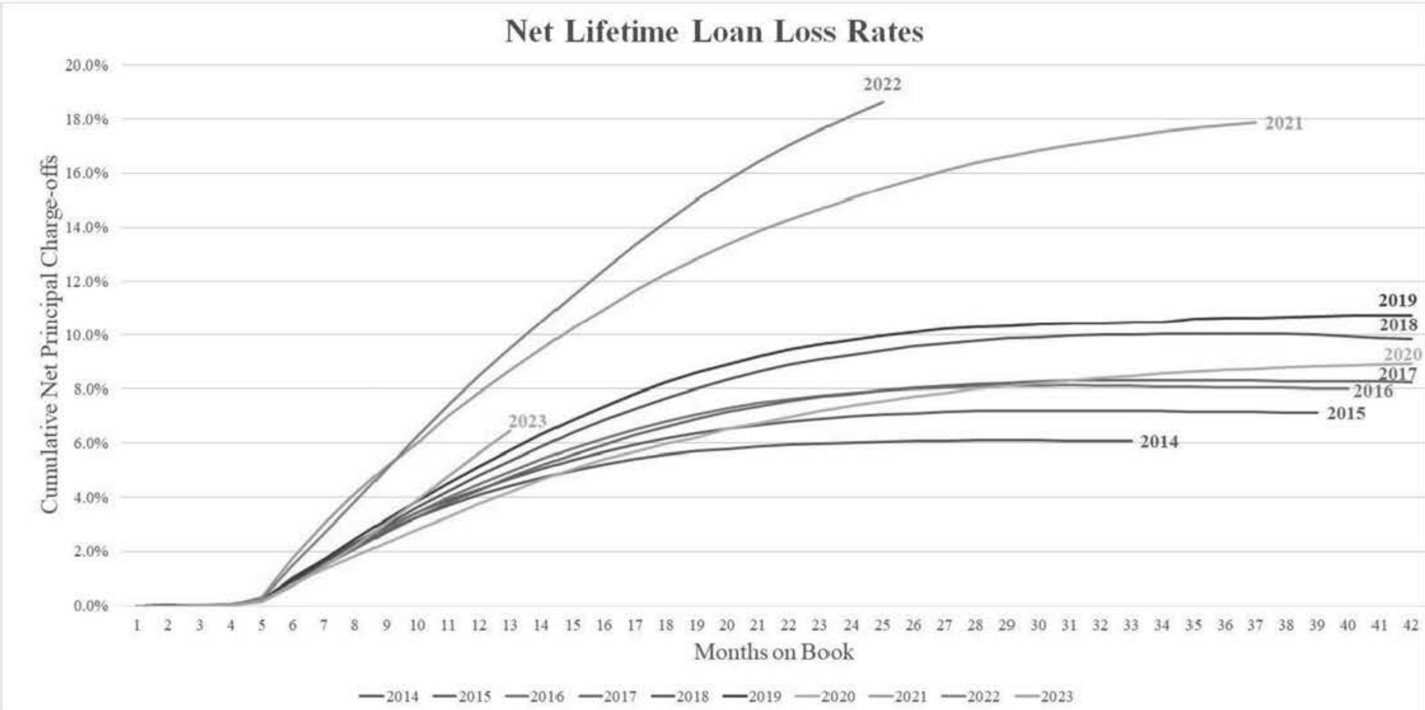
Historical Credit Performance

Our Annualized Net Charge-off Rate ranged between 7% and 10.1% from 2014 to 2022. Even in 2020, during the pandemic, our Annualized Net Charge-off Rate was 9.8%. Due to credit tightening in response to the COVID-19 pandemic and government stimulus payments, our Annualized Net Charge-Off Rate decreased to 6.8% in 2021. Our Annualized Net Charge-off Rate increased to 10.1% in 2022 primarily due to an increasing interest rate environment, inflation and the cessation of COVID-19 stimulus payments and a higher mix of first-time borrowers in 2021 and the first half of 2022. In response to this increase, in the second half of 2022 and continuing throughout 2023 and 2024, we tightened our credit underwriting standards and focused lending towards existing and returning members to improve credit outcomes. The Annualized Net Charge-Off Rate for the years ended December 31, 2024 and 2023 was 12.0% and 12.2%, respectively. This improvement was primarily due to a $32.4 million decrease in Net Charge-offs. For the year ended December 31, 2024, the back book continued to season and made-up 27% of gross charge-offs while only making up approximately 14% of the loans receivable (excluding credit cards). We evaluate our loan portfolio and charge a loan off at the earlier of when the loan is determined to be uncollectible or when loans are 120 days contractually past due and charged-off a credit card account at the earlier of when the account was determined to be uncollectible or when it was 180 days contractually past due.



In addition to monitoring our loss and delinquency performance on an owned portfolio basis, we also monitor the performance of our loans by the period in which the loan was disbursed, generally years or quarters, which we refer to as a vintage. We calculate net lifetime loan loss rate by vintage as a percentage of original principal balance. Net lifetime loan loss rates equal the net lifetime loan losses for a given year through December 31, 2024, divided by the total origination loan volume for that year.

The below chart and table show our net lifetime loan loss rate for each annual vintage of our personal loan product since 2014, excluding loans originated from July 2017 to August 2020 and from December 2023 under a loan program for borrowers who did not meet the qualifications for our core loan origination program; 100% of those loans were sold pursuant to a whole loan sale agreement. Cumulative net lifetime loan losses for the 2015, 2016, 2017, and 2018 vintages increased partially due to the delay in tax refunds in 2017 and 2019, the impact of natural disasters such as Hurricane Harvey, and the longer duration of the loans. The 2018 and 2019 vintages are increasing due to the COVID-19 pandemic. The 2021 vintage is experiencing higher charge-offs than prior vintages primarily due to a higher percentage of loan disbursements to new members. We tightened credit, reduced loan size and loan term, and began reducing loan volumes to new and returning members beginning in the third quarter of 2022. Net Lifetime Loan Loss Rates on vintages originated since significant July 2022 credit tightening are performing near comparable vintages originated in 2019 for the first 7 to 9 months on books but start to diverge due to underperformance of larger loans relative to 2019 and due to longer average term length. In the second half of 2023 we did further tightening and shortened average term length which resulted in stronger performance of the 2023 vintages in the second half of the year as compared to the 2022 vintages for the same period. Due to macroeconomic factors, such as inflation, our borrowers are facing higher costs for food, fuel, and rent that are also putting pressure on our members. We employ collection strategies and tools to help customers make ongoing payments against their loans, with new efforts launched that: expanded the frequency and content of our digital and telephony communications; broadened eligibility for collection tools that help customers address payment difficulties; and eased customer access to those collection tools via new online and mobile app self-enrollment capability, supported by a new collections strategy system that enables centralized, faster, and more-targeted application of strategies.



	Year of Origination									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Dollar weighted average original term for vintage in months	19.1	22.3	24.2	26.3	29.0	30.0	32.0	33.3	37.8	39.2
Net lifetime loan losses as of December 31, 2024 as a percentage of original principal balance	6.1%	7.1%	8.0%	8.2%	9.8%	10.8%	9.0%	17.9%*	18.6%*	6.4%*
Outstanding principal balance as of December 31, 2024 as a percentage of original amount disbursed	—%	—%	—%	—%	—%	0.1%	0.3%	3.8%	23.3%	60.2%

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

Seasonality

Our quarterly results of operations may not necessarily be indicative of the results for the full year or the results for any future periods. Our business is highly seasonal, and the fourth quarter is typically our strongest quarter in terms of loan originations. We have historically experienced a seasonal decline in credit performance in the fourth quarter primarily attributable to competing demand of our borrowers' available cash flow around the holidays. General increases in our borrowers' available cash flow in the first quarter, including from cash received from tax refunds, temporarily reduces our borrowers' borrowing needs.

Results of Operations

The following tables and related discussion set forth our Consolidated Statements of Operations for the years ended December 31, 2024 and 2023. For a discussion regarding our operating and financial data for the year ended December 31, 2023, as compared to the same period in 2022, refer to Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on March 15, 2024.

	Years Ended December 31,	
(in thousands of dollars)	2024	2023
Revenue		
Interest income	$ 925,468	$ 963,496
Non-interest income	76,307	93,423
Total revenue	1,001,775	1,056,919
Less:		
Interest expense	238,158	179,414
Total net decrease in fair value	(468,413)	(596,839)
Net revenue	295,204	280,666
Operating expenses:		
Technology and facilities	166,177	219,406
Sales and marketing	66,973	75,284
Personnel	87,166	121,843
Outsourcing and professional fees	36,847	45,401
General, administrative and other	53,218	72,385
Total operating expenses	410,381	534,319
Income (loss) before taxes	(115,177)	(253,653)
Income tax benefit	(36,495)	(73,702)
Net income (loss)	$ (78,682)	$ (179,951)

Total revenue

	Year Ended December 31,		2024 vs. 2023 Change	
(in thousands, except percentages)	2024	2023	$	%
Revenue				
Interest income	$ 925,468	$ 963,496	$ (38,028)	(3.9)%
Non-interest income	76,307	93,423	(17,116)	(18.3)%
Total revenue	$1,001,775	$1,056,919	$ (55,144)	(5.2)%
Percentage of total revenue:				
Interest income	92.4 %	91.2 %		
Non-interest income	7.6 %	8.8 %		
Total revenue	100.0 %	100.0 %		

Interest income. Total interest income decreased by $38.0 million, or 3.9%, from $963.5 million for 2023 to $925.5 million for 2024. The decrease is primarily attributable to a decline in our Average Daily Principal Balance, which declined from $2.99 billion for 2023 to $2.77 billion for 2024, a decrease of 7.6%, offset by an increase in portfolio yield of 125 basis points in the year ended December 31, 2024, compared to the year ended December 31, 2023.

Non-interest income. Total non-interest income decreased by $17.1 million, or 18.3%, from $93.4 million for 2023 to $76.3 million for 2024. This decrease is primarily due to a $11.3 million decrease in fees related to our Pathward program, $3.2 million decrease in subscription revenue, $2.4 million decrease related to the gain on loan sales, $2.1 million decrease attributable to a decrease in interchange and servicing fees due to the amortization of our serviced portfolio, and $1.1 million decrease in credit card and sublease income. The decrease was offset by a $3.0 million increase in interest earned on Set & Save member accounts.

See Note 2, Summary of Significant Accounting Policies, and Note 12, Revenue, of the Notes to the Consolidated Financial Statements included elsewhere in this report for further discussion on our interest income, non-interest income and revenue.

Interest expense

(in thousands, except percentages)	Year Ended December 31, 2024	2023	2024 vs. 2023 Change $	%
Interest expense	$ 238,158	$ 179,414	$ 58,744	32.7 %
Percentage of total revenue	23.8 %	17.0 %		
Cost of Debt	8.4 %	6.0 %		

Interest expense. Interest expense increased by $58.7 million, or 32.7%, from $179.4 million for 2023 to $238.2 million for 2024. Our Average Daily Debt Balance decreased from $2.97 billion to $2.85 billion for 2024, a decrease of 4.1%. Our Cost of Debt has increased due to higher interest rates and credit spreads on current debt issuances as compared to lower cost funding issued in 2021 that is amortizing. Additionally, interest expense in 2024 included a $16.6 million write off of deferred financing costs related to our Corporate Financing, which was refinanced in the fourth quarter of 2024; excluding this write-off, cost of debt would have been 7.8%.

See Note 8, Borrowings, in the Notes to the Consolidated Financial Statements included elsewhere in this report for further information on our Interest expense and our borrowings.

Total net decrease in fair value

Net increase (decrease) in fair value reflects changes in fair value of loans receivable held for investment and asset-backed notes at fair value on an aggregate basis and is based on a number of factors, including benchmark interest rates, credit spreads, remaining cumulative charge-offs and borrower payment rates. Increases in the fair value of loans increase Net Revenue. Conversely, decreases in the fair value of loans decrease Net Revenue. Increases in the fair value of asset-backed notes decrease Net Revenue. Decreases in the fair value of asset-backed notes increase Net Revenue. We also have a derivative instrument related to our bank partnership program with Pathward, N.A. Changes in the fair value of the derivative instrument are reflected in the total fair value mark-to-market adjustment below.

(in thousands)	Year Ended December 31, 2024	2023	2024 vs. 2023 Change $	%
Fair value mark-to-market adjustment:				
Fair value mark-to-market adjustment on Loans Receivable at Fair Value (1)	$ (1,706)	$ (18,180)	$ 16,474	*
Fair value mark-to-market adjustment on asset-backed notes	(72,089)	(99,951)	27,862	*
Fair value mark-to-market adjustment on derivatives	4,464	8,583	(4,119)	*
Total fair value mark-to-market adjustment	(69,331)	(109,548)	40,217	*
Charge-offs, net of recoveries on loans receivable at fair value	(331,413)	(363,824)	32,411	*
Net settlements on derivative instruments	7,531	(5,284)	12,815	*
Fair value mark on loans sold (2)	(75,200)	(118,183)	42,983	*
Total net decrease in fair value	$ (468,413)	$ (596,839)	$ 128,426	*
Percentage of total revenue:				
Fair value mark-to-market adjustment	(6.9)%	(10.4)%		
Charge-offs, net of recoveries on loans receivable at fair value	(33.1)%	(34.4)		
Total net decrease in fair value	(40.0)%	(44.8)%		
Discount rate	7.92 %	10.10 %		
Remaining cumulative charge-offs	11.68 %	12.10 %		
Average life in years	1.11	1.01		

* Not meaningful

(1) The fair value mark-to-market adjustment on Loans Receivable at Fair Value for the year ended December 31, 2024, includes a fair value mark-to-market adjustment of $(33.7) million related to the credit cards receivable portfolio reclassified as held for sale. See Note 5, *Loans Held for Sale and Loans Sold* in the Notes to the Consolidated Financial Statements included elsewhere in this report for further information on Credit cards receivable held for sale.

(2) The fair value mark-to-market adjustment on loans receivable at fair value shown for the year ended December 31, 2023 and December 31, 2024, includes $(118.2) million and $(75.2) million, respectively, related to the cumulative fair value mark on loans sold in other sales in 2023 and 2024. This fair value mark on loans sold represents the life-to-date mark-to-market adjustment for the loans sold and is presented separately for the loans sold to assist in reconciling to our non-GAAP measure, Adjusted EBITDA.

Net decrease in fair value. Net decrease in fair value for 2024 was $468.4 million. This amount represents a total fair value mark-to-market decrease of $69.3 million on Asset-backed notes, Loans Receivable at fair value, and our derivative assets. The total fair value mark-to-market adjustment consists of a $(1.7) million mark-to-market adjustment on Loans Receivable at Fair Value due to a decrease in remaining cumulative charge-offs from 12.10% as of December 31, 2023 to 11.68% as of December 31, 2024, a decrease in the discount rate from 10.10% as of December 31, 2023 to 7.92% as of December 31, 2024, and an increase in average life from 1.01 years as of December 31, 2023 to 1.11 years as of December 31, 2024. These were offset by a $33.7 million decrease in fair value associated with the sale of the credit cards receivable portfolio. The $(72.1) million mark-to-market adjustment on Asset-backed notes is due to falling rates and narrowing asset-backed securitization spreads. The net decrease in charge-offs, net of recoveries, for 2024 was $331.4 million. The total net decrease in fair value for the year ended December 31, 2024 includes a $(75.2) million adjustment related to the fair value mark on other loan sales in 2024. We expect to continue to see volatility in fair value primarily as a result of macroeconomic conditions.

Net decrease in fair value for 2023 was $596.8 million. This amount represents a total fair value mark-to-market decrease of $109.5 million on Asset-backed notes, Loans Receivable at fair value, and our derivative assets. The total fair value mark-to-market adjustment consists of a $(18.2) million mark-to-market adjustment on Loans Receivable at Fair Value due to an increase in remaining cumulative charge-offs from 10.38% as of December 31, 2022 to 12.10% as of December 31, 2023, partially offset by a decrease in the discount rate from 11.48% as of December 31, 2022 to 10.10% as of December 31, 2023. The $(100.0) million mark-to-market adjustment on Asset-backed notes is due to falling rates and narrowing asset-backed securitization spreads. The net decrease in charge-offs, net of recoveries, for 2023 was $363.8 million. The total net decrease in fair value for the year ended December 31, 2023 includes a $(118.2) million adjustment related to the fair value mark on other loan sales in 2023.

Charge-offs, net of recoveries

	Year Ended December 31,		2024 vs. 2023 Change	
(in thousands, except percentages)	2024	2023	$	%
Total charge-offs, net of recoveries	$ 331,413	$ 363,824	$ (32,411)	(8.9)%
Average Daily Principal Balance	2,766,634	2,992,592	(225,958)	(7.6)%
Annualized Net Charge-Off Rate	12.0 %	12.2 %		

Charge-offs, net of recoveries.

Our Annualized Net Charge-Off Rate decreased to 12.0% for the year ended December 31, 2024, from 12.2% for the year ended December 31, 2023. When measured in dollars, Net Charge-Offs decreased by $32.4 million for the year ended December 31, 2024. The annualized net charge-off rate decreased by 18 basis points due to an 8.9% decrease in total charge-offs net of recoveries, offset by a 7.6% decrease in average daily principal balance. Our annualized net charge-offs decreased in 2024 as loans from our back-book, originated prior to our significant credit tightening actions in July 2022, decreased as a percentage of our owned receivables. As of December 31, 2024, loans from our back-book represented only 5% of our owned receivables balance, and as a result, we expect the back book to become less impactful in 2025. Consistent with our charge-off policy, we evaluate our loan portfolio and charge a loan off at the earlier of when the loan is determined to be uncollectible or when the loan is 120 days contractually past due and we charge-off a credit card account when it is 180 days contractually past due.

Operating expenses

Operating expenses consist of technology and facilities, sales and marketing, personnel, outsourcing and professional fees, and general, administrative and other expenses. We anticipate operating expenses to decrease in 2025 as compared to 2024, primarily driven by the continued diversification of the workforce to lower-cost geographies and a reduction in non-essential vendor spend. This will be partially offset by additional investments in loan originations and portfolio growth.

Technology and facilities

Technology and facilities expense is the largest segment of our operating expenses, representing the costs required to build and maintain our A.I.-enabled multi-channel platform, and consists of three components. The first component comprises costs associated with our technology, engineering, information security, cybersecurity, platform development, maintenance, and end user services, including fees for consulting, legal and other services as a result of our efforts to grow our business, as well as personnel expenses. The second component includes rent for retail and corporate locations, utilities, insurance, telephony costs, property taxes, equipment rental expenses, licenses and fees, and depreciation and amortization. Lastly, the third component includes all software licenses, subscriptions, and technology service costs to support our corporate operations, excluding sales and marketing.

	Year Ended December 31,		2024 vs. 2023 Change	
(in thousands, except percentages)	2024	2023	$	%
Technology and facilities	$ 166,177	$ 219,406	$ (53,229)	(24.3)%
Percentage of total revenue	16.6 %	20.8 %		

Technology and facilities. Technology and facilities expense decreased by $53.2 million, or 24.3%, from $219.4 million for 2023 to $166.2 million for 2024. The decrease is primarily due to a $21.7 million decrease in wages and salaries, $13.8 million decrease in services and software costs driven by lower usage, $8.0 million decrease in outsourcing and professional fees, $5.5 million decrease driven by the write-off of embedded finance, investing, and retirement products in 2023, $4.7 million decrease in office rent, and $2.7 million decrease in depreciation costs. The decrease was offset by a $4.0 million decrease in capitalization of internally developed software following the reductions in force in 2023 and 2024.

Sales and marketing

Sales and marketing expenses consist of two components and represents the costs to acquire our members. The first component is comprised of the expense to acquire a member through various paid marketing channels including direct mail, digital marketing, and brand marketing. The second component is comprised of the costs associated with our telesales, lead generation and retail operations, including personnel expenses, but excluding costs associated with retail locations.

(in thousands, except percentages and CAC)	Year Ended December 31, 2024	2023	2024 vs. 2023 Change $	%
Sales and marketing	$ 66,973	$ 75,284	$ (8,311)	(11.0)%
Percentage of total revenue	6.7 %	7.1 %		
Customer Acquisition Cost (CAC)	$ 125	$ 161	$ (36)	(22.4)%

Sales and marketing. Sales and marketing expenses to acquire our members decreased by $8.3 million, or 11.0%, from $75.3 million for 2023 to $67.0 million for 2024. Our net decrease in sales and marketing expenses during the year ended December 31, 2024 was primarily attributable to a $7.7 million decrease in wages and salaries due to the decrease in headcount following our efforts to streamline operations, $1.3 million decrease in service costs, $1.8 million decrease in our digital marketing and pay per lead channels, and $1.1 million decrease in our outsourcing and professional fees. This decrease was offset by a $3.5 million increase in our direct mail marketing channel. As a result of our increase in number of loans originated and decrease in our sales and marketing expenses during the year ended December 31, 2024, our CAC decreased by 22.4%, from $161 for the year ended December 31, 2023, to $125 for the year ended December 31, 2024.

Personnel

Personnel expense represents compensation and benefits that we provide to our employees, and include salaries, wages, bonuses, commissions, related employer taxes, medical and other benefits provided and stock-based compensation expense for all of our staff with the exception of our telesales, lead generation, and retail operations which are included in sales and marketing expenses, and technology which is included in technology and facilities.

(in thousands, except percentages)	Year Ended December 31, 2024	2023	2024 vs. 2023 Change $	%
Personnel	$ 87,166	$ 121,843	$ (34,677)	(28.5)%
Percentage of total revenue	8.7 %	11.5 %		

Personnel. Personnel expense decreased by $34.7 million, or 28.5%, from $121.8 million for 2023, to $87.2 million for 2024. The decrease is primarily driven by our workforce optimization efforts in 2023 and 2024. We expect our 2025 personnel expense to be similar to the personnel expense for 2024.

Outsourcing and professional fees

Outsourcing and professional fees consist of costs for various third-party service providers and contact center operations, primarily for the sales, customer service, collections and store operation functions. Professional fees also include the cost of legal and audit services, credit reports, recruiting, cash transportation, collection services and fees and consultant expenses. Direct loan origination expenses related to application processing are expensed when incurred. The costs related to our third-party contact centers located in Colombia and the Philippines are included in outsourcing and professional fees, however, both locations were closed during 2024.

(in thousands, except percentages)	Year Ended December 31, 2024	2023	2024 vs. 2023 Change $	%
Outsourcing and professional fees	$ 36,847	$ 45,401	$ (8,554)	(18.8)%
Percentage of total revenue	3.7 %	4.3 %		

Outsourcing and professional fees. Outsourcing and professional fees decreased by $8.6 million, or 18.8%, from $45.4 million for 2023 to $36.8 million for 2024. The decrease is primarily attributable to a $5.8 million decrease in outsourcing services, a $3.0 million decrease in professional services, credit reports and legal fees, and a $1.1 million decrease in accounting and auditing fees. These were offset by a $2.0 million increase in expenses associated with debt recovery and court filings.

General, administrative and other

General, administrative and other expense includes non-compensation expenses for employees, who are not a part of the technology and sales and marketing organization, which include travel, lodging, meal expenses, political and charitable contributions, office supplies, printing and shipping. Also included are franchise taxes, bank fees, foreign currency gains and losses, transaction gains and losses, debit card expenses, litigation reserve, expenses related to workforce optimization and streamlining operations, and acquisition-related expenses.

(in thousands, except percentages)	Year Ended December 31, 2024	2023	2024 vs. 2023 Change $	%
General, administrative and other	$ 53,218	$ 72,385	$ (19,167)	(26.5)%
Percentage of total revenue	5.3 %	6.8 %		

General, administrative and other. General, administrative and other expense decreased by $19.2 million, or 26.5%, from $72.4 million for 2023, to $53.2 million for 2024, primarily due to a decrease of $19.3 million driven by lower costs related to our workforce optimization, $6.5 million decrease in acquisition and integration related expenses, and $1.2 million decrease in postage and printing. These were offset by a $6.4

million increase related to impairment of right-of-use asset and fixed asset disposal of our San Carlos office and a $2.0 million increase due to loss on foreign currency exchange.

Income taxes

Income taxes consist of U.S. federal, state and foreign income taxes, if any. For the years ended December 31, 2024 and 2023 we recognized tax expense (benefit) attributable to U.S. federal, state and foreign income taxes.

	Year Ended December 31,		2024 vs. 2023 Change	
(in thousands, except percentages)	2024	2023	$	%
Income tax expense (benefit)	$ (36,495)	$ (73,702)	$ 37,207	50.5 %
Percentage of total revenue	(3.6)%	(7.0)%		
Effective tax rate	31.7 %	29.1 %		

Income tax benefit. Income tax benefit decreased by $37.2 million or 50.5%, from $73.7 million for 2023 to $36.5 million for 2024, primarily resulting from lower pretax losses for the annual period ended December 31, 2024, the tax benefits of the return-to-provision adjustments and the generation of tax credits.

Valuation Allowance. As of December 31, 2024, we have $80.3 million of U.S. net deferred tax assets, of which $71.5 million is related to the tax-effected net operating losses, tax credits, and other carryforwards that can be used to offset future U.S. taxable income. Certain of these carryforwards will expire if they are not used within a specified timeframe. At this time, we consider it more likely than not that we will have sufficient U.S. taxable income in the future that will allow us to realize these net deferred tax assets. However, it is possible that some, or all, of these tax attributes could ultimately expire unused. Therefore, if we are unable to generate sufficient U.S. taxable income from our operations, a valuation allowance to reduce the U.S. net deferred tax assets may be required, which would materially increase income tax expense in the period in which the valuation allowance is recorded.

See Note 2, Summary of Significant Accounting Policies, and Note 13, Income Taxes, of the Notes to the Consolidated Financial Statements included elsewhere in this report for further discussion on our income taxes.

Fair Value Estimate Methodology for Loans Receivable at Fair Value

Summary

Fair value is an electable option under GAAP to account for any financial instruments, including loans receivable and debt. It differs from amortized cost accounting in that loans receivable and debt are recorded on the balance sheet at fair value rather than on a cost basis. Under the fair value option credit losses are recognized through income as they are incurred rather than through the establishment of an allowance and provision for losses. The fair value of instruments under this election is updated at the end of each reporting period, with changes since the prior reporting period reflected in the Consolidated Statements of Operations as net increase (decrease) in fair value which impacts Net Revenue. Changes in interest rates, credit spreads, realized and projected credit losses and cash flow timing will lead to changes in fair value and therefore impact earnings. These changes in the fair value of the Loans Receivable at Fair Value may be partially offset by changes in the fair value of the asset-backed notes where the fair value option has been elected, depending upon the relative duration of the instruments.

Fair Value Estimate Methodology for Loans Receivable at Fair Value

We calculate the fair value of Loans Receivable at Fair Value using a model that projects and discounts expected cash flows. The fair value is a function of:

- Portfolio yield;
- Average life;
- Prepayments (or principal payment rate for our credit card receivables);
- Remaining cumulative charge-offs; and
- Discount rate.

Portfolio yield is the expected interest and fees collected from the loans and credit cards as an annualized percentage of outstanding principal balance. Portfolio yield is based upon (a) the contractual interest rate, reduced by expected delinquencies and interest charge-offs and (b) late fees, net of late fee charge-offs based upon expected delinquencies. Origination fees are not included in portfolio yield for personal loans since they are generally capitalized as part of the loan's principal balance at origination.

Average life is the time-weighted average of expected principal payments divided by outstanding principal balance. The timing of principal payments is based upon the contractual amortization of loans, adjusted for the impact of prepayments, Good Customer Program refinances, and charge-offs.

For personal loans, prepayments are the expected remaining cumulative principal payments that will be repaid earlier than contractually required over the life of the loan, divided by the outstanding principal balance. For credit cards, we estimate principal payment rates which are the expected amount and timing of principal payments over the life of the receivable.

Remaining cumulative charge-offs is the expected net principal charge-offs over the remaining life of the loans and credit cards, divided by the outstanding principal balance.

For personal loans and credit card, the discount rate is determined by using the Weighted Average Capital Cost ("WACC"), which was calculated using the Capital Asset Pricing Model ("CAPM") method, also considering several components of financing, debt and equity.

It is also possible to estimate the fair value of our loans using a simplified calculation. The table below illustrates a simplified calculation to aid investors in understanding how fair value may be estimated using the last eight quarters:

- Subtracting the servicing fee from the weighted average portfolio yield over the remaining life of the loans to calculate net portfolio yield;
- Multiplying the net portfolio yield by the weighted average life in years of the loans receivable, which is based upon the contractual amortization of the loans and expected remaining prepayments and charge-offs, to calculate pre-loss net cash flow;
- Subtracting the remaining cumulative charge-offs from the net portfolio yield to calculate the net cash flow; and
- Subtracting the product of the discount rate and the average life from the net cash flow to calculate the gross fair value premium as a percentage of loan principal balance.

The table below reflects the application of this methodology for the eight quarters since January 1, 2023, on loans held for investment. The data in the table below represents all of our credit products.

	Three Months Ended							
	Dec 31, 2024	**Sep 30, 2024**	**Jun 30, 2024 [(1)]**	**Mar 31, 2024**	**Dec 31, 2023**	**Sep 30, 2023**	**Jun 30, 2023**	**Mar 31, 2023**
Weighted average portfolio yield over the remaining life of the loans	**26.81 %**	**26.96 %**	**28.42 %**	**28.87 %**	**29.10 %**	**29.58 %**	**29.85 %**	**29.61 %**
Less: Servicing fee	(5.00) %	(5.00) %	(5.00) %	(5.00) %	(5.00) %	(5.00) %	(5.00) %	(5.00) %
Net portfolio yield	**21.81 %**	**21.96 %**	**23.42 %**	**23.87 %**	**24.10 %**	**24.58 %**	**24.85 %**	**24.61 %**
Multiplied by: Weighted average life in years	1.110	1.113	1.016	1.027	1.007	0.995	0.955	0.963
Pre-loss cash flow	**24.21 %**	**24.44 %**	**23.79 %**	**24.50 %**	**24.26 %**	**24.45 %**	**23.74 %**	**23.69 %**
Less: Remaining cumulative charge-offs	(11.68) %	(11.94) %	(11.57) %	(11.92) %	(12.10) %	(11.93) %	(11.35) %	(11.72) %
Net cash flow	**12.54 %**	**12.51 %**	**12.23 %**	**12.58 %**	**12.16 %**	**12.52 %**	**12.39 %**	**11.97 %**
Less: Discount rate multiplied by average life	(8.79) %	(9.27) %	(8.80) %	(9.34) %	(10.17) %	(11.09) %	(10.61) %	(10.66) %
Gross fair value premium (discount) as a percentage of loan principal balance	**3.75 %**	**3.23 %**	**3.43 %**	**3.24 %**	**1.99 %**	**1.43 %**	**1.78 %**	**1.31 %**
Discount Rate	7.92 %	8.33 %	8.66 %	9.10 %	10.10 %	11.15 %	11.10 %	11.07 %

[(1)] On June 21, 2024, we entered into a nonbinding letter of intent with a third-party to sell the credit cards receivable portfolio and was classified as held-for-sale on June 30, 2024. On September 24, 2024, we entered into a definitive agreement to sell the credit cards receivable portfolio and completed the sale on November 12, 2024. As such, the credit card receivable portfolio has been excluded starting June 30, 2024. All prior periods presented in the table above include the fair value components of the credit cards receivable portfolio.

The illustrative table included above is designed to assist investors in understanding the impact of our election of the fair value option.

Non-GAAP Financial Measures

We believe that the provision of non-GAAP financial measures in this report, including Adjusted EBITDA, Adjusted Net Income (Loss), Adjusted EPS, Adjusted Operating Expense, Adjusted Operating Expense Ratio, Adjusted Operating Efficiency and Adjusted Return on Equity, can provide useful measures for period-to-period comparisons of our core business and useful information to investors and others in understanding and evaluating our operating results. However, non-GAAP financial measures are not calculated in accordance with United States generally accepted accounting principles, or GAAP, and should not be considered as an alternative to any measures of financial performance calculated and presented in accordance with GAAP. There are limitations related to the use of these non-GAAP financial measures versus their most directly comparable GAAP measures, which include the following:

- Other companies, including companies in our industry, may calculate these measures differently, which may reduce their usefulness as a comparative measure.
- These measures do not consider the potentially dilutive impact of stock-based compensation.
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements.
- Although the fair value mark-to-market adjustment is a non-cash adjustment, it does reflect our estimate of the price a third party would pay for our loans receivable held for investment or our asset-backed notes.
- Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us.

Beginning in 2024, we updated the definitions of Adjusted EBITDA, Adjusted Net Income and Adjusted Operating Efficiency to better represent how we view the results of operations and make management decisions. Comparable prior period Non-GAAP financial measures are included in addition to the previously reported metrics.

Adjusted EBITDA	Rationale for Change
Interest on Corporate Financing	We have updated the interest on corporate financing adjustment to include interest on our acquisition related financing previously included within the adjustment for acquisition and integration related expenses.
Depreciation and amortization	We have updated the adjustment related to depreciation and amortization to include the amortization of acquired intangibles. This amortization was previously included within the adjustment for acquisition and integration related expenses.
Acquisition and integration related expenses	We have removed the adjustment related to acquisition and integration related expenses. Interest expense related to our acquisition related financing has been reclassified to the adjustment for corporate financing. Amortization of acquired intangibles has been reclassified to depreciation and amortization.
Origination fees for loans receivable at fair value, net	We have removed the adjustment related to origination fees for loans receivable at fair value, net as we believe this better aligns with common practices within our industry.

Adjusted Net Income (Loss)	Rationale for Change
Acquisition and integration related expenses	We have removed the adjustment related to acquisition and integration related expenses. Interest expense related to our acquisition related financing has been reclassified to the adjustment for corporate financing, including the senior secured term loan and residual financing facility, as it views this expense as related to its capital structure rather than funding.
Fair value mark-to-market adjustment on Asset-Backed Notes at Fair Value	We have added an adjustment to exclude the Fair value mark-to-market adjustments related to Asset-Backed Notes at Fair Value. This adjustment aligns with our decision in 2023 to stop electing the fair value option for new debt financings. By the end of 2025 nearly all our existing Asset-Backed Notes at Fair Value will have paid down to zero, so after that there will be no mark-to-market adjustment for our debt.

Adjusted Operating Efficiency	Rationale for Change
Acquisition and integration related expenses	We have removed the adjustment related to acquisition and integration related expenses, to maintain consistency with the revised Adjusted EBITDA and Adjusted Net Income (Loss) calculations.

Reconciliations of non-GAAP to GAAP measures can be found below.

Adjusted EBITDA

We define Adjusted EBITDA as our net income, adjusted to eliminate the effect of certain items as described below. We believe that Adjusted EBITDA is an important measure because it allows management, investors and our Board 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 our business, as it removes the effect of income taxes, certain non-cash items, variable charges and timing differences.

- We believe 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.
- We believe it is useful to exclude depreciation and amortization and stock-based compensation expense because they are non-cash charges.
- We believe it is useful to exclude the impact of interest expense associated with our corporate financing facilities, including the senior secured term loan and the residual financing facility, as we view this expense as related to our capital structure rather than our funding.
- We exclude the impact of certain non-recurring charges, such as expenses associated with our workforce optimization efforts, and other non-recurring charges because we do 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.
- We also exclude fair value mark-to-market adjustments on the loans receivable portfolio and asset-backed notes carried at fair value because these adjustments do not impact cash.

Components of Fair Value Mark-to-Market Adjustment (in thousands)	Year Ended December 31, 2024	2023
Fair value mark-to-market adjustment on loans receivable at fair value [(1)]	$ (1,706)	$ (18,180)
Fair value mark-to-market adjustment on asset-backed notes	(72,089)	(99,951)
Fair value mark-to-market adjustment on derivatives	4,464	8,583
Total fair value mark-to-market adjustment	$ (69,331)	$ (109,548)

(1) The fair value mark-to-market adjustment on Loans Receivable at Fair Value includes the fair value mark-to-market adjustment of $(33.7) million related to the credit card receivables portfolio reclassified to held for sale. See Note 5, *Loans Held for Sale and Loans Sold* in the Notes to the Condensed Financial Statements included elsewhere in this report for further information on Credit cards receivable held for sale. In addition, the fair value mark-to-market adjustment on loans receivable at fair value excludes mark-to-market adjustments associated with loans sold. See the section titled "*Total net increase (decrease) in fair value*" in the Results of Operations section for additional information regarding the fair value mark on loans sold.

The following table presents a reconciliation of net income (loss) to Adjusted EBITDA for the years ended December 31, 2024 and 2023:

Adjusted EBITDA (in thousands)	Year Ended December 31, 2024	2023 [(1)]
Net income (loss)	$ (78,682)	$ (179,951)
Adjustments:		
Income tax benefit	(36,495)	(73,702)
Interest on corporate financing	51,135	51,781
Depreciation and amortization	52,186	54,879
Stock-based compensation expense	13,053	17,997
Workforce optimization expenses	3,067	22,485
Other non-recurring charges	30,952	15,524
Fair value mark-to-market adjustment	69,331	109,548
Adjusted EBITDA	$ 104,547	$ 18,561

(1) 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 value for the year ended December 31, 2023 for Adjusted EBITDA shown in the table above has been revised and presented on a comparable basis, prior to these revisions the value would have been $1.7 million.

Adjusted Net Income (Loss)

We define Adjusted Net Income as net income adjusted to eliminate the effect of certain items as described below. We believe that Adjusted Net Income is an important measure of operating performance because it allows management, investors, and our Board to evaluate and compare our 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.

- We believe 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. We also include the impact of normalized income tax expense by applying a normalized statutory tax rate.
- We believe it is useful to exclude the impact of certain non-recurring charges, such as expenses associated with our workforce optimization efforts, and other non-recurring charges because we do not believe that these items reflect our ongoing business operations. Other non-recurring charges include litigation reserve, impairment charges, debt amendment and warrant amortization costs related to our corporate financing facilities.
- We believe it is useful to exclude stock-based compensation expense because it is a non-cash charge.
- We also exclude the fair value mark-to-market adjustment on our asset-backed notes carried at fair value to align with the 2023 accounting policy decision to account for new debt financings at amortized cost.

The following table presents a reconciliation of net income (loss) to Adjusted Net Income for the years ended December 31, 2024 and 2023:

Adjusted Net Income Loss (in thousands)	**Year Ended December 31,**	
	2024	**2023** [(1)]
Net income (loss)	$ (78,682)	$ (179,951)
Adjustments:		
Income tax benefit	(36,495)	(73,702)
Stock-based compensation expense	13,053	17,997
Workforce optimization expenses	3,067	22,485
Other non-recurring charges	30,952	15,524
Net decrease in fair value of credit cards receivable	36,177	—
Mark-to-market adjustment on asset-backed notes	72,089	99,951
Adjusted income (loss) before taxes	40,161	(97,696)
Normalized income tax expense	10,843	(26,378)
Adjusted Net Income (Loss)	$ 29,318	$ (71,318)
Income tax rate [(2)]	27.0 %	27.0 %

[(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 value for the year ended December 31, 2023 for Adjusted Net Income (Loss) shown in the table above has been revised and presented on a comparable basis, prior to these revisions the value would have been $(124.1) million.

[(2)] Income tax rates for the years ended December 31, 2024 and December 31, 2023, are based on a normalized statutory rate.

Adjusted Earnings (Loss) Per Share ("Adjusted EPS")

Adjusted Earnings (Loss) Per Share is a non-GAAP financial measure that allows management, investors, and our Board to evaluate the operating results, operating trends, and profitability of the business in relation to diluted adjusted weighted-average shares outstanding.

The following table presents a reconciliation of Diluted EPS to Diluted Adjusted EPS for the years ended December 31, 2024 and 2023. For the reconciliation of net income to Adjusted Net Income (Loss), see the immediately preceding table "Adjusted Net Income (Loss)."

(in thousands, except share and per share data)	**Year Ended December 31,**	
	2024	**2023** [(1)]
Diluted earnings (loss) per share	$ (1.95)	$ (4.88)
Adjusted EPS		
Adjusted Net Income (Loss)	$ 29,318	$ (71,318)
Basic weighted-average common shares outstanding	40,356,025	36,875,950
Weighted average effect of dilutive securities:		
Stock options	—	—
Restricted stock units	500,705	—
Diluted adjusted weighted-average common shares outstanding	40,856,730	36,875,950
Adjusted Earnings (Loss) Per Share	$ 0.72	$ (1.93)

[(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 value for the year ended December 31, 2023 for Adjusted EPS shown in the table above has been revised and presented on a comparable basis, prior to these revisions the value would have been $(3.37).

Return on Equity and Adjusted Return on Equity

We define Adjusted Return on Equity as annualized Adjusted Net Income (Loss) divided by average stockholders' equity. Average stockholders' equity is an average of the beginning and ending stockholders' equity balance for each period. We believe Adjusted Return on Equity is an important measure because it allows management, investors, and our Board to evaluate the profitability of the business in relation to stockholders' equity and how efficiently we generate income from stockholders' equity.

The following table presents a reconciliation of Return on Equity to Adjusted Return on Equity for the years ended December 31, 2024 and 2023. For the reconciliation of net income to Adjusted Net Income (Loss), see the immediately preceding table "Adjusted Net Income (Loss)."

(in thousands)	**As of or for the Year Ended December 31,**	
	2024	**2023** [(1)]
Return on Equity	(20.8)%	(37.8)%
Adjusted Return on Equity		
Adjusted Net Income	$ 29,318	$ (71,318)
Average stockholders' equity	$ 379,107	$ 476,002
Adjusted Return on Equity	7.7 %	(15.0)%

(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 value for the year ended December 31, 2023 for Adjusted Return on Equity shown in the table above has been revised and presented on a comparable basis, prior to these revisions the values would have been (26.1)%.

Adjusted Operating Expense, Adjusted Operating Efficiency and Adjusted Operating Expense Ratio

We define 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 efforts, and other non-recurring charges. Other non-recurring charges include litigation reserve, impairment charges, and debt amendment costs related to our Corporate Financing facility. We define Adjusted Operating Efficiency as total Adjusted Operating Expense divided by total revenue. We define Adjusted Operating Expense Ratio as Adjusted Operating Expense divided by Average Daily Principal Balance. We believe Adjusted Operating Expense is an important measure because it allows management, investors and our Board 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. We believe Adjusted Operating Efficiency and Adjusted Operating Expense Ratio are important measures because they allow management, investors and our Board to evaluate how efficiently we are managing costs relative to revenue and Average Daily Principal Balance.

The following table presents a reconciliation of Operating Efficiency to Adjusted Operating Efficiency, Operating Expense to Adjusted Operating Expense and Operating Expense Ratio to Adjusted Operating Expense Ratio for the years ended December 31, 2024 and 2023:

	As of or for the Year Ended December 31,	
(in thousands)	**2024**	**2023 (1)**
Operating Efficiency	41.0 %	50.6 %
Adjusted Operating Efficiency		
Total revenue	$ 1,001,775	$ 1,056,919
Total operating expense	410,381	534,319
Stock-based compensation expense	(13,053)	(17,997)
Workforce optimization expenses	(3,067)	(22,485)
Other non-recurring charges	(12,921)	(14,409)
Total adjusted operating expenses	$ 381,340	$ 479,428
Adjusted Operating Efficiency	38.1 %	45.4 %
Average Daily Principal Balance	$ 2,766,634	$ 2,992,592
Operating Expense Ratio	14.8 %	17.9 %
Adjusted Operating Expense Ratio	13.8 %	16.0 %

(1) Our calculation of Adjusted Operating Efficiency was updated in Q1 2024 to more closely align with management's internal view of the performance of the business. The value for the year ended December 31, 2023 shown in the table above has been revised and presented on a comparable basis, prior to these revisions the value would have been 42.7%.

Liquidity and Capital Resources

To date, we fund the majority of our operating liquidity and operating needs through a combination of cash flows from operations, securitizations, secured borrowings, Corporate Financing and structured and whole loan sales. We may utilize these or other sources in the future. Our material cash requirements relate to funding our lending activities, our debt service obligations, our operating expenses, and investments in the long-term growth of the Company.

We generally target liquidity levels to support at least twelve months of our expected net cash outflows, including new originations, without access to our Corporate Financing facility or equity markets. Elevated and fluctuating interest rates, credit trends and other macroeconomic conditions could continue to have an impact on market volatility which could adversely impact our business, liquidity, and capital resources. Future decreases in cash flows from operations resulting from delinquencies, defaults, and losses would decrease the cash available for the capital uses described above. We may incur additional indebtedness or issue equity in order to meet our capital spending and liquidity requirements, as well as to fund growth opportunities that we may pursue.

The following table summarizes our total liquidity reserves:

	As of or for the Year Ended December 31, 2024				
(in thousands)		Total capacity	Amount borrowed/ utilized		Remaining available capacity
Cash and cash equivalents	$	59,968	N/A	$	59,968
Restricted cash		154,657	N/A		154,657
Secured financing		766,130	539,204		226,926
Structured and Whole loan forward flow agreements [1]		589,177	544,422		44,755
Total liquidity	$	1,569,932	$ 1,083,626	$	486,306

[1] During the period, $10.8 million of the allocated capacity was unsold and relinquished. The remaining unsold amount was removed from the total available capacity of $600.0 million, reducing the overall capacity to $589.2 million.

Cash and cash flows

The following table summarizes our cash and cash equivalents, restricted cash and cash flows for the periods indicated:

	Year Ended December 31,			
(in thousands)		2024		2023
Cash, cash equivalents and restricted cash	$	214,625	$	206,016
Cash provided by (used in)				
Operating activities		393,522		392,765
Investing activities		(193,689)		(286,181)
Financing activities		(191,224)		(104,385)

Our cash is held for working capital purposes and originating loans. Our restricted cash principally represents collections held in our securitizations and is applied currently after month-end to pay principal, interest expense, and satisfy any amount due to whole loan buyers with any excess amounts returned to us.

Operating Activities

Our net cash provided by operating activities was $393.5 million and $392.8 million for the years ended December 31, 2024 and 2023, respectively. Cash flows from operating activities primarily include net income or losses adjusted for (i) non-cash items included in net income or loss, including depreciation and amortization expense, fair value adjustments, net, origination fees for loans at fair value, net, gain on loan sales, stock-based compensation expense and deferred tax provision, net, (ii) originations of loans sold and held for sale, and proceeds from sale of loans and (iii) changes in the balances of operating assets and liabilities, which can vary significantly in the normal course of business due to the amount and timing of various payments. The $0.8 million increase in our net cash provided by operating activities is primarily driven by a $101.3 million decrease in our net loss, and a $42.6 million increase attributed to changes in our deferred tax assets as a result of our year-end tax provision. These were partially offset by a $128.4 million decline in our fair value mark to market adjustment, $9.4 million decline in origination fees for loans receivable at fair value and $5.6 million lower stock compensation, for the current year compared to prior year, respectively.

Investing Activities

Our net cash used in investing activities was $193.7 million and $286.2 million for the years ended December 31, 2024 and 2023, respectively. Our investing activities consist primarily of loan originations and loan repayments. We invest in purchases of property and equipment and incur system development costs. Purchases of property and equipment, and capitalization of system development costs may vary from period to period due to the timing of the expansion of our operations, the addition of employee headcount and the development cycles of our system development. The change in our net cash used in investing activities is primarily due to $54.5 million lower loan disbursements, $50.4 million in higher loan sales primarily due to the proceeds received from the sale of our credit cards receivable portfolio, and $12.1 million lower capitalization of system development costs, which were partially offset by a $25.1 million decrease in repayments of loan principal for the year ended December 31, 2024, compared to the year ended December 31, 2023.

Financing Activities

Our net cash used in financing activities was $191.2 million and $104.4 million for the years ended December 31, 2024 and 2023, respectively. For the year ended December 31, 2024, net cash used in financing activities was primarily driven by amortization payments on our Series 2021-A, Series 2021-B, Series 2021-C, Series 2022-A, Series 2022-2 and Series 2022-3 asset-backed notes at fair value; and Series 2024-1 and Series 2024-2 asset-backed notes, and our other asset-backed borrowings and repayments of borrowings on our PLW Facility, PLW II Facility, CCW and Acquisition and Corporate Financing facilities, partially offset by borrowings under our asset-backed borrowings at amortized cost. For the year ended December 31, 2023, net cash used in financing activities was primarily driven by principal payments on our Acquisition Financing facility, our Series 2019-A, Series 2021-A, Series 2022-2 and Series 2022-3 asset-backed notes, and repayments on our PLW facility, partially offset by borrowings under our PLW facility, Corporate Financing, and our asset-backed borrowings at amortized cost.

Sources of Funds

Debt and Available Credit

Asset-Backed Securitizations

As of December 31, 2024, we had $1.6 billion of outstanding asset-backed notes. Our securitizations utilize special purpose entities which are also variable interest entities ("VIEs") that meet the requirements to be consolidated in our financial statements. For more information regarding our VIEs and asset-backed securitizations, see Note 4, Variable Interest Entities and Note 8, Borrowings of the Notes to the Consolidated Financial Statements included elsewhere in this report.

Our ability to utilize our asset-backed securitizations as described herein is subject to compliance with various requirements including eligibility criteria for the loan collateral and covenants and other requirements. As of December 31, 2024, we were in compliance with all covenants and requirements of all our asset-backed notes.

Secured Financings

As of December 31, 2024, we had Secured Financings with warehouse lines of $766.1 million in the aggregate with undrawn capacity of $226.9 million. On March 8, 2023, the Credit Card Warehouse facility was amended, reducing its commitment from $150.0 million to $120.0 million. On December 22, 2023, the Credit Card Warehouse facility was further amended, reducing its commitment from $120.0 million to $100.0 million, thereby reducing the combined commitment to $700.0 million. On January 31, 2024, we further amended the Credit Card Warehouse facility to adjust our payment rate, advance rate, and other loan sales. Additionally, our commitment amount reduced from $100.0 million to $80.0 million. On September 24, 2024, we further amended the Credit Card Warehouse facility and reduced the commitment amount from $80.0 million to $60.0 million. On November 10, 2024, the Credit Card Warehouse facility was terminated. Our ability to utilize our Secured Financing facilities as described herein is subject to compliance with various requirements, including eligibility criteria for collateral, concentration limits for our collateral pool, and covenants and other requirements.

On August 5, 2024, in connection with the closing of the PLW II Facility, Oportun PLW II Trust, a subsidiary of the Company, entered into a loan and security agreement with certain lenders from time to time party thereto, and Wilmington Trust, National Association as collateral agent, administrative agent, paying agent, securities intermediary and depositary bank. The PLW II Facility has a three year term and a borrowing capacity of $245.2 million. Borrowings under the loan and security agreement accrue interest at a rate equal to Term SOFR plus a weighted average spread of 3.08%. The advance rate for the PLW II Facility is 95.0%, subject to certain triggers that could lower the advance rate to 92.0%. On November 1, 2024, the PLW II Facility was amended to increase the borrowing capacity to $337.1 million (the "PLW II Amendment"). Under the PLW II Amendment, borrowings will accrue interest at a rate equal to Term SOFR plus a weighted average spread of 3.07%.

On September 20, 2024, Oportun PLW Trust, a subsidiary of the Company, Wilmington Trust, National Association as collateral agent, administrative agent, paying agent, securities intermediary and depositary bank and certain lenders from time to time party thereto, entered into an amendment to the Loan and Security Agreement, dated as of September 8, 2021, and other related documents, under the PLW Facility. Following the amendment, the PLW Facility has a two-year term and had a borrowing capacity of $306.45 million. Borrowings under the PLW Facility loan and security agreement accrued interest at a rate equal to Term SOFR plus a weighted average spread of 3.40%. The advance rate for the PLW Facility is 95.0%, subject to certain triggers that could lower the advance rate to 92.0%. On November 22, 2024, the PLW Facility was further amended to increase the borrowing capacity to approximately $429.0 million (the "PLW Amendment"). Under the PLW Amendment, borrowings will accrue interest at a rate equal to Term SOFR plus a weighted average spread of 3.35%.

Asset-Backed Borrowings at Amortized Cost

On August 29, 2024, we announced the issuance of $223.3 million of Series 2024-2 asset-backed notes secured by a pool of our unsecured and secured personal installment loans (the "2024-2 Securitization"). The 2024-2 Securitization included four classes of fixed rate notes. The notes were offered and sold in a private placement in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended, and were priced with a weighted average yield of 8.22% per annum and weighted average coupon of 8.07% per annum.

On February 13, 2024, we announced the issuance of $199.5 million of Series 2024-1 asset-backed notes secured by a pool of its unsecured and secured personal installment loans (the "2024-1 Securitization"). The 2024-1 Securitization included four classes of fixed rate notes. The notes were offered and sold in a private placement in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended, and were priced with a weighted average yield of 8.600% per annum and weighted average coupon of 8.434% per annum.

On October 20, 2023, we entered into a Receivables Loan and Security Agreement (the "Receivables Loan and Security Agreement"), pursuant to which the Company borrowed $197 million. Borrowings under the Receivables Loan and Security Agreement accrue interest at a weighted average interest rate equal to 10.05%.

On August 3, 2023, we entered into a forward flow whole loan sale agreement with an institutional investor. Pursuant to this agreement, we had a commitment to sell up to $400.0 million of our personal loan originations over twelve months. We will continue to service these loans upon transfer of the receivables. While the economics of this transaction are structured as a whole loan sale, the transfer of these loans receivable does not qualify as a sale for accounting purposes. Accordingly, the related assets remain on our balance sheet and cash proceeds received are reported as a secured borrowing under the caption of asset-backed borrowings at amortized cost with related interest expense recognized over the life of the related borrowing. As part of this agreement, during the year ended December 31, 2024, we transferred loans receivable totaling $192.7 million.

On June 16, 2023, we entered into a forward flow whole loan sale agreement with an institutional investor. On April 26, 2024, we amended the agreement to extend the term through October 2024 and committed to sell $150.0 million of personal loan originations. We will continue to service these loans upon transfer of the receivables. While the economics of this transaction are structured as a whole loan sale, the transfer of these loans receivable does not qualify as a sale for accounting purposes. Accordingly, the related assets remain on our balance sheet and cash proceeds received are reported as a secured borrowing under the caption of asset-backed borrowings at amortized cost with related interest expense recognized over the life of the related borrowing. As part of this agreement, during the year ended December 31, 2024, we transferred loans receivable totaling $151.0 million.

Acquisition Financing

On December 20, 2021, Oportun RF, LLC, our wholly-owned subsidiary, issued a $116.0 million asset-backed floating rate variable funding note, and an asset-backed residual certificate, both of which are secured by certain residual cash flows from our securitizations and guaranteed by Oportun, Inc. The note was used to fund the cash consideration paid for the acquisition of Digit. On May 24, 2022, and subsequently on July 28, 2022, pursuant to amended indentures, Oportun RF, LLC issued an additional $20.9 million and $9.1 million asset-backed floating rate variable funding notes, and asset-backed residual certificates, both of which are also secured by certain cash flows from our securitizations and guaranteed by Oportun, Inc., increasing the size of the facility to $119.5 million. The amendments also replaced the interest rate based on LIBOR with an interest rate based on SOFR plus 8.00%. The Acquisition Financing facility was scheduled to pay down based on an amortization schedule with a final payment in May 2024. Subsequently, on February 10, 2023, the Acquisition Financing facility was further amended, including among other things, revising the interest rate to SOFR plus 11.00% and adjusting the amortization schedule to defer $42.0 million in principal payments through July 2023, with final payment in October 2024. On December 20, 2023, Oportun RF, LLC was amended to provide for the exclusion of certain events with respect to Oportun Funding XIV, LLC, a subsidiary of the Company, including a Rapid Amortization Event (as defined in the Sixth RF Indenture Amendment), the release of the RF Issuer's (as defined in the Sixth RF Indenture Amendment) lien on certain residual certificates and notes, and makes certain other immaterial changes. On March 8, 2024, the Acquisition Financing facility (Oportun RF, LLC) was further amended to provide for a three-month principal payment holiday for the months of March, April and May 2024, in amounts equal to $5.7 million per month. In addition, the amendment extended the term of the Acquisition Financing facility to January 10, 2025. On November 14, 2024 (the "Term Loan Closing"), the Acquisition Financing was terminated and the associated outstanding loan balance was repaid in full.

Corporate Financing

On September 14, 2022, we entered into a Credit Agreement with certain funds associated with Neuberger Berman Specialty Finance ("Neuberger") as lenders, and Wilmington Trust, National Association, as administrative agent and collateral agent to borrow $150.0 million through a senior secured term loan (the "Original Credit Agreement" and the "Original Term Loan"). The Original Term Loan bore interest, payable in cash, at an amount equal to 1-month term SOFR plus 9.00%. The Original Term Loan was scheduled to mature on September 14, 2026, and was not subject to amortization. Certain prepayments of the Original Term Loan were subject to a prepayment premium. The obligations under the Original Credit Agreement were secured by our assets and certain of our subsidiaries guaranteeing the Original Term Loan, including pledges of the equity interests of certain subsidiaries that were directly or indirectly owned by us, subject to customary exceptions. On March 10, 2023 we upsized and amended the Original Credit Agreement to be able to borrow up to an additional $75.0 million (the "Amended Credit Agreement"). At closing and as part of the Incremental Tranche A-1 Loans, we borrowed $20.8 million and borrowed an additional $4.2 million in Incremental Tranche A-2 loans on March 27, 2023. Under the Second Amended Credit Agreement, we borrowed an additional $25.0 million of incremental term loans (the "Incremental Tranche B Loans") on May 5, 2023 and an additional $25.0 million of incremental term loans (the "Incremental Tranche C Loans") on June 30, 2023. The Original Term Loan then bore interest at (a) an amount payable in cash equal to 1-month term SOFR plus 9.00% plus (b) an amount payable in cash or in kind, at our option, equal to 3.00%. On March 12, 2024, the Company entered into an amendment to the Second Amended Credit Agreement (the "Third Amended Credit Agreement"), which includes modifications to the minimum asset coverage ratio covenant levels, provides for an interest rate step-up of 3.00% per annum for certain months beginning in August 2024 in which the asset coverage ratio is less than 1.00 to 1.00, and required certain principal payments in amounts equal to $5.7 million per month to be made on the last business day of each of March, April and May 2024. In addition, the Third Amended Credit Agreement required principal payments equal to 100% of the net cash proceeds of any future issuance of indebtedness junior in priority to the obligations under the Original Credit Agreement, as amended. On November 14, 2024, the Original Credit Agreement, as amended, was terminated and the associated outstanding Original Term Loan was repaid in full, in connection with the Refinancing Credit Agreement disclosed below.

On October 23, 2024, we entered into a Credit Agreement with certain affiliates of Neuberger and McLaren Harbor LLC as lenders, and Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent, pursuant to which we borrowed $235 million through a senior secured term loan (the "Refinancing Credit Agreement" and the "Refinancing Term Loan"). The Refinancing Term Loan bears interest at (a) a cash rate of 12.50% per annum plus (b) an amount payable in cash or in kind, at our option, equal to 2.50% and is scheduled to mature on November 14, 2028. On November 14, 2024, we repaid in full the Original Credit Agreement, as amended. Certain prepayments under the Refinancing Agreement are subject to a prepayment premium. The obligations under the Refinancing Credit Agreement are secured by our assets and certain of subsidiaries guaranteeing the loan, including pledges of the equity interests of certain subsidiaries that are directly or indirectly owned by us, subject to customary exceptions. The Refinancing Credit Agreement contains several financial covenants; these covenants are included together with other customary affirmative and negative covenants (including reporting requirements), representations and warranties and events of default.

As of December 31, 2024, we were in compliance with all covenants and requirements on our outstanding debt and available credit. For more information regarding our Secured Financings and Acquisition Financing and Corporate Financing, see Note 8, Borrowings of the Notes to the Consolidated Financial Statements included elsewhere in this report.

Other Loan Sales

During 2024, we entered into agreements to sell certain populations of our personal loans and credit card receivables from time to time, including non-performing loans and credit card receivables originated as held for investment. For the twelve months ended December 31, 2024, we sold approximately $78.5 million of such loans. For further information on these sales, see Note 5, Loans Held for Sale and Loans Sold of the Notes to the Consolidated Financial Statements included elsewhere in this report.

Whole Loan Sales

In November 2022, we entered into a forward flow whole loan sale agreement with an institutional investor. Pursuant to this agreement, we have a commitment, through December 2025, to sell a minimum of $2.0 million of our unsecured loan originations each month, with an option to sell up to $4.2 million each month, subject to certain eligibility criteria. The agreement is scheduled to expire in December 2025.

In November 2023, we entered into a forward flow whole loan sale agreement with an institutional investor, under which we expect to sell approximately $100 million of our secured and unsecured personal loans in fiscal year 2025, subject to certain eligibility criteria. This agreement is scheduled to expire in November 2026.

The originations of loans sold and held for sale during the year ended December 31, 2024 were $119.6 million. For further information on the whole loan sale transactions, see Note 5, Loans Held for Sale and Loans Sold of the Notes to the Consolidated Financial Statements included elsewhere in this report.

Bank Partnership Program and Servicing Agreement

We entered into a bank partnership program with Pathward, N.A. on August 11, 2020. In accordance with the agreements underlying the bank partnership program, we have a commitment to purchase an increasing percentage of program loans originated by Pathward based on thresholds specified in the agreements. Lending under the partnership was launched in August of 2021.

Contractual Obligations and Commitments

The material cash requirements for our contractual and other obligations primarily include those related our outstanding borrowings under our asset-backed notes, Acquisition Financing and Secured Financings, corporate and retail leases, and purchase commitments for technology used in the business. See Note 8, Borrowings and Note 15, Leases, Commitments and Contingencies of the Notes to the Consolidated Financial Statements included elsewhere in this report for more information.

Liquidity Risks

We believe that our existing cash balance, anticipated positive cash flows from operations and available borrowing capacity under our credit facilities will be sufficient to meet our anticipated cash operating expense and capital expenditure requirements through at least the next 12 months. We do not have any significant unused sources of liquid assets. If our available cash balances are insufficient to satisfy our liquidity requirements, we will seek additional debt or equity financing and we may have to take additional actions to decrease expenses, curtail the origination of loans, and our ability to continue to support our growth and to respond to challenges could be impacted. In a higher interest rate environment, our ability to issue additional equity or incur debt may be impaired and our borrowing costs may increase. If we raise additional funds through the issuance of additional debt, the agreements governing such debt could contain covenants that would restrict our operations and such debt would rank senior to shares of our common stock. The sale of equity may result in dilution to our stockholders and those securities may have rights senior to those of our common stock. We may require additional capital beyond our currently anticipated amounts and additional capital may not be available on reasonable terms, or at all.

Critical Accounting Policies and Significant Judgments and Estimates

Our Management's Discussion and Analysis of Financial Condition and Results of Operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. In accordance with GAAP, we base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are more fully described in Note 2, Summary of Significant Accounting Policies, in our Notes to the Consolidated Financial Statements included elsewhere in this report, we believe the following critical accounting policies affect the more significant estimates, assumptions and judgments we use to prepare our consolidated financial statements.

Fair Value of Loans Held for Investment

We elected the fair value option for our loans receivable held for investment. We primarily use a discounted cash flow model to estimate fair value based on the present value of estimated future cash flows. This model uses inputs that are not observable but reflect our best estimates of the assumptions a market participant would use to calculate fair value. The following describes the primary inputs that require significant judgment:

- *Remaining Cumulative Charge-offs* - Remaining cumulative charge-offs are estimates of the principal payments that will not be repaid over the life of a loan held for investment. Remaining cumulative loss expectations are adjusted to reflect the expected principal recoveries on charged-off loans. Remaining cumulative loss expectations are primarily based on the historical performance of our loans but also incorporate adjustments based on our expectations of future credit performance and are quantified by the remaining cumulative charge-off rate.
- *Remaining Cumulative Prepayments* - Remaining cumulative prepayments are estimates of the principal payments that will be repaid earlier than contractually required over the life of a loan held for investment. Remaining cumulative prepayment rates are primarily based on the historical performance of our loans but also incorporate adjustments based on our expectations of future borrower behavior and refinancings through our Good Customer Program. For credit card receivables, we estimate the principal payment rate which is the amount of principal we expect to get repaid each month.
- *Average Life* - Average life is the time weighted average of the estimated principal payments divided by the principal balance at the

measurement date. The timing of estimated principal payments is impacted by scheduled amortization of loans, charge-offs, and prepayments.

- *Discount Rates* - The discount rates applied to the expected cash flows of loans held for investment reflect our estimates of the rates of return that investors would require when investing in financial instruments with similar risk and return characteristics. Discount rates are based on our estimate of the rate of return likely to be received on new loans. Discount rates for aged loans are adjusted to reflect the market relationship between interest rates and remaining time to maturity.

We developed an internal model to estimate the fair value of loans receivable held for investment. To generate future expected cash flows, the model combines receivable characteristics with assumptions about borrower behavior based on our historical loan performance. These cash flows are then discounted using a required rate of return that management estimates would be used by a market participant.

We test the fair value model by comparing modeled cash flows to historical loan performance to ensure that the model is complete, accurate and reasonable for our use. In addition, we engage a third party to create an independent fair value estimate for the Loans Receivable at Fair Value, which provides a set of fair value marks using the Company's historical loan performance data and whole loan sale prices to develop independent forecasts of borrower behavior.

As discussed above, our fair value model uses inputs that are not observable but reflect our best estimates of the assumptions a market participant would use to calculate fair value. For a summary of how these inputs have changed over the last eight quarters since January 1, 2021, refer to Fair Value Estimate Methodology for Loans Receivable at Fair Value in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Recently Issued Accounting Pronouncements

See Note 2, Summary of Significant Accounting Policies, of the Notes to the Consolidated Financial Statements included elsewhere in this report for a discussion of recent accounting pronouncements and future application of accounting standards.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As a "Smaller Reporting Company" as defined by Item 10 of Regulation S-K, the Company is not required to provide this information.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the stockholders and the Board of Directors of Oportun Financial Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Oportun Financial Corporation and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations, changes in stockholders' equity, and cash flows, for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 20, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Fair Value of Financial Instruments — Fair Value Estimate of Unsecured Personal Loans — Refer to Notes 2 and 14 to the financial statements

Critical Audit Matter Description

The Company's loans receivable at fair value were valued as Level 3 financial instruments. The Company estimates the fair value of the Level 3 loans receivable using a discounted cash flow model based on estimated future cash flows, which considers unobservable inputs that require significant judgment. The model uses inputs that are not observable and inherently judgmental and reflect management's best estimates of the assumptions a market participant would use to calculate fair value.

We identified the Company's fair value estimate of unsecured personal loans as a critical audit matter because of the subjective process in determining significant inputs used to estimate the fair value. Auditing management's estimate of unsecured personal loans receivable at fair value involved exercising subjective and complex judgments, required specialized skills and knowledge, and required an increased extent of audit effort, including obtaining audit evidence of the data sources used to estimate fair value and understanding the assumptions applied and the nature of significant inputs utilized.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the Company's fair value estimate of unsecured personal loans receivable included the following, among others:

- We tested the effectiveness of management's controls covering the overall estimate and the review of the accuracy and completeness of the underlying unsecured personal loan data utilized in the model calculations.

- We tested the accuracy and completeness of the source information derived from the Company's loan data, which is used in the valuation model.

- We evaluated the valuation model and related assumptions, including significant unobservable inputs, and underlying loan data used by management.
- With the assistance of our fair value specialists, we developed independent estimates of the unsecured personal loans receivable at fair value and compared our estimates to the Company's estimates.

/s/ Deloitte & Touche LLP

San Francisco, CA
February 20, 2025

We have served as the Company's auditor since 2010.

OPORTUN FINANCIAL CORPORATION

Consolidated Balance Sheets

(in thousands, except share and per share data)

	December 31,			
		2024		2023
Assets				
Cash and cash equivalents	$	59,968	$	91,187
Restricted cash		154,657		114,829
Loans receivable at fair value		2,778,523		2,962,352
Capitalized software and other intangibles, net		86,588		114,735
Right of use assets - operating		9,775		21,105
Other assets		137,592		107,680
Total assets	$	3,227,103	$	3,411,888
Liabilities and stockholders' equity				
Liabilities				
Secured financing	$	535,469	$	289,951
Asset-backed notes at fair value		1,080,690		1,780,005
Asset-backed borrowings at amortized cost		984,333		581,468
Acquisition and corporate financing		203,751		258,746
Lease liabilities		18,200		28,376
Other liabilities		50,851		68,938
Total liabilities		2,873,294	$	3,007,484
Note 15 Leases, Commitments and Contingencies				
Stockholders' equity				
Common stock, $0.0001 par value - 1,000,000,000 shares authorized at December 31, 2024 and December 31, 2023; 36,383,879 shares issued and 36,111,856 shares outstanding at December 31, 2024; 34,741,076 shares issued and 34,469,053 shares outstanding at December 31, 2023		7		7
Common stock, additional paid-in capital		612,642		584,555
Accumulated deficit		(252,531)		(173,849)
Treasury stock at cost, 272,023 and 272,023 shares at December 31, 2024 and December 31, 2023		(6,309)		(6,309)
Total stockholders' equity		353,809		404,404
Total liabilities and stockholders' equity	$	3,227,103	$	3,411,888

See Notes to the Consolidated Financial Statements.

OPORTUN FINANCIAL CORPORATION

Consolidated Statements of Operations

(in thousands, except share and per share data)

	Year Ended December 31, 2024	2023
Revenue		
Interest income	$ 925,468	$ 963,496
Non-interest income	76,307	93,423
Total revenue	1,001,775	1,056,919
Less:		
Interest expense	238,158	179,414
Net decrease in fair value	(468,413)	(596,839)
Net revenue	295,204	280,666
Operating expenses:		
Technology and facilities	166,177	219,406
Sales and marketing	66,973	75,284
Personnel	87,166	121,843
Outsourcing and professional fees	36,847	45,401
General, administrative and other	53,218	72,385
Total operating expenses	410,381	534,319
Income (loss) before taxes	(115,177)	(253,653)
Income tax benefit	(36,495)	(73,702)
Net loss	$ (78,682)	$ (179,951)
Net loss attributable to common stockholders	$ (78,682)	$ (179,951)
Share data:		
Earnings (loss) per share:		
Basic	$ (1.95)	$ (4.88)
Diluted	$ (1.95)	$ (4.88)
Weighted average common shares outstanding:		
Basic	40,356,025	36,875,950
Diluted	40,356,025	36,875,950

See Notes to the Consolidated Financial Statements.

OPORTUN FINANCIAL CORPORATION

Consolidated Statements of Changes in Stockholders' Equity

(in thousands, except share data)

For the Years Ended December 31, 2024 and 2023

	Common Stock			Warrants				
	Shares	Par Value	Additional Paid-in Capital	Shares	Additional Paid-in Capital	Accumulated Deficit	Treasury Stock	Total Stockholders' Equity
Balance – January 1, 2024	34,469,053	$ 7	$ 565,124	4,193,453	$ 19,431	$ (173,849)	$ (6,309)	$ 404,404
Stock-based compensation expense	—	—	13,965	—	—	—	—	13,965
Vesting of restricted stock units, net of shares withheld	1,642,803	—	(272)	—	—	—	—	(272)
Issuance of warrants to purchase common stock in connection with debt financing	—	—	—	4,853,006	14,394	—	—	14,394
Net loss	—	—	—	—	—	(78,682)	—	(78,682)
Balance – December 31, 2024	36,111,856	$ 7	$ 578,817	9,046,459	$ 33,825	$ (252,531)	$ (6,309)	$ 353,809
Balance – January 1, 2023	33,354,607	$ 7	$ 547,799	—	$ —	$ 6,102	$ (6,309)	$ 547,599
Issuance of common stock upon exercise of stock options, net of shares withheld	37,314	—	(46)	—	—	—	—	(46)
Stock-based compensation expense	—	—	20,024	—	—	—	—	20,024
Vesting of restricted stock units, net of shares withheld	1,077,132	—	(2,653)	—	—	—	—	(2,653)
Issuance of warrants to purchase common stock in connection with debt financing	—	—	—	4,193,453	19,431	—	—	19,431
Net loss	—	—	—	—	—	(179,951)	—	(179,951)
Balance – December 31, 2023	34,469,053	$ 7	$ 565,124	4,193,453	$ 19,431	$ (173,849)	$ (6,309)	$ 404,404

See Notes to the Consolidated Financial Statements.

OPORTUN FINANCIAL CORPORATION

Consolidated Statements of Cash Flow

(in thousands)

	Year Ended December 31, 2024	Year Ended December 31, 2023
Cash flows from operating activities		
Net loss	$ (78,682)	$ (179,951)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	51,157	54,885
Fair value adjustment, net	468,413	596,839
Origination fees for loans receivable at fair value, net	(32,796)	(23,360)
Gain on loan sales	(6,010)	(8,481)
Stock-based compensation expense	12,989	18,593
Other, net	4,197	(53,195)
Originations of loans sold and held for sale	(119,551)	(56,603)
Proceeds from sale of loans	124,068	65,088
Changes in operating assets and liabilities	(30,263)	(21,050)
Net cash provided by operating activities	393,522	392,765
Cash flows from investing activities		
Originations and purchases of loans held for investment	(1,525,656)	(1,580,134)
Proceeds from loan sales originated as held for investment	54,491	4,055
Repayments of loan principal	1,297,549	1,322,601
Capitalization of system development costs	(19,187)	(31,261)
Other, net	(886)	(1,442)
Net cash used in investing activities	(193,689)	(286,181)
Cash flows from financing activities		
Borrowings under secured financing	742,066	245,700
Repayments of secured financing	(493,812)	(274,751)
Borrowings under asset-backed notes at fair value	—	—
Repayments of asset-backed notes at fair value	(771,403)	(707,619)
Borrowings under asset-backed borrowings at amortized cost	771,420	626,405
Repayments of asset-backed borrowings at amortized cost	(364,035)	(33,615)
Borrowings under acquisition and corporate financing	223,243	73,355
Repayments of acquisition and corporate financing	(285,663)	(28,442)
Payments of deferred financing costs	(12,768)	(2,719)
Net payments related to stock-based activities	(272)	(2,699)
Net cash used in financing activities	(191,224)	(104,385)
Net increase in cash and cash equivalents and restricted cash	8,609	2,199
Cash and cash equivalents and restricted cash, beginning of period	206,016	203,817
Cash and cash equivalents and restricted cash, end of period	$ 214,625	$ 206,016
Supplemental disclosure of cash flow information		
Cash and cash equivalents	$ 59,968	$ 91,187
Restricted cash	154,657	114,829
Total cash and cash equivalents and restricted cash	$ 214,625	$ 206,016
Cash paid for income taxes, net of refunds	$ 1,043	$ (1,860)
Cash paid for interest	$ 213,973	$ 183,973
Cash paid for amounts included in the measurement of operating lease liabilities	$ 12,518	$ 14,070
Supplemental disclosures of non-cash investing and financing activities		
Right of use assets obtained in exchange for operating lease obligations	$ (4,413)	$ 1,835
Non-cash investment in capitalized assets	$ 1,354	$ (305)
Non-cash financing activities	$ 58,729	$ 17,807

See Notes to the Consolidated Financial Statements.

1. Organization and Description of Business

Oportun Financial Corporation (together with its subsidiaries unless the context indicates otherwise, "Oportun," or the "Company") is a mission driven financial services company that puts its members' financial goals within reach. With intelligent borrowing, savings, and budgeting capabilities, the Company empowers members with the confidence to build a better financial future. Oportun takes a holistic approach to serving its members and views as its purpose to responsibly meet their current capital needs, help grow its members' financial profiles, increase their financial awareness and put them on a path to a financially healthy life. Oportun offers access to a comprehensive suite of products powered by A.I., offered either directly or through partners, including unsecured and secured lending, and savings. The Company is headquartered in San Carlos, California. The Company has been certified by the United States Department of the Treasury as a Community Development Financial Institution ("CDFI") since 2009.

2. Summary of Significant Accounting Policies

Basis of Presentation - The Company meets the SEC's definition of a "Smaller Reporting Company", and therefore qualifies for the SEC's reduced disclosure requirements for smaller reporting companies. The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). These statements reflect all normal, recurring adjustments that are, in management's opinion, necessary for the fair presentation of results. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates - The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of income and expenses during the reporting period. These estimates are based on information available as of the date of the consolidated financial statements; therefore, actual results could differ from those estimates and assumptions.

Consolidation and Variable Interest Entities - The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. The Company's policy is to consolidate the financial statements of entities in which it has a controlling financial interest. The Company determines whether it has a controlling financial interest in an entity by evaluating whether the entity is a voting interest entity or variable interest entity ("VIE") and if the accounting guidance requires consolidation.

VIEs are entities that, by design, either (i) lack sufficient equity to permit the entity to finance its activities without additional subordinated financial support from other parties, or (ii) have equity investors that do not have the ability to make significant decisions relating to the entity's operations through voting rights, or do not have the obligation to absorb the expected losses, or do not have the right to receive the residual returns of the entity. The Company determines whether it has a controlling financial interest in a VIE by considering whether its involvement with the VIE is significant and whether it is the primary beneficiary of the VIE based on the following:

- The Company has the power to direct the activities of the VIE that most significantly impact the entity's economic performance;
- The aggregate indirect and direct variable interests held by us have the obligation to absorb losses or the right to receive benefits from the entity that could be significant to the VIE; and
- Qualitative and quantitative factors regarding the nature, size, and form of the Company's involvement with the VIE.

Foreign Currency Re-measurement - The functional currency of the Company's foreign subsidiaries is the U.S. dollar. Monetary assets and liabilities of these subsidiaries are re-measured into U.S. dollars from the local currency at rates in effect at period-end and nonmonetary assets and liabilities are re-measured at historical rates. Revenue and expenses are re-measured at average exchange rates in effect during each period. Foreign currency gains and losses from re-measurement and transaction gains and losses are recorded as general, administrative and other expense in the Consolidated Statements of Operations.

Concentration of Credit Risk - Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of loans receivable at fair value.

As of December 31, 2024, 41%, 27%, 10%, 6% and 4% of the owned principal balance related to borrowers from California, Texas, Florida, Illinois and New Jersey, respectively. Owned principal balance related to borrowers from each of the remaining states of operation continues to be at or below 3%. As of December 31, 2023, 46%, 26%, 9%, 5% and 3% of the owned principal balance related to borrowers from California, Texas, Florida, Illinois and New Jersey, respectively, and the owned principal balance related to borrowers from each of the remaining states was at or below 3%.

Cash and Cash Equivalents - Cash and cash equivalents consist of unrestricted cash balances and short-term, liquid investments with a maturity date of three months or less at the time of purchase. The Oportun savings platform connects to members' checking accounts and analyzes their income and spending patterns to find amounts that can safely be set aside towards savings goals. The Company calculates these amounts by identifying upcoming bills and regular spending habits to ensure optimal amounts are flagged for savings and transferred to savings accounts. The funds in these saving accounts are owned by Oportun members and are not the assets of the Company. Therefore, these funds are not included in the Consolidated Balance Sheets.

Restricted Cash - Restricted cash represents cash held at a financial institution as part of the collateral for the Company's Secured Financing, asset-backed notes and loans designated for sale. Additionally, cash held in reserve accounts by the Company and letters of credit held with the Company's banking institutions are presented in our restricted cash.

Loans Receivable at Fair Value - Loans that we have the intent and ability to hold for the foreseeable future or until maturity or payoff are considered as loans held for investment. The Company elected the fair value option for all loans receivable held for investment. Under fair value accounting, direct loan origination fees are recognized in income immediately and direct loan origination costs are expensed in the period the loan originates. In addition, the Company recognizes annual fees on credit card receivables into income immediately upon activation of the credit card by the credit card holder and subsequent annual fees when billed upon the anniversary of the credit card account. Loans are charged off at the earlier of when loans are determined to be uncollectible or when loans are 120 days contractually past due, or 180 days contractually past due in the case of credit cards. Recoveries are recorded when cash is received on loans that had been previously charged off. The Company estimates the fair value of the loans using a discounted cash flow model, which considers various unobservable inputs such as remaining cumulative charge-offs, remaining cumulative prepayments or principal payment rates for our credit card receivables, average life and discount rate. The Company re-evaluates the fair value of loans receivable at the close of each measurement period. Changes in fair value are recorded in "Net decrease in fair value" in the Consolidated Statements of Operations in the period of the fair value changes.

Fair Value Measurements - The Company follows applicable guidance that establishes a fair value measurement framework, provides a single definition of fair value and requires expanded disclosure summarizing fair value measurements. Such guidance emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing an asset or liability.

Fair value guidance establishes a three-level hierarchy for inputs used in measuring the fair value of a financial asset or financial liability.

- Level 1 financial instruments are valued based on unadjusted quoted prices in active markets for identical assets or liabilities, accessible by the Company at the measurement date.
- Level 2 financial instruments are valued using quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or models using inputs that are observable or can be corroborated by observable market data of substantially the full term of the assets or liabilities.
- Level 3 financial instruments are valued using pricing inputs that are unobservable and reflect the Company's own assumptions that market participants would use in pricing the asset or liability.

Loans Held for Sale - Loans held for sale are recorded at the lower of cost or fair value, until the loans are sold. Loans held for sale are sold within four days of origination. Cost of loans held for sale is inclusive of unpaid principal plus net deferred origination costs.

Derivatives - Derivative financial instruments are recognized as either assets or liabilities in the consolidated balance sheet at fair value. Changes in fair value and settlements of derivative instruments are reflected in earnings as a component of "Net decrease in fair value" in the Consolidated Statements of Operations. The Company does not use derivative instruments for trading or speculative purposes. Based on the agreements entered into with Pathward, N.A. for all loans originated and retained by Pathward, Pathward receives a fixed interest rate. Oportun bears the risk of credit loss and has the benefit of any excess interest proceeds after satisfying various obligations under the agreements.

Intangible Assets - At the time intangible assets are initially recognized, a determination is made with regard to each asset as it relates to its useful life. We have determined that each of our intangible assets has a finite useful life with the exception of certain trade names, which we have determined have indefinite lives.

Intangible assets with a finite useful life are amortized on a straight-line basis over their estimated useful lives. Intangible assets with a finite useful life are presented net of accumulated amortization on the Consolidated Balance Sheets. The Company reviews the intangible assets with finite useful lives for impairment at least annually and whenever changes in circumstances indicate their carrying amounts may not be recoverable. Impairment is indicated if the sum of undiscounted estimated future cash flows is less than the carrying value of the respective asset. Impairment is permanently recognized by writing down the asset to the extent that the carrying value exceeds the estimated fair value.

For indefinite-lived intangible assets, we review for impairment at least annually and whenever events occur or circumstances change that would indicate the assets are more likely than not to be impaired. We first complete an annual qualitative assessment to determine whether it is necessary to perform a quantitative impairment test. If the qualitative assessment indicates that the assets are more likely than not to have been impaired, we proceed with the fair value calculation of the assets. If the fair value is less than the carrying value, an impairment loss will be recognized in an amount equal to the difference and the indefinite life classification will be evaluated to determine whether such classification remains appropriate.

Fixed Assets - Fixed assets are stated at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, which is generally three years for computer and office equipment and furniture and fixtures, and three to five years for purchased software and leasehold improvements. When assets are sold or retired, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss, if any, is included in the Consolidated Statements of Operations. Maintenance and repairs are charged to the Consolidated Statements of Operations as incurred.

The Company does not own any buildings or real estate. The Company enters into term leases for its corporate offices, call center and store locations. Leasehold improvements are capitalized and depreciated over the lesser of their physical life or lease term of the building.

Systems Development Costs - The Company capitalizes software developed or acquired for internal use, and these costs are included in Capitalized software and other intangibles, net on the Consolidated Balance Sheets. The Company has internally developed its proprietary Web-based technology platform, which consists of application processing, credit scoring, loan accounting, servicing and collections, debit card processing, data and analytics and digital savings services.

The Company capitalizes its costs to develop software when preliminary development efforts are successfully completed; management has authorized and committed project funding; and it is probable the project will be completed and the software will be used as intended. Costs incurred prior to meeting these criteria, together with costs incurred for training and maintenance, are expensed as incurred. When the software developed for internal use has reached its technological feasibility, such costs are amortized on a straight-line basis over the estimated useful life of the assets, which is generally three years. Costs incurred for upgrades and enhancements that are expected to result in additional functionality are capitalized and amortized over the estimated useful life of the upgrades.

The Company acquired developed technology with its acquisition of Hello Digit, Inc. ("Digit"). Developed technology is included in capitalized software. Such costs are amortized on a straight-line basis over the estimated useful life of the assets, which was determined to be seven years.

Impairment - The Company reviews long-lived assets, including fixed assets, right of use assets and system development costs, for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment loss is recognized when estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount. The Company determined that there were no events or changes in circumstances that indicated our long-lived assets were impaired for the years ended December 31, 2024 and 2023, except as disclosed.

Asset-Backed Notes at Fair Value - Prior to 2023, the Company elected the fair value option to account for all asset-backed notes. The Company calculates the fair value of the asset-backed notes using independent pricing services and broker price indications, which are based on quoted prices for identical or similar notes, which are Level 2 input measures. The Company re-evaluates the fair value of the asset-backed notes at the close of each measurement period. Changes in fair value are recorded in "Net decrease in fair value" in the Consolidated Statements of Operations in the period of the fair value changes.

Asset-Backed Borrowings at Amortized Cost - Beginning 2023, the Company elected the amortized cost method to account for newly issued asset-backed borrowings. The Company determines amortized cost using the effective interest method, which allocates interest expense over the expected life of the financial instrument. Premiums, discounts and debt issuance costs are presented as part of the net carrying amount of the debt on issuance. Premiums are amortized from the carrying amount of the debt as a reduction to interest expense over the term. Discounts and debt issuance costs are accreted into the carrying amount of the debt and included in interest expense.

Acquisition and Corporate Financing - Acquisition and Corporate Financing consists of two components, the Acquisition Financing and the Corporate Financing. The Acquisition Financing was used to fund the cash component of the purchase price for the Digit acquisition, as a result, the interest payments are recorded to General, administrative and other in the Consolidated Statements of Operations. The Acquisition Financing was fully repaid on November 14, 2024. The Corporate Financing is used to fund the operations of the Company, and the interest payments are recorded to Interest Expense in the Consolidated Statements of Operations. The Company reports issuance costs associated with these financings on its balance sheet as a direct reduction in the carrying amount of the notes, and they are amortized over the life of the notes using the effective interest method.

Revenue Recognition - The Company's primary sources of revenue consist of interest and non-interest income.

Interest Income

Interest income includes interest and fees on loans. Generally, the Company's loans require semi-monthly or biweekly borrower payments of interest and principal. Fees on loans include billed late fees offset by charged-off fees. The Company charges borrowers a late fee if a scheduled installment payment becomes delinquent. Depending on the loan, late fees are assessed when the loan is eight to 16 days delinquent. Late fees are recognized when they are billed. When a loan is charged off, uncollected late fees are also written off. For Loans Receivable at Fair Value, interest income includes (i) billed interest and late fees, plus (ii) origination fees recognized at loan disbursement, less (iii) charged-off interest and late fees. Additionally, direct loan origination expenses are recognized in operating expenses as incurred. For Loans Receivable at Fair Value, loan origination fees and costs are recognized when incurred.

Interest income on our personal loans receivable is recognized based upon the amount the Company expects to collect from its borrowers. Delinquent loans are charged off at month-end during the month it becomes 120 days' delinquent. Previously accrued and unpaid interest is also charged off in the month the Company receives a notification of bankruptcy, a judgment or mediated agreement by the court, or loss of life, unless there is evidence that the principal and interest are collectible.

Documentation fees associated with loans purchased from Pathward are presented within interest income.

Interest income on our credit card receivables is recognized on the current balance on the account, inclusive of outstanding principal balance plus previously unpaid interest and fees, at the end of the monthly billing cycle. Delinquent credit card accounts, including unpaid interest and fees are charged off at month-end during the month they become 180 days contractually past due.

Non-Interest Income

Non-interest income includes subscription revenue, servicing fees, gain on loan sales, debit card income, documentation fees, sublease income, interest on member's accounts, and other income.

Subscription Revenue - The Company earns revenue on a subscription basis from users of its platform. Revenue is recognized ratably over each month as the performance obligation is satisfied over time. Deferred revenue is recognized when the service period spans into the following month.

Servicing Fees - The Company retains servicing rights on sold loans. Servicing fees comprise the contractual annual servicing fee based upon the average daily principal balance of loans sold that the Company earns for servicing loans sold to a third-party financial institution. The servicing fee compensates the Company for the costs incurred in servicing the loans, including providing customer services, receiving borrower payments and performing appropriate collection activities. Management believes the fee approximates a market rate and accordingly has not recognized a servicing asset or liability.

Gain on Loan Sales - The Company recognizes a gain on sale from the difference between the proceeds received from the purchaser and the carrying value of the loans on the Company's books. The Company sells a certain percentage of new loans twice weekly.

A transfer of a financial asset, a group of financial assets, or a participating interest in a financial asset is accounted for as a sale if all of the following conditions are met:

- The financial assets are isolated from the transferor and its consolidated affiliates as well as its creditors.
- The transferee or beneficial interest holders have the right to pledge or exchange the transferred financial assets.
- The transferor does not maintain effective control of the transferred assets.

The Company records the gain on the sale of a loan at the sale date in an amount equal to the proceeds received less outstanding principal, accrued interest, late fees and net deferred origination costs.

Debit card income is the revenue from interchange fees when borrowers use our reloadable debit card for purchases as well as the associated card user fees.

Documentation Fees - On a monthly basis Pathward, N.A. pays the Company documentation fees as compensation for its role in facilitation of loan originations by Pathward. The documentation fees are equivalent to loan origination fees charged by Pathward to its borrowers. Documentation fees to which the Company expects to be entitled are variable consideration because loan volume originated over the contractual term is not known at the contract's inception. The transaction fee is determined each time a loan is issued based on that loan's initial principal amount and is recognized when performance is complete and upon the successful origination of a borrower's loan.

Sublease income is the rental income from subleasing a portion of our existing right of use assets.

Interest on member accounts represents income earned on member savings accounts held at partner banks.

Other income includes marketing incentives paid directly to us by the merchant clearing company based on transaction volumes, interest earned on cash and cash equivalents and restricted cash, and gain (loss) on asset sales.

Interest expense - Interest expense consists of interest expense associated with the Company's Secured Financing, Asset-backed notes at fair value, Asset-backed borrowings at amortized cost, and Acquisition and Corporate Financing, and it includes the amortization of deferred origination costs for the Corporate Financing and Secured Financing facilities as well as fees for the unused portion of the Secured Financing facility. The Company elected the fair value option for all asset-backed notes at fair value. Accordingly, all origination costs for such asset-backed notes at fair value are expensed as incurred.

Income Taxes - The Company accounts for income taxes under the asset and liability method. Under this method, deferred tax assets and liabilities are determined based on the difference between the consolidated financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to an amount that is more likely than not to be realized.

The Company evaluates uncertain tax positions by reviewing against applicable tax law all positions taken by the Company with respect to tax years for which the statute of limitations is still open. A tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. The Company recognizes interest and penalties related to the liability for unrecognized tax benefits, if any, as a component of the Income tax expense line in the accompanying Consolidated Statements of Operations.

Stock-Based Compensation - The Company accounts for stock-based employee awards based on the fair value of the award which is measured at grant date. Accordingly, stock-based compensation cost is recognized in operating expenses in the Consolidated Statements of Operations over the requisite service period. The fair value of stock options granted or modified is estimated using the Black-Scholes option pricing model. The Company accounts for forfeitures as they occur and does not estimate forfeitures as of the award grant date.

The Company granted restricted stock units ("RSUs") to employees that vest upon the satisfaction of time-based criterion of up to four years and in some cases, an additional market criterion based on the Company's stock price. These RSUs were not considered vested until both criteria were met and provided that the participant was in continuous service on the vesting date. The fair value for awards with a market criterion is estimated using a Monte Carlo simulation. The Company recognizes stock-based compensation expenses using the straight-line basis over the requisite service period net of forfeitures.

Treasury Stock - Treasury stock is reported at cost, and no gain or loss is recorded on stock repurchase transactions. Repurchased shares are held as treasury stock until they are retired or re-issued. The Company did not retire or re-issue any treasury stock for the years ended December 31, 2024 and 2023.

Basic and Diluted Earnings per Share - Basic earnings per share is computed by dividing net income per share available to common stockholders by the weighted average number of common shares outstanding for the period and excludes the effects of any potentially dilutive securities. The Company computes earnings per share using the two-class method required for participating securities.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised. It is computed by dividing net income attributable to common stockholders by the weighted-average common shares plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method or the two-class method, whichever is more dilutive.

Accounting Standards to be Adopted

Income Taxes - In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*. This ASU requires entities to disclose in their rate reconciliation table additional categories or information about federal, state and foreign income taxes and to provide more details about the reconciling items in some categories if the items meet a quantitative threshold and requires annual disclosure of income taxes paid to be disaggregated by federal, state and foreign taxes and to disaggregate the information by jurisdiction based on a quantitative threshold. The ASU is effective for annual periods beginning after December 15, 2024. While early adoption is permitted, the company will evaluate the effect of the new guidance and determine when it will be implemented. The ASU expands tax disclosures but it will not have a material impact on the consolidated financial statements.

Income Statement - In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40). This ASU requires disaggregated disclosure of income statement expenses for public business entities (PBEs). The ASU does not change the expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. The ASU is effective for all PBEs for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. While early adoption is permitted, the company will evaluate the effect of the new guidance and determine when it will be implemented. The ASU expands Expense disclosures but it will not have a material impact on the consolidated financial statements.

Recently Adopted Accounting Standards

Segment Reporting - In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures*. The ASU enhances disclosures about significant segment expenses, provides new segment disclosure requirements for entities with a single reportable segment, enhances interim disclosure requirements, clarifies circumstances in which an entity is permitted to disclose multiple segment measures of profit or loss and other disclosure requirements. The Company adopted ASU 2023-07 on December 31, 2024. The adoption of this ASU did not have a material impact on the Company's financial position, results of operations, or cash flows but enhanced the disclosure of its segment reporting disclosures. Early adoption is permitted. See Note 17, Segment Reporting.

3. Earnings (Loss) per Share

Basic and diluted earnings (loss) per share are calculated as follows:

	Year Ended December 31,	
(in thousands, except share and per share data)	2024	2023
Net loss	$ (78,682)	$ (179,951)
Net loss attributable to common stockholders	$ (78,682)	$ (179,951)
Basic weighted-average common shares outstanding	40,356,025	36,875,950
Weighted average effect of dilutive securities:		
Stock options	—	—
Restricted stock units	—	—
Diluted weighted-average common shares outstanding	40,356,025	36,875,950
Earnings (loss) per share:		
Basic	$ (1.95)	$ (4.88)
Diluted	$ (1.95)	$ (4.88)

The following common share equivalent securities have been excluded from the calculation of diluted weighted-average common shares outstanding because the effect is anti-dilutive for the periods presented:

	Year Ended December 31,	
	2024	2023
Stock options	2,192,211	2,953,853
Restricted stock units	4,360,532	3,709,422
Total anti-dilutive common share equivalents	6,552,743	6,663,275

4. Variable Interest Entities

For all VIEs in which the Company is involved, it assesses whether it is the primary beneficiary of the VIE on an ongoing basis. In circumstances where the Company has both the power to direct the activities that most significantly impact the VIEs performance and the obligation to absorb losses or the right to receive the benefits of the VIE that could be significant, it would conclude that it is the primary beneficiary of the VIE, and it consolidates the VIE. In situations where the Company is not deemed to be the primary beneficiary of the VIE, it does not consolidate the VIE and only recognizes its interests in the VIE. See Note 8, *Borrowings* for additional information on the secured borrowing under the caption of asset-backed borrowings at amortized cost.

Consolidated VIEs

As part of the Company's overall funding strategy, the Company transfers a pool of designated loans receivable to wholly owned special-purpose subsidiaries to collateralize certain asset-backed financing transactions. For these VIEs where the Company has determined that it is the primary beneficiary because it has the power to direct the activities that most significantly impact the VIEs' economic performance and the obligation to absorb the losses or the right to receive benefits from the VIEs that could potentially be significant to the VIEs, the VIEs assets and related liabilities are consolidated with the results of the Company. Such power arises from the Company's contractual right to service the loans receivable securing the VIEs' asset-backed debt obligations. The Company has an obligation to absorb losses or the right to receive benefits that are potentially significant to the VIEs because it retains the residual interest of each asset-backed financing transaction in the form of an asset-backed certificate. Accordingly, the Company includes the VIEs' assets, including the assets securing the financing transactions, and related liabilities in its consolidated financial statements.

Each consolidated VIE issues a series of asset-backed securities that are supported by the cash flows arising from the loans receivable securing such debt. Cash inflows arising from such loans receivable are distributed monthly to the transaction's lenders and related service providers in accordance with the transaction's contractual priority of payments. The creditors of the VIEs above have no recourse to the general credit of the Company as the primary beneficiary of the VIEs and the liabilities of the VIEs can only be settled by the respective VIE's assets. The Company retains the most subordinated economic interest in each financing transaction through its ownership of the respective residual interest in each VIE. The Company has no obligation to repurchase loans receivable that initially satisfied the financing transaction's eligibility criteria but subsequently became delinquent or a defaulted loans receivable.

The following table represents the assets and liabilities of consolidated VIEs recorded on the Company's consolidated balance sheets:

	December 31,	
(in thousands)	2024	2023
Consolidated VIE assets		
Restricted cash	$ 136,572	$ 91,466
Loans receivable at fair value	2,242,568	2,539,186
Total VIE assets	2,379,140	2,630,652
Consolidated VIE liabilities		
Secured financing [(1)]	539,204	290,949
Asset-backed notes at fair value	1,080,690	1,780,005
Asset-backed borrowings at amortized cost	476,557	195,057
Acquisition financing [(1)]	—	57,237
Total VIE liabilities	$ 2,096,451	$ 2,323,248

(1) Amounts exclude deferred financing costs. See Note 8, *Borrowings* for additional information.

5. Loans Held for Sale and Loans Sold

Other Loan Sales - The Company enters into agreements to sell certain populations of its personal loans and credit card receivables from time to time, including non-performing loans and credit card receivables originated as held for investment. The sold loans were accounted for under the fair value option. The loan sales qualified for sale accounting treatment and the Company derecognized these loans from its Consolidated Balance Sheets upon sale.

Whole Loan Sale Program - The Company enters into whole loan sale agreements with third parties in which we agree to sell newly originated unsecured personal loans and secured personal loans. The originations of loans sold and held for sale during the year ended December 31, 2024 was $119.6 million and the Company recorded a gain on sale of $6.0 million and servicing revenue of $6.5 million. The originations of loans sold and held for sale during the year ended December 31, 2023 was $56.6 million and the Company recorded a gain on sale of $8.5 million and servicing revenue of $9.6 million.

Oportun® Visa® Credit Card - On June 21, 2024, the Company entered into a nonbinding letter of intent with a third-party to sell the credit cards receivable portfolio originated under the Company's credit card program. Following the execution of the nonbinding letter of intent, the portfolio was considered to be held for sale and is presented within credit cards receivable held for sale on the Consolidated Balance Sheets. The Company has elected the fair value option for the credit cards receivable portfolio and, as a result, the Company recorded a net decrease in fair value of $36.2 million associated with the terms contained within the nonbinding letter of intent. On September 24, 2024, the Company entered into a definitive agreement to sell its credit cards receivable portfolio. On November 12, 2024, the Company completed the sale of the credit cards receivable portfolio to Continental Purchasing, LLC (the "Credit Cards Receivable Sale Closing"). As a result, the Company de-recognized its Credit Card Receivables Held for Sale in exchange for cash proceeds of $51.2 million. The Company used the proceeds from the sale to pay off the Credit Card Warehouse facility.

Termination of the Card Program Agreements - In connection with the Credit Cards Receivable Sale Closing and pursuant to a program winddown agreement, the Amended and Restated Credit Card Program and Servicing Agreement, dated as of February 5, 2021, by and between the Company and WebBank, and other related documents, terminated effective November 10, 2024.

6. Capitalized Software and Other Intangibles

Capitalized software, net consists of the following:

	December 31,			
(in thousands)	2024		2023	
Capitalized software, net:				
System development costs	$	173,444	$	158,577
Acquired developed technology		48,500		48,500
Less: Accumulated amortization		(155,286)		(119,810)
Total capitalized software, net	$	66,658	$	87,267

Capitalized software, net

Amortization of system development costs and acquired developed technology for years ended December 31, 2024 and 2023 was $40.1 million and $42.3 million, respectively. System development costs capitalized in the years ended December 31, 2024 and 2023 were $20.5 million and $31.0 million, respectively.

In the annual period ended December 31, 2023, the Company recognized a non-cash pre-tax impairment charge of $5.6 million related to the write-off of embedded finance, investing and retirement products. The non-cash impairment charge is included in Technology and Facilities in the Consolidated Statements of Operations.

Acquired developed technology was $48.5 million and is related to the acquisition of Digit on December 22, 2021.

Intangible Assets

The gross carrying amount and accumulated amortization, in total and by major intangible asset class are as follows:

	December 31,		December 31,	
(in thousands)	2024		2023	
Intangible assets:				
Member relationships		34,500	$	34,500
Trademarks		5,626		5,626
Other		3,000		3,000
Less: Accumulated amortization		(23,196)	$	(15,658)
Total intangible assets, net		19,930	$	27,468

Amortization of intangible assets for the years ended December 31, 2024 and 2023 was $7.5 million and $7.7 million. On March 8, 2023, the Company revealed its rebranding of Oportun and Oportun Savings (formerly known as Digit) as a single brand. Therefore, the Company wrote off its $0.8 million Digit trademark.

Expected future amortization expense for intangible assets as of December 31, 2024 is as follows:

(in thousands)		Fiscal Years
2025	$	4,929
2026		4,929
2027		4,929
2028		4,780
2029		—
Thereafter		—
Total	$	19,567

7. Other Assets

Other assets consist of the following:

	December 31,			
(in thousands)		2024		2023
Fixed assets				
Total fixed assets	$	40,607	$	48,944
Less: Accumulated depreciation		(37,632)		(41,953)
Total fixed assets, net	$	2,975	$	6,991
Other assets				
Prepaid expenses	$	11,623	$	15,758
Deferred tax assets, net		82,435		48,123
Current tax assets		3,736		4,731
Receivable from banking partner		4,656		4,050
Derivative asset		13,771		9,307
Other		18,396		18,720
Total other assets	$	137,592	$	107,680

Fixed Assets

Depreciation and amortization expense related to fixed assets for the years ended December 31, 2024 and 2023 was $3.5 million and $4.3 million, respectively.

During the second quarter of 2024, the Company recognized an impairment of the right-of-use asset related to the leased office space in San Carlos, California due to a significant decrease in observed market rents for commercial office space, and the inability to find a sub-lessee given the remaining lease term and market conditions. As a result, the Company disposed of all related fixed assets of $3.7 million and related accumulated depreciation of $3.5 million resulting in a loss on disposal of $0.2 million.

8. Borrowings

Secured Financing

The following table presents information regarding the Company's Secured Financing facilities:

Variable Interest Entity		Facility Amount	Maturity Date	Interest Rate		December 31, 2024 Balance		December 31, 2023 Balance
(in thousands)								
Oportun CCW Trust [1]	$	—	December 1, 2024	Adjusted SOFR + 3.41%	$	—	$	68,409
Oportun PLW Trust [2]		429,030	September 1, 2027	Term SOFR + 3.35%		265,654		221,542
Oportun PLW II Trust		337,100	August 1, 2028	Term SOFR + 3.07%		269,815		—
Total secured financing	$	766,130			$	535,469	$	289,951

(1) As of December 31, 2023, the facility amount of the Secured Financing - CCW facility (Oportun CCW Trust) was $100.0 million. While the contractual maturity date was December 1. 2024, the facility was extinguished on November 10, 2024 as part of the Credit Cards Receivable Sale Closing.

(2) As of December 31, 2023, the facility amount of the Secured Financing - PLW Facility (Oportun PLW Trust) was $600.0 million and the interest rate was adjusted SOFR plus 2.17%.

CCW Warehouse Facility

On January 31, 2024, the Company entered into an amendment to the Credit Card Warehouse facility to reduce the commitment amount from $100.0 million to $80.0 million and adjusted the minimum payment rate requirement, advance rate.

On September 24, 2024, the Company entered into an amendment to the Credit Card Warehouse facility to reduce the commitment amount from $80.0 million to $60.0 million and adjusted the minimum payment rate requirement for the months of September and October 2024 from 8.60% to 8.00%.

On November 10, 2024, in connection with the Credit Cards Receivable Sale Closing, the Indenture Termination Date as defined in the Indenture by and between Oportun CCW Trust and Wilmington Trust, National Association, dated as of December 20, 2021 (as may from time to time have been amended, restated, or otherwise modified, the "CCW Indenture"), occurred, the CCW Indenture was terminated, and the Company repaid the outstanding balance.

PLW Facility

On August 29, 2024, the Company (Oportun PLW Trust) entered into the Seventh Amendment to the PLW facility (the "PLW Facility") to modify certain terms of the loan and security agreement to reduce the number of lenders thereunder and to extend the PLW Facility Termination Date until October 8, 2024, during which time no draws were available, and no unused fees accrued.

On September 20, 2024, the Company entered into an amendment to the loan and security agreement and other related documents under the PLW Facility. Following the amendment, the PLW Facility has a two-year term and had a borrowing capacity of $306.5 million. Borrowings under the PLW Facility loan and security agreement accrue interest at a rate equal to Term SOFR plus a weighted average spread of 3.40% and the advance rate for the PLW Facility is 95.0%, subject to certain triggers that could lower the advance rate to 92.0%.

On November 22, 2024, the Company entered into an another amendment to the loan and security agreement and other related documents to amend certain provisions to increase the borrowing capacity to approximately $429.0 million. Under the amendment, borrowings will accrue interest at a rate equal to Term SOFR plus a weighted average spread of 3.35%.

PLW II Facility

On August 5, 2024, in connection with the closing of a new warehouse facility, the Company (Oportun PLW II Trust), entered into a loan and security agreement with certain lenders from time to time party thereto, and Wilmington Trust, National Association as collateral agent, administrative agent, paying agent, securities intermediary and depositary bank (the "PLW II Facility"). The PLW II Facility has a three year term and had a borrowing capacity of $245.2 million. Borrowings under the loan and security agreement accrue interest at a rate equal to Term SOFR plus a weighted average spread of 3.08%. The advance rate for the PLW II Facility is 95.0%, subject to certain triggers that could lower the advance rate to 92.0%.

On November 1, 2024, the Company entered into an amendment to the loan and security agreement, and other related documents to amend certain provisions to increase the borrowing capacity to $337.1 million. Under the amendment, borrowings will accrue interest at a rate equal to Term SOFR plus a weighted average spread of 3.07%.

Asset-backed Notes at Fair Value

The following table presents information regarding asset-backed notes at fair value:

	December 31, 2024					
Variable Interest Entity	**Initial note amount issued** (1)	**Initial collateral balance** (2)	**Current balance** (1)	**Current collateral balance** (2)	**Weighted average interest rate** (3)	**Original revolving period** (4)
(in thousands)						
Asset-backed notes recorded at fair value:						
Oportun Issuance Trust (Series 2022-3)	$ 300,000	$ 310,993	$ 54,463	$ 62,323	11.43 %	N/A
Oportun Issuance Trust (Series 2022-2)	400,000	410,212	40,453	46,578	10.82 %	N/A
Oportun Issuance Trust (Series 2022-A)	400,000	410,211	261,939	280,234	5.65 %	2 years
Oportun Issuance Trust (Series 2021-C)	500,000	512,762	427,872	460,500	2.48 %	3 years
Oportun Issuance Trust (Series 2021-B)	500,000	512,759	295,963	320,306	2.06 %	3 years
Oportun Funding XIV, LLC (Series 2021-A)	375,000	383,632	—	—	— %	2 years
Total asset-backed notes recorded at fair value	$ 2,475,000	$ 2,540,569	$ 1,080,690	$ 1,169,941		

Variable Interest Entity	Initial note amount issued [1]	Initial collateral balance [2]	Current balance [1]	Current collateral balance [2]	Weighted average interest rate[3]	Original revolving period [4]
	December 31, 2023					
(in thousands)						
Asset-backed notes recorded at fair value:						
Oportun Issuance Trust (Series 2022-3)	$ 300,000	$ 310,993	$ 145,732	$ 165,079	9.34 %	N/A
Oportun Issuance Trust (Series 2022-2)	400,000	410,212	135,825	156,027	8.46 %	N/A
Oportun Issuance Trust (Series 2022-A)	400,000	410,211	390,755	415,448	5.44 %	2 years
Oportun Issuance Trust (Series 2021-C)	500,000	512,762	459,212	519,612	2.47 %	3 years
Oportun Issuance Trust (Series 2021-B)	500,000	512,759	466,317	519,115	2.05 %	3 years
Oportun Funding XIV, LLC (Series 2021-A)	375,000	383,632	182,164	200,758	1.78 %	2 years
Oportun Funding XIII, LLC (Series 2019-A)	279,412	294,118	—	—	— %	3 years
Total asset-backed notes recorded at fair value:	$ 2,754,412	$ 2,834,687	$ 1,780,005	$ 1,976,039		

(1) Initial note amount issued includes notes retained by the Company as applicable. The current balances are measured at fair value for asset-backed notes recorded at fair value.

(2) Includes the unpaid principal balance of loans receivable, the balance of required reserve funds, cash, cash equivalents and restricted cash pledged by the Company.

(3) Weighted average interest rate excludes notes retained by the Company. There were no notes retained by the Company as of December 31, 2024. The weighted average interest rate for Series 2022-A, Series 2022-2 and Series 2022-3 will change over time as the notes pay sequentially (in class priority order).

(4) The revolving period for Series 2021-A ended on March 1, 2023, Series 2021-B ended on May 1, 2024, and Series 2022-A ended on June 1, 2024. These asset-backed notes have been amortizing since then. Series 2022-2 and Series 2022-3 are both amortizing deals with no revolving period.

Asset-backed Borrowings at Amortized Cost

The following table represents information regarding the Company's asset-backed notes and asset-backed borrowings at amortized cost:

Asset-backed borrowings at amortized cost	December 31, 2024 Balance Pledged Asset [1]	December 31, 2024 Balance Associated Liability	December 31, 2023 Balance Pledged Asset [1]	December 31, 2023 Balance Associated Liability
(in thousands)				
Oportun Issuance Trust 2024-2	$ 189,401	$ 188,316	$ —	$ —
Oportun Issuance Trust 2024-1	92,759	92,386	—	—
Oportun CL Trust 2023-A	197,390	195,855	197,390	195,057
Other Asset-backed borrowings	503,032	507,776	382,712	386,411
Total asset-backed borrowings recorded at amortized cost:	$ 982,582	$ 984,333	$ 580,102	$ 581,468

(1) The amount of pledged assets are recognized within the Loans Receivable at Fair Value within the Consolidated Balance Sheet.

On August 29, 2024, the Company announced the issuance of $223.3 million of series 2024-2 asset-backed notes secured by a pool of its unsecured and secured personal installment loans (the "2024-2 Securitization"). The 2024-2 Securitization included four classes of fixed rate notes. The notes were offered and sold in a private placement in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended, and were priced with a weighted average yield of 8.22% per annum and weighted average coupon of 8.07% per annum.

On February 13, 2024, the Company announced the issuance of $199.5 million of Series 2024-1 asset-backed notes secured by a pool of its unsecured and secured personal installment loans (the "2024-1 Securitization"). The 2024-1 Securitization included four classes of fixed rate notes. The notes were offered and sold in a private placement in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended, and were priced with a weighted average yield of 8.60% per annum and weighted average coupon of 8.43% per annum.

On October 20, 2023, the Company entered into a Receivables Loan and Security Agreement (the "Receivables Loan and Security Agreement"), pursuant to which the Company borrowed $197 million. Borrowings under the Receivables Loan and Security Agreement accrue interest at a weighted average interest rate equal to 10.05%.

On June 16, 2023, and August 3, 2023, the Company entered into forward flow whole loan sale agreements and has agreed to sell up to $300 million and $400 million of its personal loan originations over the next following twelve months, respectively. The Company will continue to service these loans upon transfer of the receivables. While the economics of these transactions are structured as a whole loan sale, the transfer of these loans receivable does not qualify as a sale for accounting purposes. Accordingly, the related assets remain on the Company's balance sheet and cash proceeds received are reported as a secured borrowing under the caption of asset-backed borrowings at amortized cost with related interest expense recognized over the life of the related borrowing. The legal entities that facilitate these whole loan sales are not considered VIEs.

Acquisition and Corporate Financing

The following table presents information regarding the Company's Acquisition and Corporate Financings:

Entity	Original Balance (1)	Maturity Date (2)	Interest Rate	December 31, 2024 Balance	December 31, 2023 Balance
(in thousands)					
Oportun Financial Corporation - Refinance (3)	$ 235,000	November 14, 2028	15.00% per annum	$ 203,751	$ —
Oportun Financial Corporation (1)	150,000	September 14, 2026	SOFR (minimum of 0.00%) + 12.00%	—	204,100
Oportun RF, LLC (2)	116,000	January 10, 2025	SOFR (minimum of 0.00%) + 11.00%	—	54,646
Total acquisition and corporate financing	$ 501,000			$ 203,751	$ 258,746

(1) The original Corporate Financing facility (Oportun Financial Corporation) was amended and upsized by $75.0 million on March 10, 2023. The original Credit Agreement was extinguished on November 14, 2024.

(2) As of December 31, 2023, the maturity date of the Acquisition Financing facility (Oportun RF, LLC) was October 10, 2024. In connection with the Term Loan Closing, Oportun RF, LLC was terminated on November 14, 2024.

(3) Oportun Financial Corporation - Refinance refers to the Refinancing Term Loans borrowed pursuant to the Refinancing Credit Agreement, which closed on November 14, 2024.

Amendments to Corporate Financing

On September 14, 2022, the Company entered into a Credit Agreement with certain funds associated with Neuberger Berman Specialty Finance ("Neuberger") as lenders, and Wilmington Trust, National Association, as administrative agent and collateral agent to borrow $150.0 million through a senior secured term loan (the "Original Credit Agreement" and the "Original Term Loan").

On March 12, 2024, the Company entered into Amendment No. 3 to the Original Credit Agreement (the "Third Amended Credit Agreement"). The Third Amended Credit Agreement included modifications to the minimum asset coverage ratio covenant levels, provided for an interest rate step-up of 3.00% per annum for certain months beginning in August 2024 in which the asset coverage ratio is less than 1.00 to 1.00, and required certain principal payments in amounts equal to $5.7 million per month to be made on the last business day of each of March, April and May 2024. In addition, the Third Amended Credit Agreement required principal payments equal to 100% of the net cash proceeds of any future issuance of indebtedness junior in priority to the obligations under the Original Credit Agreement.

On October 23, 2024, the Company entered into a new Credit Agreement with certain affiliates of Neuberger and McLaren Harbor LLC, pursuant to which the Company borrowed $235 million of senior secured term loans (the "Refinancing Credit Agreement" and the "Refinancing Term Loans"). The funding of the Refinancing Term Loans (the "Term Loan Closing") was subject to certain closing conditions, including the repayment of the Company's existing senior secured term loans under the Original Credit Agreement, as amended, and the Acquisition Financing, and was conditioned upon the completion of the sale of the Company's credit cards receivable portfolio, which occurred on November 12, 2024. The Term Loan Closing occurred on November 14, 2024, and the Original Term Loan under the Original Credit Agreement, as amended, was extinguished and paid in full.

The Refinancing Credit Agreement contains certain representations, warranties and covenants, as well as indemnification obligations, in respect of the Company and certain of its subsidiaries, subject to specified exceptions and qualifications contained in the Refinancing Credit Agreement.

The Refinancing Term Loans bear interest at an amount equal to 15% per year, of which 2.5% may be payable in-kind at the Company's election. The Refinancing Term Loans are scheduled to mature four years from the date of the Term Loan Closing. Under the Refinancing Credit Agreement, the Company is required to repay $12.5 million of the Refinancing Term Loans on or prior to July 31, 2025 and an additional $27.5 million of the Refinancing Term Loans on or prior to January 31, 2026. In addition, the Company has the flexibility to make additional prepayments of $10 million at any time, and an additional $10 million after the one-year anniversary of the Term Loan Closing, in each case not subject to a prepayment premium. Voluntary prepayment of the Refinancing Term Loans in excess of certain thresholds and with certain other exceptions as set forth in the Refinancing Credit Agreement, will be subject to a prepayment premium.

The obligations under the Refinancing Credit Agreement are secured by the assets of the Company and certain of its subsidiaries guaranteeing the Refinancing Term Loans, including pledges of the equity interests of certain subsidiaries that are directly or indirectly owned by the Company, subject to customary exceptions.

The Refinancing Credit Agreement contains financial covenants requiring the maintenance of minimum liquidity and a maximum adjusted EBITDA-based corporate leverage covenant, together with other customary affirmative and negative covenants, representations and warranties and events of default.

Under the Refinancing Credit Agreement, the Company issued warrants (the "Warrants"), at an exercise price of $0.01 per share, to affiliates of Neuberger and McLaren Harbor LLC to purchase 4,853,006 shares of the Company's common stock.

Amendments to Acquisition Financing

On March 8, 2024, the Acquisition Financing facility (Oportun RF, LLC) was amended to provide for a three-month principal payment holiday for the months of March, April and May 2024, in amounts equal to $5.7 million per month. In addition, the amendment extended the term of the Acquisition Financing facility to January 10, 2025.

On November 14, 2024, in connection with the Term Loan Closing, the Acquisition Financing was terminated and the associated outstanding loan balance was repaid in full.

See Note 10, *Stockholders' Equity* for additional information on the Warrants.

Debt Covenants - As of December 31, 2024 and 2023, the Company was in compliance with all covenants and requirements of the Secured Financing, Acquisition and Corporate Financing facilities and asset-backed notes.

9. Other Liabilities

Other liabilities consist of the following:

	December 31,	
(in thousands)	2024	2023
Accounts payable	$ 6,586	$ 5,288
Accrued compensation	12,207	15,359
Accrued expenses	12,441	24,791
Accrued interest	11,030	8,415
Amount due to whole loan buyer	1,759	4,169
Current tax liabilities	3,136	7,139
Other	3,692	3,777
Total other liabilities	$ 50,851	$ 68,938

10. Stockholders' Equity

Preferred Stock - The board of directors of the Company (the "Board") has the authority, without further action by the Company's stockholders, to issue up to 100,000,000 shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by the Board. There were no shares of undesignated preferred stock issued or outstanding as of December 31, 2024 or 2023.

Common Stock - As of December 31, 2024 and 2023, the Company was authorized to issue 1,000,000,000 shares of common stock with a par value of $0.0001 per share. As of December 31, 2024, 36,383,879 and 36,111,856 shares were issued and outstanding, respectively, and 272,023 shares were held in treasury stock. As of December 31, 2023, 34,741,076 and 34,469,053 shares were issued and outstanding, respectively, and 272,023 shares were held in treasury stock.

Warrants - On March 10, 2023, pursuant to the Second Amended Credit Agreement, the Company issued detachable Warrants to the lenders providing the Incremental Tranche A-1 Loans to purchase 1,980,242 shares of the Company's common stock at an exercise price of $0.01 per share. On March 27, 2023, in connection with the funding of the Incremental Tranche A-2 Loans, the Company issued Warrants to the lenders providing the Incremental Tranche A-2 Loans to purchase 116,485 shares of the Company's common stock at an exercise price of $0.01 per share. On May 5, 2023, in connection with the funding of the Incremental Tranche B Loans, the Company issued Warrants to the lenders providing the Incremental Tranche B loans to purchase 1,048,363 shares of the Company's common stock at an exercise price of $0.01 per share. On June 30, 2023, in connection with the funding of the Incremental Tranche C Loans, the Company issued Warrants to the lenders providing the Incremental Tranche C Loans to purchase 1,048,363 shares of the Company's common stock at an exercise price of $0.01 per share. On November 14, 2024, pursuant to the Refinancing Credit Agreement, the Company issued detachable Warrants to the lenders to purchase 4,853,006 shares of the Company's common stock at an exercise price of $0.01 per share.

11. Equity Compensation and Other Benefits

2019 Equity Incentive Plan

We currently have one stockholder-approved plan from which we can issue stock-based awards, which was approved by our stockholders in fiscal year 2019 (the "2019 Plan"). The 2019 Plan became effective on September 25, 2019 and replaced the Amended and Restated 2005 Stock Option / Stock Issuance Plan and the 2015 Stock Option/Stock Issuance Plan (collectively, the "Previous Plans"). The Previous Plans solely exist to satisfy outstanding options previously granted under those plans. The 2019 Plan provides for the grant of incentive stock options ("ISOs"), nonstatutory stock options ("NSOs"), stock appreciation rights, restricted stock awards, restricted stock unit awards, performance-based awards, and other awards (collectively, "awards"). ISOs may be granted only to the Company's employees, including officers, and the employees of its affiliates. All other awards may be granted to the employees, including officers, non-employee directors and consultants and the employees and consultants of the Company's affiliates. The total number of shares of common stock authorized under the 2019 Plan is 15,195,185 shares. The remaining maximum number of shares of our common stock, net of vested and exercised shares, that may be issued under the 2019 Plan will not exceed 9,903,205 shares, of which, 3,282,515 were available for future awards as of December 31, 2024. The number of shares of the Company's common stock reserved for issuance under its 2019 Plan will automatically increase on January 1 of each year for the remaining term of the plan, by 5% of the total number of shares of its common stock outstanding on December 31 of the immediately preceding calendar year, or a lesser number of shares determined by the Board prior to the applicable January 1st. The shares available for issuance increased by 1,723,452 shares, on January 1, 2024, pursuant to the automatic share reserve increase provision.

2019 Employee Stock Purchase Plan

In September 2019, the Board adopted, and stockholders approved, the Company's 2019 Employee Stock Purchase Plan (the "ESPP"). The ESPP became effective on September 25, 2019. The purpose of the ESPP is to secure the services of new employees, to retain the services of existing employees and to provide incentives for such individuals to exert maximum efforts toward the Company's success and that of its affiliates. The ESPP includes two components. One component is designed to allow eligible U.S. employees to purchase common stock in a manner that may qualify for favorable tax treatment under Section 423 of the Code. In addition, purchase rights may be granted under a component that does not qualify for such favorable tax treatment when necessary or appropriate to permit participation by eligible employees who are foreign nationals or employed outside of the United States while complying with applicable foreign laws. The maximum aggregate number of shares of common stock that may be issued under the ESPP is 2,271,288 shares and as of December 31, 2024, no shares have been issued under the ESPP. The number of shares of the Company's common stock reserved for issuance under its ESPP will automatically increase on January 1 of each calendar year for the remaining term of the plan by the lesser of (1) 1% of the total number of shares of its capital stock outstanding on December 31 of the preceding calendar year, (2) 726,186 shares, and (3) a number of shares determined by the Board. The shares available for issuance increased by 344,690 shares, on January 1, 2024, pursuant to the automatic share reserve increase provision.

Generally, all regular employees, including executive officers, employed by the Company or by any of its designated affiliates, will be eligible to participate in the ESPP and may contribute, normally through payroll deductions, up to 15% of their earnings (as defined in the ESPP) for the purchase of common stock under the ESPP. Unless otherwise determined by the Board, common stock will be purchased for the accounts of employees participating in the ESPP at a price per share equal to the lower of (a) 85% of the fair market value of a share of the Company's common stock on the first date of an offering or (b) 85% of the fair market value of a share of the common stock on the date of purchase.

2021 Inducement Equity Incentive Plan

Effective December 30, 2021, the Company adopted the 2021 Inducement Equity Incentive Plan (the "2021 Inducement Plan"), pursuant to which the Company reserved 1,105,000 shares of its common stock to be used exclusively for grants of awards to individuals who were not previously employees or directors of the Company, as an inducement material to the individual's entry into employment with the Company within the meaning of Rule 5635(c)(4) of the Nasdaq Listing Rules. The remaining maximum number of shares of our common stock that may be issued under the 2021 Inducement Plan net of vested and exercised shares, will not exceed 816,842 shares, of which, 442,014 were available for future awards as of December 31, 2024. The 2021 Inducement Plan was approved by the Company's Board without stockholder approval in accordance with such rule.

Stock Options

The term of an option may not exceed 10 years as determined by the Board, and each option generally vests over a four-year period with 25% vesting on the first anniversary date of the grant and 1/36th of the remaining amount vesting at monthly intervals thereafter. Option holders are allowed to exercise unvested options to acquire restricted shares. Upon termination of employment, option holders have a period of up to three months in which to exercise any remaining vested options. The Company has the right to repurchase at the original purchase price any unvested but issued common shares upon termination of service. Unexercised options granted to participants who separate from the Company are forfeited and returned to the pool of stock options available for grant.

The Company estimates the fair value of stock options granted using the Black-Scholes option-pricing model. The fair value is then amortized ratably over the requisite service periods of the awards, which is generally the vesting period.

The fair value of stock option grants was estimated with the following assumptions:

	Year Ended December 31,	
	2024[(1)]	2023
Expected volatility (employee)	N/A	71.7%
Risk-free interest rate (employee)	N/A	3.9%
Expected term (employee, in years)	N/A	6.1
Expected dividend	N/A	—%

(1) No stock options were granted for year ended December 31, 2024.

These assumptions are defined as follows:

- *Expected Volatility* - Since the Company does not have enough trading history to use the volatility of its own common stock, the option's expected volatility is estimated based on historical volatility of a peer group's common stock.
- *Risk-Free Interest Rate* - The risk-free interest rate is based on the U.S. Treasury zero-coupon issues in effect at the time of grant for periods corresponding with the expected term of the option.
- *Expected Term* - The option's expected term represents the period that the Company's stock-based awards are expected to be outstanding.
- *Expected Dividend* - The Company has no plans to pay dividends.

Stock Option Activity - A summary of the Company's stock option activity under the 2005 Plan, 2015 Plan, and 2019 Plan at December 31, 2024 is as follows:

(in thousands, except share and per share data)	Options Outstanding	Options Weighted-Average Exercise Price	Weighted Average Remaining Life (in years)	Aggregate Intrinsic Value
Balance – January 1, 2024	2,559,153	18.25	4.31	$ —
Options granted	—	—		
Options exercised	—	—		
Options canceled	(656,940)	16.31		
Options forfeited	(39,355)	15.80		
Balance – December 31, 2024	1,862,858	18.99	4.41	$ —
Options vested and expected to vest - December 31, 2024	1,862,858	18.99	4.41	$ —
Options vested and exercisable - December 31, 2024	1,730,718	19.46	4.21	$ —

Information on stock options granted, exercised and vested is as follows:

(in thousands, except per share data)	Year Ended December 31, 2024	2023
Weighted average fair value per share of options granted	$ —	$ 3.85
Cash received from options exercised, net [(1)]	—	(46)
Aggregate intrinsic value of options exercised	—	268
Fair value of shares vested	1,424	3,500

(1) The amount reflected for the year ended December 31, 2023, is the net of cash received from options exercised of $0.8 million, and the cash paid for employee tax withholding settled in shares of $0.8 million.

As of December 31, 2024 and 2023, the Company's total unrecognized compensation cost related to nonvested stock-based option awards granted to employees was, $0.9 million and $2.6 million, respectively, which will be recognized over a weighted-average vesting period of approximately 1.3 years and 1.9 years, respectively.

Restricted Stock Units

The Company's restricted stock units ("RSUs") vest upon the satisfaction of time-based criterion of up to three years. In most cases, the service-based requirement will be satisfied in installments as follows: 25% of the total number of RSUs awarded will have the service-based requirement satisfied during the month in which the 12-month anniversary of the vesting commencement date occurs, and thereafter 1/16th of the total award in a series of 12 successive equal quarterly installments or 1/4th of the total award in a series of three successive equal annual installments following the first anniversary of the initial service vest date.

Stock-based compensation cost for RSUs is measured based on the fair market value of the Company's common stock on the date of grant.

A summary of the Company's RSU activity under the 2015 Plan, 2019 Plan and 2021 Inducement Plan for the year ended December 31, 2024 is as follows:

	RSU Outstanding	Weighted Average Grant-Date Fair Value
Balance – January 1, 2024	4,041,874	8.43
Granted	3,076,090	3.16
Vested [1]	(1,723,805)	8.49
Forfeited	(939,172)	7.22
Balance – December 31, 2024	4,454,987	5.03
Expected to vest after December 31, 2024	4,386,647	4.98

(1) Prior to 2024, the Company allowed its Board to defer all or a portion of monetary remuneration paid to the Director. As of December 31, 2024, there were 68,340 restricted stock units vested for which the holders elected to defer delivery of the Company's shares.

As of December 31, 2024 and 2023, the Company's total unrecognized compensation cost related to nonvested restricted stock unit awards granted to employees was, $15.3 million and $24.8 million, respectively, which will be recognized over a weighted average vesting period of approximately 2.0 years and 2.1 years, respectively.

Stock-based Compensation - Total stock-based compensation expense included in the Consolidated Statements of Operations, net of amounts capitalized to system development costs is as follows:

	Year Ended December 31,	
(in thousands of dollars)	2024	2023
Technology and facilities	$ 3,362	$ 4,602
Sales and marketing	127	63
Personnel	9,500	13,928
Total stock-based compensation [1]	$ 12,989	$ 18,593

(1) Amounts shown are net of $1.0 million and $1.4 million of capitalized stock-based compensation for the year ended December 31, 2024 and 2023, respectively.

Cash flows from the tax benefits for tax deductions resulting from the exercise of stock options in excess of the compensation expense recorded for those options (excess tax benefits) are required to be classified as cash from financing activities. The Company recognized $3.7 million and $5.1 million of income tax benefit in its Consolidated Statements of Operations related to stock-based compensation expense during the years ended December 31, 2024 and 2023, respectively. Additionally, the total income tax expense recognized in the income statement for share-based compensation exercises was $2.2 million and $3.5 million for the years ended December 31, 2024 and 2023, respectively.

Retirement Plan

The Company maintains a 401(k) Plan, which enables employees to make pre-tax or post-tax deferral contributions to the participating employees account. Employees may contribute a portion of their pay up to the annual amount as set periodically by the Internal Revenue Service. Prior to 2024, the Company provided for an employer 401(k) contribution match of up to 4% of an employee's eligible compensation. In addition, the Company provides a contribution to various savings funds for India and Mexico-based employees. The total expense related to the contributions recognized by the Company for the year ended December 31, 2024 and the total employer match and contributions recognized by the Company for the year ended December 2023 was $2.0 million and $6.2 million, respectively. All employee and employer contributions will be invested according to participants' individual elections.

12. Revenue

Interest Income - Total interest income included in the Consolidated Statements of Operations is as follows:

	Year Ended December 31,	
(in thousands)	2024	2023
Interest income		
Interest on loans	$ 910,385	$ 945,118
Fees on loans	15,083	18,378
Total interest income	$ 925,468	$ 963,496

Non-interest Income - Total non-interest income included in the Consolidated Statements of Operations is as follows:

(in thousands)	Year Ended December 31, 2024	Year Ended December 31, 2023
Non-interest income		
Servicing fees	$ 13,814	$ 14,685
Subscription revenue	22,668	25,569
Interest on member accounts	24,221	21,075
Gain on loan sales and other	15,604	32,094
Total non-interest income	$ 76,307	$ 93,423

13. Income Taxes

The following are the domestic and foreign components of the Company's income before taxes:

(in thousands)	Year Ended December 31, 2024	Year Ended December 31, 2023
Domestic	$ (119,475)	$ (261,620)
Foreign	4,298	7,967
Income (loss) before taxes	$ (115,177)	$ (253,653)

The provision for income taxes consisted of the following:

(in thousands)	Year Ended December 31, 2024	Year Ended December 31, 2023
Current		
Federal	$ (3,385)	$ 200
State	$ 1,509	$ 260
Foreign	$ (307)	$ 2,743
Total current	$ (2,183)	$ 3,203
Deferred		
Federal	(26,087)	(52,885)
State	(8,355)	(23,553)
Foreign	130	(467)
Total deferred	$ (34,312)	$ (76,905)
Total provision for income taxes	$ (36,495)	$ (73,702)

Income tax expense (benefit) was $(36.5) million and $(73.7) million for the years ended December 31, 2024 and 2023, which represents an effective tax rate of 31.7% and 29.1%, respectively.

A reconciliation of income tax expense with the amount computed by applying the statutory U.S. federal income tax rates to income before provision for income taxes is as follows:

(in thousands)	Year Ended December 31, 2024	Year Ended December 31, 2023
Income tax (benefit) expense computed at U.S. federal statutory rate	$ (24,187)	$ (53,267)
State tax	(9,269)	(19,209)
Foreign rate differential	(1,078)	603
Federal tax credits	(4,284)	(3,030)
Share based compensation expense	1,795	2,870
Change in unrecognized tax benefit reserves	1,793	3,038
Return to provision adjustment	(2,351)	(5,674)
Other	1,086	967
Income tax expense	$ (36,495)	$ (73,702)
Effective tax rate	31.7 %	29.1 %

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, and operating losses and tax credit carryforwards.

The primary components of the Company's net deferred tax assets and liabilities are composed of the following:

	December 31,			
(in thousands)		2024		2023
Deferred tax assets:				
Net operating loss & credit carryforward	$	70,534	$	68,677
System development costs		25,665		5,619
Share-based compensation		6,276		6,618
Leases		4,772		7,494
Accrued expenses and reserves		3,371		3,032
Other		2,613		972
Total deferred tax assets	$	113,231	$	92,412
Valuation allowance	$	—	$	—
Deferred tax liabilities:				
Fair value adjustment - Loans Receivable	$	(16,135)	$	(7,095)
Fair value adjustment - Bonds Payable		(5,851)		(24,930)
Derivative instrument		(3,611)		(2,458)
Depreciation and amortization		(2,636)		(4,232)
Right of use assets		(2,563)		(5,574)
Total deferred tax liabilities	$	(30,796)	$	(44,289)
Net deferred taxes	$	82,435	$	48,123

As provided for in the Tax Cuts and Jobs Act of 2017, our historical earnings were subject to the one-time transition tax and can now be repatriated to the U.S. with a de minimis tax cost due to the participation exemption put in place by the 2017 Tax Act. The Company continues to assert that both its historical and current earnings in its foreign subsidiaries are permanently reinvested and therefore no deferred taxes have been provided.

As of December 31, 2024, the Company had federal net operating loss carryforwards of $172.3 million, of which $17.7 million expires beginning in 2033 and $154.6 million carries forward indefinitely. Additionally, the Company had state net operating loss carryforwards of $186.5 million which are set to begin expiring in 2030. As of December 31, 2024, the Company had federal and California research and development tax credit carryforwards of $21.9 million and $10.4 million, respectively. The federal research and development tax credit expires beginning in 2041, and the California research and development tax credits are not subject to expiration.

The following table summarizes the activity related to the unrecognized tax benefits:

	Year Ended December 31,			
(in thousands)		2024		2023
Balance as of January 1,	$	8,648	$	6,608
Increases related to current year tax positions		1,927		1,146
Increases related to prior year tax positions		4,654		1,844
Decreases related to prior year tax positions		(2,790)		(950)
Balance as of December 31,	$	12,439	$	8,648

Interest and penalties related to the Company's unrecognized tax benefits accrued as of December 31, 2024 and 2023 were $0.2 million and $1.2 million, respectively. The Company's policy is to recognize interest and penalties associated with income taxes in income tax expense and the Company recognized $0.3 million for both years ended December 31, 2024 and 2023, respectively. The Company does not expect uncertain tax positions to significantly increase or decrease within the next twelve months. The total amount of unrecognized tax benefits that would impact the effective tax rate, if recognized, is $10.7 million.

Due to the net operating loss carryforwards, the Company's United States federal and significant state returns are open to examination by the Internal Revenue Service and state jurisdictions for years ended December 31, 2021 and 2014, respectively, and forward. For Mexico, all tax years ended December 31, 2019 and forward remain open for examination by the Mexico taxing authorities. For India, all tax years remain open for examination by the India taxing authorities.

In December 2021, the Organization for Economic Co-operation and Development Inclusive Framework on Base Erosion Profit Shifting released Model Global Anti-Base Erosion rules ("Model Rules") under Pillar Two. The Model Rules set forth the "common approach" for a Global Minimum Tax at 15 percent for multinational enterprises with a turnover of more than 750 million euros. Rules under Pillar Two were effective from January 1, 2024. The adoption of Pillar Two rules does not have a significant impact to the consolidated financial statements during fiscal year 2024.

14. Fair Value of Financial Instruments

Financial Instruments at Fair Value

The table below compares the fair value of loans receivable and asset-backed notes to their contractual balances for the periods shown:

(in thousands)	December 31, 2024 Unpaid Principal Balance	December 31, 2024 Fair Value	December 31, 2023 Unpaid Principal Balance	December 31, 2023 Fair Value
Assets				
Loans receivable - personal loans	$ 2,716,992	$ 2,778,523	$ 2,824,342	$ 2,853,186
Loans receivable - credit cards	—	—	111,145	109,166
Total loans receivable at Fair Value	$ 2,716,992	$ 2,778,523	$ 2,935,487	$ 2,962,352
Liabilities				
Asset-backed notes	$ 1,103,002	$ 1,080,690	$ 1,874,406	$ 1,780,005

The Company calculates the fair value of the asset-backed notes using independent pricing services and broker price indications, which are based on quoted prices for identical or similar notes, which are Level 2 input measures.

The Company primarily uses a discounted cash flow model to estimate the fair value of Level 3 instruments based on the present value of estimated future cash flows. This model uses inputs that are inherently judgmental and reflect management's best estimates of the assumptions a market participant would use to calculate fair value. The following tables present quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements for Loans Receivable at Fair Value. The personal loans receivable balance at fair value as of December 31, 2024 consists of $2,598.2 million of unsecured personal loans receivable and $180.3 million of secured personal loans receivable.

Personal Loans Receivable	December 31, 2024 Minimum	December 31, 2024 Maximum	December 31, 2024 Weighted Average (2)	December 31, 2023 Minimum	December 31, 2023 Maximum	December 31, 2023 Weighted Average (2)
Remaining cumulative charge-offs (1)	8.92%	54.72%	11.68%	6.87%	51.00%	11.80%
Remaining cumulative prepayments (1)	—%	34.55%	24.70%	—%	28.17%	23.83%
Average life (years)	0.29	1.74	1.11	0.18	1.37	1.01
Discount rate	7.92%	7.92%	7.92%	10.10%	10.10%	10.10%

(1) Figure disclosed as a percentage of outstanding principal balance.

(2) Unobservable inputs were weighted by outstanding principal balance, which are grouped by risk (type of customer, original loan maturity terms).

Fair value adjustments related to financial instruments where the fair value option has been elected are recorded through earnings for the years ended December 31, 2024 and 2023. Certain unobservable inputs may (in isolation) have either a directionally consistent or opposite impact on the fair value of the financial instrument for a given change in that input. When multiple inputs are used within the valuation techniques for loans, a change in one input in a certain direction may be offset by an opposite change from another input.

For personal loans receivable, the Company developed an internal model to estimate the fair value of loans receivable held for investment. To generate future expected cash flows, the model combines receivable characteristics with assumptions about borrower behavior based on the Company's historical loan performance. These cash flows are then discounted using a required rate of return that management estimates would be used by a market participant.

The Company tested the unsecured personal loan fair value model by comparing modeled cash flows to historical loan performance to ensure that the model was complete, accurate and reasonable for the Company's use. The Company also engaged a third party to create an independent fair value estimate for the Loans Receivable at Fair Value, which provides a set of fair value marks using the Company's historical loan performance data and whole loan sale prices to develop independent forecasts of borrower behavior.

Credit Card Receivables	December 31, 2024 Range (2)	December 31, 2023 Range
Remaining cumulative charge-offs (1)	N/A	20.16%
Principal payment rate (1)	N/A	7.06%
Average life (years)	N/A	1.00
Discount rate	N/A	10.20%

(1) Figure disclosed as a percentage of outstanding principal balance.

(2) On November 12, 2024, the Company completed the sale of its credit cards receivable portfolio to a third-party credit card marketer and servicer.

The Company has derivative instruments in connection with its bank partnership program with Pathward, N.A. related to excess interest proceeds it expects to receive on loans retained by Pathward, N.A. Based on the agreement underlying the bank partnership program, for all loans originated and retained by Pathward, Pathward receives a fixed interest rate. The Company bears the risk of credit loss and has the benefit of any excess interest proceeds after satisfying various obligations under the agreement. The fair value of the derivative instrument as of December 31, 2024 and 2023 were $13.8 million and $9.3 million, respectively. The underlying cash flows as of December 31, 2024 and 2023 were $16.9 million and $12.2 million, respectively. The following table presents quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements for derivative instruments presented within Other Assets in the Consolidated Balance Sheets:

	December 31, 2024			December 31, 2023		
	Low	High	Weighted Average	Low	High	Weighted Average
Remaining cumulative charge-offs	—%	30.92%	10.43%	1.09%	30.38%	10.56%
Remaining cumulative prepayments	1.53%	42.63%	21.16%	0.01%	3.89%	0.92%
Average life (years)	0.44	2.05	1.45	0.36	2.00	1.64
Discount rate	17.29%	17.29%	17.29%	17.00%	17.00%	17.00%

On November 12, 2024, the Company completed the sale of the credit cards receivable portfolio originated under the Company's Credit Card program. Following the decision to sell the credit cards receivable portfolio the Company used the agreed upon sale price to determine the fair value. Prior to this decision, the Company used historical data to derive assumptions about certain loan portfolio characteristics such as principal payment rates, interest yields and fee yields. Similar to the model used for personal loans receivable, the Company engaged a third party to create an independent fair value estimate, which provides a range of fair values that are compared for reasonableness.

For the derivative, the Company uses a base set of cash flows derived from historical data and management assumptions. From this base set of cash flows, funds that are projected to be released to the Company according to the contractual terms outlined in the waterfall agreement are calculated on an aggregate basis then discounted at a rate that is representative of equity yield.

The table below presents a reconciliation of Loans Receivable at Fair Value on a recurring basis using significant unobservable inputs:

	December 31,	
(in thousands)	2024	2023
Balance – beginning of period	$ 2,962,352	$ 3,175,449
Principal disbursements	2,662,305	2,841,916
Principal and interest payments from members	(2,305,839)	(2,440,365)
Other loan sales	(78,522)	(159,138)
Gross charge-offs	(401,971)	(437,330)
Credit card receivables reclassified as held for sale	(55,720)	—
Net (decrease) increase in fair value	(4,082)	(18,180)
Balance - end of period	$ 2,778,523	$ 2,962,352

Financial Instruments Disclosed But Not Carried at Fair Value

The following table presents the carrying value and estimated fair values of financial assets and liabilities disclosed but not carried at fair value and the level within the fair value hierarchy:

	December 31, 2024				
			Estimated fair value		
(in thousands)	Carrying value	Estimated fair value	Level 1	Level 2	Level 3
Assets					
Cash and cash equivalents	$ 59,968	$ 59,968	$ 59,968	$ —	$ —
Restricted cash	154,657	154,657	154,657	—	—
Liabilities					
Accounts payable	6,586	6,586	6,586	—	—
Secured financing (Note 8)	539,204	537,646	—	537,646	—
Asset-backed borrowings at amortized cost (Note 8)	982,582	984,687	—	481,655	503,032
Acquisition and corporate financing (Note 8)	235,768	236,105	—	236,105	—

	December 31, 2023				
			Estimated fair value		
(in thousands)	Carrying value	Estimated fair value	Level 1	Level 2	Level 3
Assets					
Cash and cash equivalents	$ 91,187	$ 91,187	$ 91,187	$ —	$ —
Restricted cash	114,829	114,829	114,829	—	—
Liabilities					
Accounts payable	5,288	5,288	5,288	—	—
Secured financing (Note 8)	290,949	285,231	—	285,231	—
Asset-backed borrowings at amortized cost (Note 8)[1]	580,101	580,101	—	—	580,101
Acquisition and corporate financing (Note 8)	285,682	286,865	—	286,865	—

[1] As of December 31, 2023, the Company estimates the carrying value of asset-backed borrowings at amortized cost to approximate their fair value as the underlying cash flows and associated assumptions are reviewed and updated each period.

The Company uses the following methods and assumptions to estimate fair value:

- *Cash, cash equivalents, restricted cash and accounts payable* - The carrying values of certain of the Company's financial instruments, including cash and cash equivalents, restricted cash and accounts payable, approximate Level 1 fair values of these financial instruments due to their short-term nature.
- *Secured financing, acquisition and corporate financing* - The fair values of the secured financing, and acquisition and corporate financing facilities have been calculated using discount rates equivalent to the weighted-average market yield of comparable debt securities, which is a Level 2 input measure.
- *Asset-backed borrowings at amortized cost* - The fair values of the asset-backed borrowings at amortized cost include both securitizations carried at amortized cost and secured borrowings. We obtain indicative pricing on comparable debt securities for securitizations carried at amortized cost, which is a Level 2 input measure. Fair values of secured borrowings included in the asset-backed borrowings at amortized cost have been calculated by discounting the contractual cash flows at the interest rate the Company estimates such arrangement would bear if executed in the current market, which is a Level 3 input measure.

As of the year ended December 31, 2024, Oportun CL Trust 2023-A asset-backed note transferred from Level 3 to Level 2. There were no other transfers in or out of Level 3 assets and liabilities for the years ended December 31, 2024 and 2023.

15. Leases, Commitments and Contingencies

Leases - The Company's leases are primarily for real property consisting of retail locations and office space and have remaining lease terms of less than 7 years.

During 2024, the Company recognized an impairment of the right-of-use asset related to the leased office space in San Carlos, California of $6.2 million due to a significant decrease in observed market rents for commercial office space, and the inability to find sub-lessee given the remaining lease term and market conditions. The impairment charges were recognized in General, administrative and other in the Consolidated Statements of Operations.

The Company has elected the practical expedient to keep leases with terms of 12 months or less off the balance sheet as no recognition of a lease liability and a right-of-use asset is required. Operating lease expense is recognized on a straight-line basis over the lease term in "Technology and facilities" in the Consolidated Statements of Operations.

All of the Company's existing lease arrangements are classified as operating leases. At the inception of a contract, the Company determines if the contract is or contains a lease. At the commencement date of a lease, the Company recognizes a lease liability equal to the present value of the lease payments and a right-of-use asset representing the Company's right to use the underlying asset for the duration of the lease term. The Company's leases include options to extend or terminate the arrangement at the end of the original lease term. The Company generally does not include renewal or termination options in its assessment of the leases unless extension or termination for certain assets is deemed to be reasonably certain. Variable lease payments and short-term lease costs were deemed immaterial. The Company's leases do not provide an explicit rate. The Company uses its contractual borrowing rate to determine lease discount rates.

As of December 31, 2024, maturities of lease liabilities, excluding short-term leases and leases on a month-to-month basis, were as follows:

(in thousands)		Operating Leases
Lease expense		
2025	$	11,561
2026		5,663
2027		2,433
2028		1,007
2029		415
Thereafter		134
Total lease payments		21,213
Imputed interest		(1,797)
Total leases	$	19,416
Sublease income		
2025	$	(586)
2026		(604)
2027		(153)
2028		—
2029		—
2023 and thereafter		—
Total lease payments		(1,343)
Imputed interest		127
Total sublease income	$	(1,216)
Net lease liabilities	$	18,200
Weighted average remaining lease term		2.4 years
Weighted average discount rate		5.16 %

As of December 31, 2023, maturities of lease liabilities, excluding short-term leases and leases on a month-to-month basis, were as follows:

(in thousands)		Operating Leases
Lease expense		
2024	$	12,786
2025		10,851
2026		4,700
2027		1,661
2028		435
2029		40
Thereafter		—
Total lease payments		30,473
Imputed interest		(2,097)
Total leases	$	28,376
Weighted average remaining lease term		2.7 years
Weighted average discount rate		4.72 %

Rental expenses under operating leases for the years ended December 31, 2024 and 2023 were $12.3 million and $17.4 million, respectively.

Purchase Commitment - The Company has commitments to purchase information technology and communication services in the ordinary course of business, with various terms through 2027. These amounts are not reflective of the Company's entire anticipated purchases under the related agreements; rather, they are determined based on the non-cancelable amounts to which the Company is contractually obligated. The

Company's purchase obligations are $39.9 million in 2025, $19.2 million in 2026, $2.1 million in 2027, $0.0 million in 2028, and $0.0 million in 2029 and thereafter.

Bank Partnership Program and Servicing Agreement - The Company entered into a bank partnership program with Pathward, N.A. on August 11, 2020. In accordance with the agreements underlying the bank partnership program, Oportun has a commitment to purchase an increasing percentage of program loans originated by Pathward based on thresholds specified in the agreements. Lending under the partnership was launched in August of 2021 and as of December 31, 2024, the Company has a commitment to purchase an additional $32.3 million of program loans based on originations through December 31, 2024.

Unfunded Loan and Credit Card Commitments - Unfunded loan and credit card commitments at December 31, 2024 were insignificant due to the termination of the Amended and Restated Credit Card Program and Servicing Agreement, dated as of February 5, 2021, by and between the Company and WebBank, effective November 10, 2024. In addition, unfunded loan and credit card commitments at December 31, 2023 were $32.9 million.

Mexico Value-added Tax - In October 2023, the Company's Mexico subsidiary received notice from Mexico's Servicio de Administración Tributaria, the Mexican federal tax authority, for claims related to the alleged underpayment of value-added tax, including inflationary adjustments, fines and penalties for tax years 2017-2019. The Company disputes that there were underpayments in any of those years, and intends to pursue all available administrative and legal avenues of appeal to assert its position. No accrual related to this matter has been recorded as of December 31, 2024, as the Company believes it is not probable to be incurred. However, it is reasonably possible the Company will be unsuccessful in asserting at least some of these claims, and for those claims, the Company believes it may be exposed to a liability ranging from zero to $3.8 million, consisting of $1.2 million of value-added tax and $2.6 million of inflationary adjustments, fines and penalties. These estimates are subject to change based on the results of the administrative and legal appeal processes, however, timing of the resolution of this issue is unknown.

Litigation

From time to time, the Company may bring or be subject to other legal proceedings and claims in the ordinary course of business, including legal proceedings with third parties asserting infringement of their intellectual property rights, consumer litigation, and regulatory proceedings. The Company is not presently a party to any other legal proceedings that, if determined adversely to the Company, would individually or taken together have a material adverse effect on its business, financial condition, cash flows or results of operations.

16. Related Party Transactions

On September 14, 2022, the Company entered into the Original Credit Agreement to borrow $150.0 million through a senior secured term loan. On March 10, 2023, the Company upsized and amended the Original Credit Agreement and borrowed an additional $75.0 million over four separate tranches from March 10, 2023 to June 30, 2023. In connection with the amendment of the Original Credit Agreement, the Company issued warrants to the lenders with each tranche to purchase a total of 4,193,453 shares of its common stock at an exercise price of $0.01 per share (the "Warrants"). On October 23, 2024, the Company entered into the Refinancing Credit Agreement with certain affiliates of Neuberger and McLaren Harbor LLC, pursuant to which the Company borrowed $235 million through a senior secured term loan. Upon the closing of the Refinancing Term Loan, the Company repaid all amounts due under the Original Credit Agreement in full. In connection with the Refinancing Credit Agreement, the lenders retained the previously issued Warrants and the Company issued the Neuberger affiliated lenders additional Warrants to purchase a total of 2,426,503 shares of its common stock at an exercise price of $0.01 per share. Accordingly, Neuberger is deemed to be a beneficial owner of greater than ten percent of the Company's outstanding stock pursuant to generally accepted accounting principles. See Note 8, *Borrowings* for additional information on the Corporate Financing facility and Note 10, *Stockholders' Equity* for additional information on the Warrants.

In addition, on June 16, 2023, the Company entered into a forward flow whole loan sale agreement with Neuberger. Pursuant to this agreement, the Company agreed to sell up to $300.0 million of its personal loan originations over the subsequent twelve months. On April 26, 2024, the Company amended the agreement to extend the term and revised the commitment amount to instead sell $370.9 million of personal loan originations in aggregate through October 2024. In October 2024, the Company fulfilled its commitment under the agreement. The Company will continue to service these loans upon transfer of the receivables. As part of this agreement, during the years ended December 31, 2024 and 2023, the Company transferred loans receivable totaling $151.0 million and $220.5 million, respectively. See *Liquidity and Capital Resources* section for additional information on the forward flow whole loan sale agreement.

For the years ended December 31, 2024 and 2023, the Company recorded interest expense of $57.0 million and $38.3 million, respectively, related to the Corporate Financing facility. In addition, the Company recorded interest expense of $29.9 million and $8.7 million, respectively, related to the secured borrowings associated with the forward flow whole loan sale agreement. The expected cash flows are used to calculate interest expense on the secured borrowing, using the effective interest method. Related to the transferred loans, the Company also recorded $57.7 million and $20.0 million, of interest income in the Company's Consolidated Statements of Operations for the years ended December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, loans receivable at fair value underlying the secured borrowing were $241.3 million and $200.8 million, respectively. The Company had Asset-backed borrowings at amortized cost of $247.9 million and Corporate Financing of $101.9 million due to Neuberger as of December 31, 2024 and $201.8 million and $204.1 million, respectively, due as of December 31, 2023. The Company also had an insignificant amount of Interest and fee receivable, net and Other liabilities in its Consolidated Balance Sheets as of December 31, 2024 related to these transactions.

The Company believes that it has executed all the transactions described herein on terms no less favorable to it than it could have obtained from unaffiliated third parties.

17. Segment Reporting

Segments are defined as components of an enterprise for which discrete financial information is available and evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing performance.

The Company's Chief Executive Officer and the Company's Chief Financial Officer are collectively considered to be the CODM. The Company has one reportable segment. The segment provides unsecured and secured borrowings, savings and budgeting products to its members. The Company derives revenue within North America and manages the business activities on a consolidated basis. Interest income is derived from the Company's lending products and includes loan interest and associated fees, while non-interest income is largely driven by the Company's savings product and includes subscription revenue, and interest on member accounts.

Net income is the primary measure of segment profit and loss reviewed by CODM to assess business performance and strategy on allocation of resources, such as new product development and management's compensation. They also use to Net Income to review and approve the Company's operating budget and financial forecasts.

Net income is reported on the unaudited Condensed Consolidated Statement of Operations as consolidated net income (loss). The measure of segment assets is presented on the unaudited Condensed Consolidated Balance Sheet as Total Assets.

18. Subsequent Events

2025-A Securitization

On January 16, 2025, the Company announced the issuance of approximately $425.1 million one-year asset-backed notes secured by a pool of its unsecured and secured personal installment loans (the "2025-A Securitization"). The 2025-A Securitization included five classes of fixed rate notes. The notes were offered and sold in a private placement in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended, and were priced with a weighted average yield of 6.95% per annum and a weighted average coupon of 6.15% per annum.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and that such information is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

As of December 31, 2024, we carried out an evaluation of the effectiveness of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. This evaluation was conducted under the supervision of, and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on our evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of December 31, 2024, our disclosure controls and procedures were effective to provide the reasonable assurance described above.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2024, based on the criteria established in "Internal Control-Integrated Framework" (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

As a result of this assessment, management concluded that, as of December 31, 2024, our internal control over financial reporting was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

Our independent registered public accounting firm, Deloitte & Touche LLP, has audited the consolidated financial statements included in this Annual Report on Form 10-K and, as part of their audit, has issued an audit report, included herein, on the effectiveness of our internal control over financial reporting. Their report is set forth below.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of Exchange Act that occurred during the during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Our disclosure controls and procedures and our internal controls over financial reporting have been designed to provide reasonable assurance of achieving their objectives. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Report of Independent Registered Public Accounting Firm

To the stockholders and the Board of Directors of Oportun Financial Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Oportun Financial Corporation and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated February 20, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control over Financial Reporting.* Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

San Francisco, CA
February 20, 2025

Item 9B. Other Information

Securities Trading Plans of Directors and Executive Officers

During the three months ended December 31, 2024, none of our directors or officers adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

GLOSSARY

Terms and abbreviations used in this report are defined below.

Term or Abbreviation	Definition
30+ Day Delinquency Rate	Unpaid principal balance for our owned loans and credit card receivables that are 30 or more calendar days contractually past due as of the end of the period divided by Owned Principal Balance as of such date
Adjusted EBITDA	Adjusted EBITDA is a non-GAAP financial measure calculated as net income (loss), adjusted to eliminate the effect of the following items: income tax expense (benefit), stock-based compensation expense, depreciation and amortization, interest expense from corporate financing facilities, including the senior secured term loan and the residual financing facility, certain non-recurring charges, and fair value mark-to-market adjustments
Acquisition Financing	Asset-backed floating rate variable funding note and asset-backed residual certificate secured by certain residual cash flows of the Company's securitizations. The Acquisition Financing was used to fund the cash consideration for the Digit acquisition. Included as "Acquisition and corporate financing" on the Consolidated Balance Sheets
Adjusted Earnings Per Share ("EPS")	Adjusted EPS is a non-GAAP financial measure calculated by dividing Adjusted Net Income by diluted adjusted weighted-average common shares outstanding
Adjusted Net Income	Adjusted Net Income is a non-GAAP financial measure calculated by adjusting our net income (loss) adjusted to exclude income tax expense (benefit), stock-based compensation expense, mark-to-market on asset-backed notes at fair value and certain non-recurring charges
Adjusted Operating Efficiency	Adjusted Operating Efficiency is a non-GAAP financial measure calculated by dividing adjusted total operating expenses (excluding stock-based compensation expense and certain non-recurring charges) by total revenue
Adjusted Operating Expense	Adjusted Operating Expense is a non-GAAP financial measure calculated by adjusting total operating expenses to exclude stock-based compensation expense and certain non-recurring charges
Adjusted Operating Expense Ratio	Adjusted Operating Expense Ratio is a non-GAAP financial measure calculated as Adjusted Operating Expense divided by Average Daily Principal Balance
Adjusted Return on Equity ("ROE")	Adjusted Return on Equity is a non-GAAP financial measure calculated by dividing annualized Adjusted Net Income by average total stockholders' equity
Aggregate Originations	Aggregate amount disbursed to borrowers and credit granted on credit cards during a specified period, including amounts originated by us through our Lending as a Service partners or under our bank partnership programs. Aggregate Originations exclude any fees in connection with the origination of a loan
Annualized Net Charge-Off Rate	Annualized loan and credit card principal losses (net of recoveries) divided by the Average Daily Principal Balance of owned loans and credit card receivables for the period
APR	Annual Percentage Rate
Average Daily Debt Balance	Average of outstanding debt principal balance at the end of each calendar day during the period
Average Daily Principal Balance	Average of outstanding principal balance of owned loans and credit cards receivable at the end of each calendar day during the period
Board	Oportun's Board of Directors
Corporate Financing	Senior secured term loan secured by the assets of the Company and certain of its subsidiaries guaranteeing the term loan, including pledges of the equity interests of certain subsidiaries that are directly or indirectly owned by the Company funded pursuant to the Credit Agreement, dated as of September 14, 2022, by and among the Company, Wilmington Trust, National Association, and the lenders party thereto (as amended), which was terminated on November 14, 2024, and the Credit Agreement, dated as of October 23, 2024, by and among the Company, Wilmington Savings Fund Society, FSB, and the lenders party thereto. Included in "Acquisition and corporate financing" on the Consolidated Balance Sheets
Cost of Debt	Annualized interest expense divided by Average Daily Debt Balance
Credit Card Warehouse (or "CCW")	Revolving credit card warehouse debt facility, collateralized by credit card accounts. Included as "Secured Financing" on the Consolidated Balance Sheets
Customer Acquisition Cost (or "CAC")	Sales and marketing expenses, which include the costs associated with various paid marketing channels, including direct mail, digital marketing and brand marketing and the costs associated with our telesales and retail operations divided by number of loans originated and new credit cards activated to new and returning borrowers during a period
GAAP	Generally Accepted Accounting Principles
Leverage	Average Daily Debt Balance, excluding Corporate Financing, divided by Average Daily Principal Balance
Loans Receivable at Fair Value	All loans receivable held for investment. Loans Receivable at Fair Value include loans receivable on our unsecured and secured personal loan products and credit card receivable balances
Managed Principal Balance at End of Period	Total amount of outstanding principal balance for all loans and credit card receivables, including loans sold, which we continue to service, at the end of the period. Managed Principal Balance at End of Period also includes loans and accounts originated under a bank partnership program that we service
Net Revenue	Net Revenue is calculated by subtracting interest expense from total revenue and adding the net increase (decrease) in fair value
Operating Efficiency	Total operating expenses divided by total revenue
Operating Expense Ratio	Total operating expenses divided by Average Daily Principal Balance
Owned Principal Balance at End of Period	Total amount of outstanding principal balance for all loans and credit card receivables, excluding loans and receivables sold or loans retained by a bank partner, at the end of the period
Personal Loan Warehouse (or "PLW")	Revolving personal loan warehouse debt facilities, collateralized by unsecured personal loans and secured personal loans. Included as "Secured Financing" on the Consolidated Balance Sheets
Portfolio Yield	Annualized interest income as a percentage of Average Daily Principal Balance

Term or Abbreviation	Definition
Principal Balance	Original principal balance reduced by principal payments received and principal charge-offs to date for our personal loans. Purchases and cash advances, reduced by returns and principal payments received and principal charge-offs to date for our credit cards
Return on Equity	Annualized net income divided by average stockholders' equity for a period
Secured Financing	Asset-backed revolving debt facilities, including (1) the PLW facilities that are collateralized by unsecured personal loans and secured personal loans and (2) the CCW facility that is collateralized by credit card accounts
Weighted Average Interest Rate	Annualized interest expense as a percentage of average debt

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item, including information about our directors, executive officers and audit committee and code of conduct, and insider trading arrangements and policies will be included in our proxy statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of our fiscal year ended December 31, 2024 ("2025 Proxy Statement") and is incorporated herein by reference.

Item 11. Executive Compensation

The information required by this item will be included in the 2025 Proxy Statement and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item will be included in the 2025 Proxy Statement and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item will be included in the 2025 Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this item will be included in the 2025 Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. Exhibit and Financial Statement Schedules

(a) (1) The following consolidated financial statements of Oportun, Inc. and its subsidiaries are included in PART II - Item 8:

Consolidated Balance Sheets, December 31, 2024 and 2023

Consolidated Statements of Operations, years ended December 31, 2024 and 2023

Consolidated Statements of Changes in Stockholders' Equity, years ended December 31, 2024 and 2023

Consolidated Statements of Cash Flow, years ended December 31, 2024 and 2023

Notes to the Consolidated Financial Statements

(2) Financial Statement Schedules:

All other schedules have been omitted because they are either not required or inapplicable.

(3) Exhibits:

Exhibits are listed in the Exhibit Index below.

Item 16. Form 10-K Summary

None.

Exhibit Index

		Incorporated by Reference				
Exhibit	**Description**	**Form**	**File No.**	**Exhibit**	**Filing Date**	**Filed Herewith**
3.1	Amended and Restated Certificate of Incorporation of Oportun Financial Corporation.	8-K	001-39050	3.1	9/30/2019	
3.2	Amended and Restated Bylaws of Oportun Financial Corporation.	8-K	001-39050	3.1	10/11/2023	
4.1	Form of Common Stock Certificate.	S-1/A	333-232685	4.1	9/16/2019	
4.2	Description of the Company's Capital Stock.	10-K	001-39050	4.4	3/15/2024	
4.3	Form of Warrant	8-K	001-39050	4.1	3/13/2023	
4.4	Form of Warrant	8-K	001-39050	4.1	11/15/2024	
4.5	Registration Rights Agreement, dated as of March 10, 2023, by and among Oportun Financial Corporation, Wilmington Trust, National Association, and the Lenders party thereto.	8-K	001-39050	4.2	3/13/2023	
4.6	Registration Rights Agreement, dated as of November 14, 2024, by and among Oportun Financial Corporation and the affiliates of Castlelake and Neuberger party thereto	8-K	001-39050	4.2	11/15/2024	
10.1+	Form of Indemnity Agreement between the Company and its directors and officers.	S-1	333-232685	10.1	7/17/2019	
10.2+	Amended and Restated 2005 Stock Option/Stock Issuance Plan and Form of Stock Option Grant Notice, Option Agreement and Form of Notice of Exercise.	S-1	333-232685	10.2	7/17/2019	
10.3+	2015 Stock Option/Stock Issuance Plan and Forms of Stock Option Grant Notice, Option Agreement, Notice of Exercise, Restricted Stock Unit Award Grant Notice and Restricted Stock Unit Award Agreement.	S-1	333-232685	10.3	7/17/2019	
10.4+	2019 Equity Incentive Plan and Forms of Award Notices and Agreements.	10-K	001-39050	10.4	2/23/2021	
10.5+	Form of Performance-Based Restricted Stock Unit Award Agreement.	8-K	001-39050	10.1	12/12/2023	
10.6+	2019 Employee Stock Purchase Plan.	S-1/A	333-232685	10.5	9/16/2019	
10.7+	Amended and Restated 2021 Inducement Equity Incentive Plan and Form of Award Notice and Agreement.	S-8	333-261964	10.1	6/15/2023	
10.8+	Form of Executive Offer Letter by and between the Registrant and certain of its officers.	S-1	333-232685	10.6	7/17/2019	
10.9+	Executive Severance and Change in Control Policy	S-1	333-232685	10.7	7/17/2019	
10.10	Sublease Agreement by and between Oportun, Inc. and TiVo Corporation, dated as of July 31, 2017.	S-1	333-232685	10.8	7/17/2019	
10.11**	Indenture by and between Oportun Issuance Trust 2021-B, and Wilmington Trust, National Association, dated as of May 10, 2021.	10-Q	001-39050	10.1	8/6/2021	
10.12^**	Indenture by and between Oportun Issuance Trust 2021-C, and Wilmington Trust, National Association, dated as of October 28, 2021.	10-Q	001-39050	10.3	11/4/2021	
10.13^**	Amended and Restated Credit Card Program and Servicing Agreement, dated February 5, 2021, by and between Oportun, Inc. and WebBank	10-K	001-39050	10.16.2	2/23/2021	
10.14-1^**	Loan and Security Agreement by and between Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of September 8, 2021.	10-Q	001-39050	10.2	11/4/2021	
10.14-2**	First Amendment to Loan and Security Agreement by and between Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of March 22, 2022.	10-Q	001-39050	10.4.1	8/9/2022	
10.14-3**	Second Amendment to Loan and Security Agreement by and between Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of March 25, 2022.	10-Q	001-39050	10.4.2	8/9/2022	

10.14-4**	Third Amendment to Loan and Security Agreement by and between Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of March 31, 2022.	10-Q	001-39050	10.4.3	8/9/2022	
10.14-5**	Fourth Amendment to Loan and Security Agreement by and between Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of September 14, 2022.	10-Q	001-39050	10.2	11/8/2022	
10.14-6**	Fifth Amendment to the Loan and Security Agreement by and among Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of June 29, 2023.	10-Q	001-39050	10.2	8/9/2023	
10.14-7**	Sixth Amendment to the Loan and Security Agreement by and among Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of February 29, 2024.	10-Q	001-39050	10.4	05/10/2024	
10.14-8**	Seventh Amendment to the Loan and Security Agreement by and among Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of August 29, 2024.	10-Q	001-39050	10.2	11/12/2024	
10.14-9^**	Master Amendment to Transaction Documents by and among Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of September 20, 2024.	10-Q	001-39050	10.3	11/12/2024	
10.14-10**	Master Amendment to the Loan and Security Agreement by and among Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of November 22, 2024.					x
10.15-1**	Base Indenture by and between Oportun Funding 2022-1, LLC and Wilmington Trust, National Association, dated as of March 31, 2022.	10-Q	001-39050	10.2.1	5/10/2022	
10.15-2**	Series 2022-1 Supplement to Base Indenture by and between Oportun Funding 2022-1, LLC and Wilmington Trust, National Association, dated as of March 31, 2022.	10-Q	001-39050	10.2.2	5/10/2022	
10.16**	Indenture between Oportun Issuance Trust 2022-A and Wilmington Trust, National Association, dated as of May 23, 2022.	10-Q	001-39050	10.1	8/9/2022	
10.17**	Indenture between Oportun Issuance Trust 2022-2 and Wilmington Trust, National Association, dated as of July 22, 2022.	10-Q	001-39050	10.2	8/9/2022	
10.18**	Indenture between Oportun Issuance Trust 2022-3 and Wilmington Trust, National Association, dated as of November 3, 2022.	10-Q	001-39050	10.5	11/8/2022	
10.19-1^**	Receivables Loan and Security Agreement, dated as of October 20, 2023, by and among Oportun CL Trust 2023-A, Oportun, Inc., and Oportun CL Depositor, LLC, Wilmington Trust, National Association and the Lenders party thereto.	10-K	001-39050	10.24	3/15/2024	
10.19-2**	First Amendment to the Receivables Loan and Security Agreement, dated as of March 22, 2024, by and among Oportun CL Trust 2023-A, Oportun, Inc., and Oportun CL Depositor, LLC, Wilmington Trust, National Association and the Lenders party thereto.	10-Q	001-39050	10.5	05/10/2024	
10.20^**	Program Agreement, by and between Oportun, Inc. and MetaBank, N.A., dated as of August 11, 2020.	10-Q	001-39050	10.1	11/12/2020	
10.21**	Letter Agreement, dated April 19, 2024, between Oportun Financial Corporation, Findell Capital Management LLC and certain other persons.	8-K	001-39050	10.1	04/22/2024	
10.22**	Indenture between Oportun Issuance Trust 2024-1 and Wilmington Trust, National Association, dated as of February 13, 2024.	10-Q	001-39050	10.6	05/10/2024	
10.23**	Receivables Purchase Agreement, dated as of September 24, 2024, by and among Oportun, Inc., Oportun CCW Trust, Oportun CCW Depositor, LLC and Continental Purchasing, LLC.	8-K	001-39050	10.1	09/26/2024	
10.24^**	Credit Agreement, dated as of October 23, 2024, by and among Oportun Financial Corporation, Oportun, Inc., Wilmington Savings Fund Society, FSB, and the Lenders party thereto.	8-K	001-39050	10.1	10/29/2024	

10.25**	Indenture between Oportun Issuance Trust 2024-2 and Wilmington Trust, National Association, dated as of August 29, 2024.	10-Q	001-39050	10.4	11/12/2024	
10.26-1^**	Loan and Security Agreement by and between Oportun PLW II Trust, Oportun PLW II Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of August 5, 2024.	10-Q	001-39050	10.5	11/12/2024	
10.26-2**	Amendment to the Loan and Security Agreement by and among Oportun PLW II Trust, Oportun PLW II Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of November 1, 2024.	10-Q	001-39050	10.7	11/12/2024	
10.27**	Indenture between Oportun Issuance Trust 2025-A and Wilmington Trust, National Association, dated as of January 16, 2025.					x
19.1	Insider Trading Policy					x
21.1	List of Subsidiaries of Oportun Financial Corporation					x
23.1	Consent of Independent Registered Public Accounting Firm					x
24.1	Power of Attorney (incorporated by reference to the signature page to this Annual Report on Form 10-K)					x
31.1	Rule 13a-14(a)/15d-14(a) Certifications of the Chief Executive Officer and Director of Oportun Financial Corporation					x
31.2	Rule 13a-14(a)/15d-14(a) Certifications of the Chief Financial Officer and Chief Administrative Officer of Oportun Financial Corporation					x
32.1*	Section 1350 Certifications					x
97.1	Compensation Recovery Policy	10-K	001-39050	97.1	3/15/2024	
101	Interactive data files pursuant to Rule 405 of Regulation S-T:					
	(i) Consolidated Balance Sheets,					
	(ii) Consolidated Statements of Operations,					
	(iii) Consolidated Statements of Changes in Stockholders' Equity,					
	(iv) Consolidated Statements of Cash Flows, and					
	(v) Notes to the Consolidated Financial Statements					
104	Cover Page Interactive Data File in Inline XBRL format (included in Exhibit 101).					

* The certifications attached as Exhibit 32.1 that accompany this Annual Report on Form 10-K are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing.

+ Management contract or compensatory plan.

^ Certain portions of this exhibit have been omitted pursuant to Item 601(b)(10) of Regulation S-K by means of marking such portions with asterisks because the Registrant has determined that the information is not material and would likely cause competitive harm to the Registrant if publicly disclosed.

** Certain portions of this exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant agrees to furnish supplementally to the SEC a copy of any omitted schedule or exhibit upon request by the SEC.

The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.

Signatures

OPORTUN FINANCIAL CORPORATION
(Registrant)

Pursuant to the requirements of Section 13 or 15(d) 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, on February 20, 2025.

Date: February 20, 2025	By: /s/ Jonathan Coblentz
	Jonathan Coblentz
	Chief Financial Officer and Chief Administrative Officer
	(Principal Financial Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Raul Vazquez and Jonathan Coblentz, jointly and severally, his or her attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Raul Vazquez
Raul Vazquez
(President, Chief Executive Officer, and Director)
(Principal Executive Officer)
Date: February 20, 2025

/s/ Jonathan Coblentz
Jonathan Coblentz
(Chief Financial Officer and Chief Administrative Officer)
(Principal Financial Officer)
Date: February 20, 2025

/s/ Casey Mueller
Casey Mueller
(Senior Vice President, Global Controller and Principal Accounting Officer)
(Principal Accounting Officer)
Date: February 20, 2025

/s/ Jo Ann Barefoot
Jo Ann Barefoot
(Director)
Date: February 20, 2025

/s/ Mohit Daswani
Mohit Daswani
(Director)
Date: February 20, 2025

/s/ Ginny Lee
Ginny Lee
(Director)
Date: February 20, 2025

/s/ Carlos Minetti
Carlos Minetti
(Director)
Date: February 20, 2025

/s/ Louis P. Miramontes
Louis P. Miramontes
(Director)
Date: February 20, 2025

/s/ Scott Parker
Scott Parker
(Director)
Date: February 20, 2025

/s/ Sandra Smith
Sandra Smith
(Director)
Date: February 20, 2025

/s/ Richard Tambor
Richard Tambor
(Director)
Date: February 20, 2025

/s/ R. Neil Williams
R. Neil Williams
(Director)
Date: February 20, 2025

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

FORM 10-K/A

Amendment No.1

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to _________

Commission File Number 001-39050

OPORTUN FINANCIAL CORPORATION
(Exact Name of Registrant as Specified in its Charter)

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

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

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 if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Smaller reporting company	☒
Accelerated filer	☒	Emerging growth company	☐
Non-accelerated filer	☐		

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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the common stock held by non-affiliates of the registrant, based on the closing price of a share of common stock on June 28, 2024 as reported by the Nasdaq Global Select Market on such date was approximately $72.1 million. Shares of the registrant's common stock held by each executive officer, director and holder of 5% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This calculation does not reflect a determination that certain persons are affiliates of the registrant for any other purpose.

The number of shares of registrant's common stock outstanding as of April 23, 2025 was 37,498,727.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Explanatory Note

On February 20, 2025, Oportun Financial Corporation filed its Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (the "Original Form 10-K"). The Original Form 10-K omitted portions of Part III, Items 10 (*Directors, Executive Officers and Corporate Governance*), 11 (*Executive Compensation*), 12 (*Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*), 13 (*Certain Relationships and Related Transactions, and Director Independence*), and 14 (*Principal Accountant Fees and Services*) in reliance on General Instruction G(3) to Form 10-K, which provides that such information may be either incorporated by reference from the registrant's definitive proxy statement or included in an amendment to Form 10-K, in either case filed with the Securities and Exchange Commission ("SEC") not later than 120 days after the end of the fiscal year.

We no longer expect that the definitive proxy statement for our 2025 annual meeting of stockholders will be filed within 120 days of December 31, 2024. Accordingly, this Amendment No. 1 to Form 10-K (this "Amendment") is being filed solely to:

- amend and restate Part III, Items 10, 11, 12, 13, and 14 of the Original Form 10-K to include the information required by such Items;
- delete the reference on the cover of the Original Form 10-K to the incorporation by reference of portions of our proxy statement into Part III of the Original Form 10-K; and
- file a new certification of our principal executive officer, principal financial officer and principal accounting officer as an exhibit to this Amendment under Item 15 of Part IV hereof, pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended ("Exchange Act"). No financial statements are included in this Amendment and this Amendment does not contain or amend any disclosure with respect to Items 307 and 308 of Regulation S-K; accordingly, paragraphs 3, 4 and 5 of the certifications have been omitted.

This Amendment does not otherwise change or update any of the disclosures set forth in the Original Form 10-K, including the financial statements, and does not otherwise reflect any events occurring after the filing of the Original Form 10-K. Accordingly, this Amendment should be read in conjunction with the Original Form 10-K and the Company's filings made with the SEC subsequent to the filing of the Original Form 10-K. Capitalized terms used herein and not otherwise defined are defined as set forth in the Original Form 10-K.

As used in this report, the terms "Oportun Financial Corporation," "Company," "Oportun," "we," "us," and "our" mean Oportun Financial Corporation and its subsidiaries unless the context indicates otherwise.

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

Board of Directors

The following biographical and certain other information for each of our directors is presented as of April 23, 2025:

Jo Ann Barefoot, age 75, has served as a member of our Board since October 2016, and her current term expires in 2026. Ms. Barefoot is CEO and Founder of the nonprofit organization AIR—the Alliance for Innovative Regulation, Co-founder of Hummingbird RegTech, CEO of Barefoot Innovation Group and host of the podcast show Barefoot Innovation. Ms. Barefoot was a Senior Fellow at the John F. Kennedy School of Government's Mossovar-Rahmani Center for Business and Government at Harvard University from July 2015 to June 2017. She serves on the Milken Institute FinTech Advisory Committee and previously served on the Consumer Advisory Board of the Consumer Financial Protection Bureau. Ms. Barefoot previously chaired the boards of directors of the Financial Health Network and FinRegLab and is still on the latter board. She previously served as Deputy Comptroller of the Currency, on the staff of the U.S. Senate Committee on Banking, Housing and Urban Affairs, as Co-Chair of the consulting firm Treliant Risk Advisors, as a Partner and Managing Director at KPMG Consulting and as Director of Mortgage Finance for the National Association of Realtors. Ms. Barefoot received a B.A. in English from the University of Michigan. We believe that Ms. Barefoot's deep understanding of consumer finance and experience in government provide her with a unique perspective that benefits our Board.

Mohit Daswani, age 50, has served as a member of our Board since February 2024, and his current term expires in 2026. He currently serves as the Chief Financial Officer of SimplePractice, a web-based electronic health record solution, since August 2024. Prior to joining SimplePractice, Mr. Daswani served as the Chief Financial Officer of ThoughtSpot, Inc., an AI-enabled business analytics company from January 2020 to July 2024. Prior to joining ThoughtSpot, Mr. Daswani was the Head of Finance & Strategy at Square, Inc. He previously held leadership roles in Corporate Development and Finance at PayPal, Inc. and was a private equity investor in the financial services, healthcare, and IT industries as a Principal at JMI Equity, a Principal at FTV Capital, and previously as a long-tenured private equity professional at J.P. Morgan. Mr. Daswani has also served as an advisory Board Member of Centana Growth Partners since 2018. Mr. Daswani holds a Bachelor's degree in Economics from Columbia University and an M.B.A. from the Harvard Business School. We believe Mr. Daswani is qualified to serve as a member of our Board because of his extensive experience in the financial and technology sectors, as well as his leadership experience in the areas of investing, finance and accounting.

Ginny Lee, age 58, has served as a member of our Board since September 2021, and her current term expires in 2027. From December 2016 to June 2021, Ms. Lee served as the President and Chief Operating Officer of Khan Academy, one of the largest and most widely used online learning platforms globally. Prior to Khan Academy, Ms. Lee spent more than 17 years at Intuit where she held multiple senior operational and technical roles, including Senior Vice President and General Manager of Intuit's Employee Management Solutions Division, as well as Chief Information Officer. She currently serves as an advisor and director for several private companies. Ms. Lee received dual baccalaureate degrees in Business Economics and Organizational Behavior and Management from Brown University and a M.B.A. from the Stanford Graduate School of Business. We believe that Ms. Lee's strong background of business, technology leadership roles and experience bringing products to market enable her to make valuable contributions to our Board.

Carlos Minetti, age 62, has served as a member of our Board since February 2024, and his current term expires in 2025. He currently serves as CEO of the Merchant Acquiring Limited Purpose Bank at Stripe Inc., a role he has held since October 2024. Previously, he served as the Executive Vice President, President—Consumer Banking for Discover Financial Services ("Discover"), a role he held from February 2014 to September 2023. Previously, he served as Executive Vice President, President—Consumer Banking and Operations (2010 to 2014), Executive Vice President, Cardmember Services and Consumer Banking (2007 to 2010) and Executive Vice President for Cardmember Services and Chief Risk Officer (2001 to 2007) for

Discover. Prior to joining Discover, Mr. Minetti worked in card operations and risk management for American Express Company from 1987 to 2000, where he last served as Senior Vice President. Mr. Minetti currently serves as a member of the board of directors of Trustmark Mutual Holding Company, the Better Business Bureau of Chicago and Northern Illinois, and the Ann & Robert H. Lurie Children's Hospital of Chicago Foundation. He was a member of the board of directors of Discover Bank from 2001 to 2023. Mr. Minetti holds a Bachelor's degree in Industrial Engineering from Texas A&M University and an M.B.A. from the Booth School of Business at The University of Chicago. We believe that Mr. Minetti's extensive experience in the consumer finance industry enables him to make valuable contributions to our Board.

Louis P. Miramontes, age 70, has served as a member of our Board since October 2014, and his current term expires in 2027. Mr. Miramontes is an experienced financial executive and qualified audit committee financial expert. He was a senior partner at KPMG LLP, a public accounting firm, from 1976 to September 2014, where he served in leadership functions, including Managing Partner of the KPMG San Francisco office and Senior Partner KPMG's Latin American Region. Mr. Miramontes was also an audit partner directly involved with providing audit services to public and private companies, which included serving with client boards of directors and audit committees regarding financial reporting, auditing matters, SEC compliance and Sarbanes-Oxley regulations. Mr. Miramontes currently serves on the board of directors of Lithia Motors, Inc. and a private company, and previously served on the board of directors of Rite Aid Corporation. Mr. Miramontes received a B.S. in Business Administration from California State University, East Bay, and he is a Certified Public Accountant in the State of California. We believe Mr. Miramontes is qualified to serve on our Board due to his professional experience and deep audit and financial reporting expertise.

Scott Parker, age 58, has served as a member of our Board since April 2024, and his current term expires in 2025. Currently, Mr. Parker serves as an Advisor to NationsBenefits, LLC and previously served as its Chief Operating and Chief Financial Officer from June 2022 to December 2024. Prior to NationsBenefits, Mr. Parker served as Executive Vice President and Chief Financial Officer of Ryder System, Inc. ("Ryder"), from April 2021 to June 2021. Prior to Ryder, Mr. Parker served as Executive Vice President and Chief Financial Officer of OneMain Holdings, Inc. ("OneMain"), from November 2015 to March 2019. Prior to OneMain, Mr. Parker served as Executive Vice President and Chief Financial Officer of CIT Group Inc., which was acquired by First Citizens BancShares, Inc., from 2010 to 2015. Since October 2022, Mr. Parker has served on the board of directors of DailyPay, Inc., where he is also the Chairman of its Audit and Risk Committee since November 2023. He also served on the board of directors of Feeding South Florida, a non-profit organization, from 2019 to 2022, where he served as Treasurer and as a member of the Finance Committee. Mr. Parker earned a B.S. in Agricultural Economics from Cornell University. We believe Mr. Parker is qualified to serve as a member of our Board because of his extensive leadership experience and background in financial services. On April 19, 2024, the Company entered into a letter agreement (the "Findell Agreement") with Findell Capital Management, LLC and certain of its affiliates (collectively, "Findell"). Pursuant to the Findell Agreement, on April 19, 2024, the Board increased the size of the Board from nine to ten directors and appointed Mr. Parker to serve on the Board as a Class III director, with a term expiring at the Company's 2025 annual meeting of stockholders.

Sandra A. Smith, age 54, has served as a member of our Board since September 2021, and her current term expires in 2026. From 2018 to April 2021, Ms. Smith served as the Chief Financial Officer of Segment.io ("Segment"), which was acquired by Twilio Inc ("Twilio"). Before joining Segment, Ms. Smith served as the Vice President, Finance at Twilio, from 2013 to 2018, and in various roles at Akamai Technologies, Inc. from 2003 to 2013. Ms. Smith currently serves as a director at several private companies. Ms. Smith holds a B.F.A. from the University of Michigan, an M.B.A. from Boston College Carroll Graduate School of Management, and a J.D. from Boston College Law School. We believe that Ms. Smith is qualified to serve on our Board due to her broad operational experience at high-tech companies and significant leadership experience in the areas of finance, accounting, and audit oversight.

Richard Tambor, age 63, has served as a member of our Board since June 2024, and his current term expires in 2027. Mr. Tambor previously served as the Executive Vice President and Chief Risk Officer at OneMain, from May 2014 to December 2022. Prior to OneMain, Mr. Tambor served as the Senior Vice President of Risk Management from 2011 to 2013, and as the Senior Vice President and Chief Risk Officer of Retail Financial Services from 2009 to 2011 at JPMorgan Chase & Co. Prior to joining JPMorgan, Mr. Tambor served as the Managing Director at Novantas LLC, from 2008 to 2009. Prior to Novantas LLC, Mr. Tambor served at American Express Travel Related Services Co., Inc. (parent organization of American Express) from 1987 to 2005, where he held several senior management positions, including President and General Manager, Senior Vice President and General Manager of Small Business Lending, Senior Vice President and Chief Risk Officer, Vice President Customer Management of Institutional Risk Management, and Vice President of Worldwide Authorizations. Mr. Tambor previously served as a member on the board of directors at several non-profit organizations, including Habitat for Humanity of Newark, New Jersey, the Cora Hartshorn Arboretum and Bird Sanctuary, and Count Me In for Women's Economic Independence. Mr. Tambor received a B.A. in Economics from The Hebrew University of Jerusalem, and an M.A. in Economics from New York University. We believe that Mr. Tambor's extensive experience and leadership in the consumer finance industry and risk management experience enable him to make valuable contributions to our Board. Pursuant to the Findell Agreement, the Board agreed to include Mr. Tambor on its director slate for election at the 2024 annual meeting of stockholders as a Class II director, with a term expiring at the 2027 annual meeting of stockholders.

Raul Vazquez, age 53, has served as our Chief Executive Officer and as a member of our Board since April 2012, and his current term expires in 2025. Prior to joining Oportun, Mr. Vazquez served in various positions since 2002 at Walmart.com and Walmart Inc., including three years as Chief Executive Officer of Walmart.com. Mr. Vazquez has served as member of the board of directors of Intuit Inc. since May 2016 and previously served as a director of Staples, Inc. from 2013 to 2016. In addition, Mr. Vazquez has served as a member of the Consumer Advisory Board of the CFPB and the Community Advisory Council of the Federal Reserve Board, where he also served as Chair. Mr. Vazquez received a B.S. and M.S. in Industrial Engineering from Stanford University and an M.B.A. from the Wharton Business School at the University of Pennsylvania. We believe Mr. Vazquez' experience in our industry, his role as our Chief Executive Officer, and his extensive insight to the Company enable him to make valuable contributions to our Board.

R. Neil Williams, age 72, has served as a member of our Board since November 2017, and his current term expires in 2025. Mr. Williams has served as Executive Vice President and Chief Financial Officer at Intuit Inc. from January 2008 to February 2018. Prior to joining Intuit, from April 2001 to September 2007, Mr. Williams served as Executive Vice President of Visa U.S.A., Inc. and from November 2004 to September 2007, he served as Chief Financial Officer. During the same period, Mr. Williams held the dual role of Chief Financial Officer for Inovant LLC, Visa's global IT organization. Mr. Williams previously served on the board of directors of RingCentral, Inc. from March 2012 to December 2024 and Amyris, Inc. from May 2013 to March 2020. His previous banking experience includes senior financial positions at commercial banks in the Southern and Midwestern regions of the United States. Mr. Williams, a certified public accountant, received his bachelor's degree in business administration from the University of Southern Mississippi. We believe that Mr. Williams's professional experience in the areas of finance, accounting, and audit oversight enables him to make valuable contributions to our Board.

Executive Officers

The following biographical information for our executive officers is presented as of April 23, 2025:

For the biography of **Mr. Vazquez**, see "*Board of Directors*" above.

Patrick Kirscht, age 57, has served as our Chief Credit Officer since October 2015, and previously served as our Vice President, Risk Management and Chief Risk Officer from October 2008 to October 2015 and our Senior Director, Risk Management from January 2008 to October 2008. Prior to joining Oportun, Mr. Kirscht was Senior Vice President of Risk Management for HSBC Card Services, Inc., the consumer credit card segment of HSBC Holdings, from 2007 to 2008. Mr. Kirscht joined HSBC Card Services in 2005 as part of HSBC's acquisition of Metris Companies Inc., a start-up mono-line credit card company. Mr. Kirscht joined Metris Companies in 1995, where he served as Vice President of Planning and Analysis until he moved to Risk

Management in 2004. Mr. Kirscht received a B.S. in Economics with a minor in Statistics, a B.S. in Business, and an M.B.A. from the University of Minnesota.

Kathleen Layton, age 45, has served as our Chief Legal Officer and Corporate Secretary since July 2023. She previously served as our Senior Vice President, Deputy General Counsel and Corporate Secretary from March 2020 to July 2023, as our Vice President, Assistant General Counsel from December 2017 to March 2020, and as our Senior Director, Senior Corporate Counsel from September 2015 to December 2017. Prior to joining Oportun, Ms. Layton was a Senior Corporate Counsel at ServiceNow and an attorney at Simpson Thacher & Bartlett LLP and McDermott Will & Emery LLP. Ms. Layton received a B.A. from the University of Wisconsin-Madison, and a J.D. from the University of Wisconsin Law School.

Family Relationships

There are no family relationships among any of our directors or executive officers.

Board Committees

Our Board maintains four standing committees: an audit and risk committee, a compensation and leadership committee, a credit risk and finance committee, and a nominating, governance and social responsibility committee. Our Board may establish other committees to facilitate the oversight of our business. The composition and functions of each committee are described below. Each of the committees operates pursuant to a written charter, available on our investor relations website (*http://investor.oportun.com/corporate-governance/governance-documents*). Members serve on these committees until their resignation or until otherwise determined by our Board.

	Audit and Risk Committee	Compensation and Leadership Committee	Credit Risk and Finance Committee	Nominating, Governance and Social Responsibility Committee
Jo Ann Barefoot(1)			M	M
Mohit Daswani(2)	M	M		
Ginny Lee		M		C
Carlos Minetti(3)			M	M
Louis P. Miramontes(4)	M	C		
Scott Parker(5)	M	M		
Sandra A. Smith	C		M	
Richard Tambor(6)			M	M
R. Neil Williams(7) L			C	

C—Committee Chair M—Committee Member L—Lead Independent Director

(1) Effective February 7, 2024, Ms. Barefoot was appointed as a member of the nominating, governance and social responsibility committee and ceased serving as a member of the audit and risk committee.

(2) Effective February 7, 2024, Mr. Daswani was appointed as a member of the audit and risk committee and the compensation and leadership committee.

(3) Effective February 7, 2024, Mr. Minetti was appointed as a member of the credit risk and finance committee and the nominating, governance and social responsibility committee.

(4) Effective February 7, 2024, Mr. Miramontes was appointed as a member of the compensation and leadership committee and ceased servicing as a member of the nominating, governance and social responsibility committee. Effective on June 26, 2024, Mr. Miramontes was appointed as the chair of the compensation and leadership committee.

(5) Effective April 19, 2024, Mr. Parker was appointed as a member of the audit and risk committee and the compensation and leadership committee.

(6) Effective June 26, 2024, Mr. Tambor was appointed as a member of the credit risk and finance committee and the nominating, governance and social responsibility committee.
(7) Effective November 4, 2023, Mr. Williams was appointed as the Lead Independent Director. On the same date, Mr. Williams was appointed as the chair of the credit risk and finance committee, stepped down as the chair of the audit and risk committee, and continued as a member of that committee. Effective May 15, 2024, Mr. Williams ceased serving as a member of the audit and risk committee.

Audit and Risk Committee

Sandra A. Smith (Chair)*+ **Mohit Daswani+** **Louis Miramontes+** **Scott Parker+** **Since November 2023* +Financial Expert **Met 9 times in 2024**	**Primary responsibilities:** • Oversee the integrity of Oportun's financial statements and Oportun's accounting and financial reporting process (both internal and external) and financial statement audits; • Oversee the qualifications and independence of the independent auditor; • Oversee the performance of Oportun's internal audit function and independent auditors; • Oversee finance matters; • Review and approve related-person transactions; • Oversee enterprise risk management; privacy and data security; and the auditing, accounting, and financial reporting process generally; and • Oversee Oportun's systems of internal controls, including the internal audit function. The Board has determined that each member of the Audit and Risk Committee satisfies the relevant SEC and Nasdaq independence requirements. The Board has determined that Mr. Daswani, Mr. Miramontes, Mr. Parker and Ms. Smith, as well as Ms. Barefoot and Mr. Williams, during their tenure on the audit and risk committee each qualifies as an "audit committee financial expert" as that term is defined under the SEC, and possesses financial sophistication, as defined under the Nasdaq listing standards.

Compensation and Leadership Committee

Louis Miramontes (Chair)* **Mohit Daswani** **Ginny Lee** **Scott Parker** Compensation and Leadership Committee Report page 33 **Since June 2024* **Met 5 times in 2024**	**Primary responsibilities:** • Oversee human resources, compensation and employee benefits programs, policies, and plans; • Oversee policies, strategies and initiatives relating to human capital management; • Review and advise on management succession planning and executive organizational development; • Review and approve the compensatory arrangements with our executive officers and other senior management; and • Approve the compensation program for Board members. For a description of the compensation and leadership committee's processes and procedures, including the roles of its independent compensation consultant and the CEO in support of the committee's decision-making process, see the section entitled "Executive Compensation" beginning on page 10.

Credit Risk and Finance Committee

R. Neil Williams (Chair)* **Jo Ann Barefoot** **Carlos Minetti** **Sandra A. Smith** **Richard Tambor** **Since November 2023* **Met 5 times in 2024**	**Primary responsibilities:** • Review the quality of Oportun's credit portfolio and the trends affecting that portfolio through the review of selected measures of credit quality and trends; • Oversee credit and pricing risk and monitors policy administration and compliance; • Monitor projected compliance with the covenants and restrictions arising under Oportun's financial obligations and commitments; • Assess funding, borrowing and lending strategies; and • Review potential financial transactions and commitments, including equity and debt financings, capital expenditures, and financing arrangements.

Nominating, Governance and Social Responsibility Committee

Ginny Lee (Chair)* **Jo Ann Barefoot** **Carlos Minetti** **Richard Tambor** **Since November 2022* **Met 4 times in 2024**	**Primary Responsibilities:** • Identify and recommend qualified candidates for election to the Board; • Oversee the composition, structure and size of the Board and its committees; • Oversee corporate governance policies and practices, including Oportun's Code of Business Conduct; • Oversee Oportun's strategies, policies, and practices relating to corporate sustainability and governance matters, responsible lending practices, government relations, charitable contributions and community development, human rights and other social and public policy matters; and • Oversee the annual Board performance self-evaluation process.

Code of Business Conduct and Corporate Governance Guidelines

Our Board has adopted a Code of Business Conduct and Corporate Governance Guidelines that apply to all our employees, officers and directors, including those officers responsible for financial reporting. The Code of Business Conduct and Corporate Governance Guidelines are available on our investor relations website (*http://investor.oportun.com/corporate-governance/governance-documents*). We intend to disclose any amendments to the Code of Business Conduct, or any waivers of its requirements, on our website to the extent required by the applicable rules and stock exchange requirements.

Compensation and Leadership Committee Interlocks and Insider Participation

None of the members of our compensation and leadership committee has ever been an officer or employee of the Company. In addition, none of our executive officers currently serve, or in the past fiscal year have served, as a member of the board of directors, compensation committee (or other board committee performing equivalent functions) of any entity that has one or more executive officers serving on our Board or on our compensation and leadership committee.

Insider Trading Policy

For information on the Company's Insider Trading Policy, see "*Insider Trading Policy*" and "*Hedging and Pledging Policies*" under Item 11 below.

Item 11. Executive Compensation

Named Executive Officers

The Company is a "smaller reporting company" under Item 10 of Regulation S-K promulgated under the Securities and Exchange Act of 1934, and the following compensation disclosure is intended to comply with the requirements applicable to smaller reporting companies. Although the rules allow the Company to provide less detail about its executive compensation program, the compensation and leadership committee is committed to providing the information helpful to stockholders in understanding the Company's executive compensation program. Accordingly, this section includes supplemental narratives that describe the executive compensation program for our named executive officers ("NEOs") during fiscal year 2024, who consisted of:

Raul Vazquez	Kathleen Layton	Patrick Kirscht
Chief Executive Officer ("CEO")	**Chief Legal Officer and Corporate Secretary ("CLO")**	**Chief Credit Officer ("CCO")**
Age: 53	Age: 45	Age: 57
Tenure: 13 years	Tenure: 9 years	Tenure: 17 years

2024 Financial Highlights

In 2024, we continued to take decisive actions to streamline the Company's product offerings, reduce costs and strengthen its capital position. Despite persistent inflation and elevated interest rates, we returned to profitability and delivered improved financial and operational results, demonstrating our progress and the impact of our initiatives.

Key financial highlights for 2024 include:

- A 23% year-over-year reduction in total operating expenses and a 20% decline in adjusted operating expenses
- Full year net loss of $79 million, an improvement of $101 million compared to 2023
- Adjusted Net Income of $29 million, an improvement of $100 million compared to 2023
- Adjusted EBITDA of $105 million, an increase of $86 million compared to 2023
- Portfolio yield of 33.5%, an increase of 125 basis points compared to 32.2% in 2023

Additionally, we took actions to optimize our business configuration and capital structure. We divested non-core business segments, including our credit card portfolio, to concentrate on our core personal loan, secured personal loan, and savings products. We also refinanced our corporate financing facility with a new $235 million Secured Term Loan, which improved our operational and balance sheet flexibility.

As we move forward with a clear strategic plan, we remain committed to delivering sustainable growth and maximizing shareholder value by maintaining a disciplined approach to lending, optimizing our operations, and driving long-term profitability—all while advancing our mission of providing responsible and affordable financial solutions for our members.

For a reconciliation of non-GAAP Adjusted Operating Expense to GAAP Operating Expense, non-GAAP Net Income to GAAP Net Income, and non-GAAP Adjusted EBITDA, refer to the Reconciliation on Non-GAAP Financial Measures section of this Amendment.

Oversight and Design of our Compensation Program

Compensation Philosophy and Objectives

We operate in a highly competitive and rapidly evolving market, and we expect competition among companies in our market to continue to increase. Our ability to compete and succeed in this environment is directly correlated with our ability to recruit, incentivize, and retain talented individuals.

We are guided by a clear set of guiding principles:

Primary Goals of our Executive Compensation Programs

Consistent with our principles, the primary goals of our executive compensation program are as follows:

- Attract, motivate and retain highly qualified and experienced executives who can execute our business plans in a fast-changing, competitive landscape.
- Recognize and reward our executive officers fairly for achieving or exceeding rigorous corporate and individual objectives.
- Align the long-term interests of our executive officers with those of our members and stockholders.

Elements of our 2024 Compensation Program

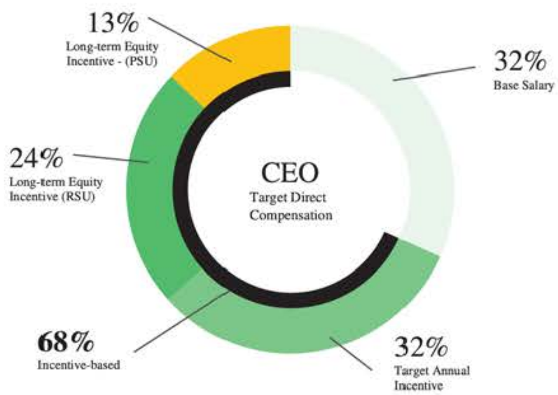
Element of Pay	Form of Compensation	Structure	Philosophy
Base Salary	*Cash*	• Initially set through arm's-length negotiation at the time of hiring, taking into account level of responsibility, qualifications, experience, salary expectations and competitive market data. • Base salaries are then reviewed on an annual basis by the compensation and leadership committee and salary adjustments may be made based on factors described below under *"Roles of the Compensation and Leadership Committee, Management and the Compensation Consultant."*	Base salary is designed to be a competitive fixed component that establishes a guaranteed minimum level of cash compensation to recognize and reward day-to-day contributions of our executive officers.
Annual Cash Incentive	*Cash*	• Annual cash incentive is based on a combination of financial and qualitative measures **Annual Cash Incentive** (1)  **80%** Corporate Performance Goals **20%** (2) Individual Goals **Total Revenue and Adjusted EBITDA** **100%**	The performance-based cash compensation was designed to reward the achievement of annual corporate performance relative to pre-established goals, as well as individual performance, contributions and strategic impact.
Long-term Equity Incentive	*Performance Based Restricted Stock Units (PSU)* *Restricted Stock Units (RSU)*	**50% PSUs** 3-year performance period; 3-year cliff vesting  **50% RSUs** 3-year ratable vesting; 1/3 per year	Long-term incentive compensation is an effective means for focusing our NEOs on driving increased stockholder value over a multi-year period and motivating them to remain employed with us.

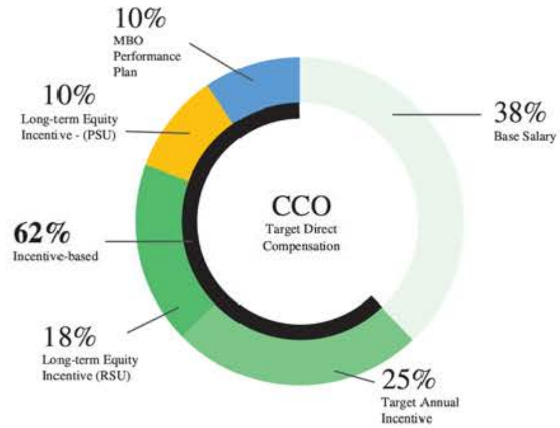
(1) Mr. Kirscht was also eligible to participate in our MBO Cash Performance Program, as further discussed below.
(2) For the NEOs, 75% on corporate performance and 25% on attainment of individual goals.

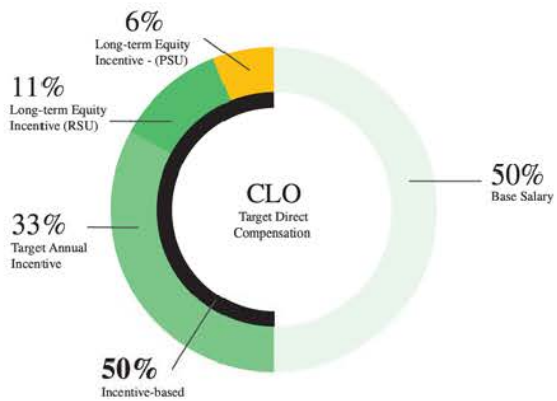
Fiscal 2024 Pay Mix

Each year, the compensation and leadership committee sets the key components of total compensation for executive officers: short-term cash (annual base salary and incentive award) and long-term equity incentives (PSUs and RSUs). Together, these elements comprise the executive's target total direct compensation. The target pay mix for fiscal 2024 for each NEO is shown below.

Our NEOs' 2024 target total direct compensation decision focuses on variable and "at-risk" compensation that is closely aligned with Company performance. As shown in the charts below, incentive-based compensation represents approximately 68% of CEO Mr. Vazquez's 2024 target total direct compensation, 62% for CCO Mr. Kirscht, and 50% for CLO Ms. Layton.







Compensation Governance Policies and Practices

The Company's executive compensation program is overseen by the compensation and leadership committee with the advice and support of the Company's independent compensation consultant as well as input from the Company's management team. We have adopted executive compensation practices that promote performance, accountability, and alignment with stockholders, while avoiding those we believe do not support the Company's and stockholders' long-term interests. The following summarizes those practices:

What We Do

- Design our executive compensation program so that a significant portion of the compensation for our NEOs is at risk based on the achievement of measures we believe drive the creation of long-term stockholder value
- Maintain individual employment arrangements with our executive officers
- Review our peer group on an annual basis
- Hold annual advisory non-binding stockholder vote to approve the compensation of our NEOs
- Retain an independent compensation consultant
- Stock ownership requirements for current Section 16 officers and directors
- Clawback policy for current Section 16 officers

What We Don't Do

- Allow hedging or pledging of Company securities
- Single trigger change in control severance benefits
- Excise tax "gross-ups" upon change in control
- Special benefit or retirement plans that are exclusive to the executive team

Roles of the Compensation and Leadership Committee, Management and the Compensation Consultant

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<tr>
<td>Role of the Compensation and Leadership Committee</td>
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The compensation and leadership committee is responsible for overseeing our compensation programs and policies, including our equity incentive plans. Our compensation and leadership committee operates under a written charter adopted and approved by our Board, under which our Board retains concurrent authority with our compensation and leadership committee to approve compensation-related matters.
Each year, the compensation and leadership committee reviews and approves compensation decisions as they relate to our NEOs and other senior executive officers, including our CEO. The compensation and leadership committee, with input from management and its independent consultant, conducts a baseline review of our compensation programs to ensure alignment with business needs and growth objectives. In this review, the independent compensation consultant is asked to provide a perspective on changing market practices as to compensation programs, with a particular focus on our identified peer group and other companies with whom we compete directly for talent, as discussed below under "Role of Compensation Consultants" and "Use of Competitive Market Data." Following this review, the compensation and leadership committee considers the recommendations of our CEO, as discussed below under "Role of Management." The compensation and leadership committee also manages the annual review process of our CEO, in cooperation with our lead director, in which all members of our Board are asked to participate and provide perspective, resulting in a compensation and leadership committee determination regarding individual compensation adjustments for our CEO. As part of this review of the compensation of our NEOs and other senior executive officers, the compensation and leadership committee considers several factors, including:

Our corporate growth and other elements of financial performance;
Individual performance and contributions to our business objectives;
The executive officer's experience and scope of duties;
The recommendations of our CEO and other members of our management team;
Retention risk;
Internal pay equity;
An executive officer's existing equity awards and stock holdings; and
Ensuring our incentive plans do not encourage undue risk-taking.

Our compensation and leadership committee relies on their judgment and extensive experience to establish an annual target total direct compensation opportunity for each NEO that they believe will best achieve the goals of our executive compensation program and our short-term and long-term business objectives. The compensation and leadership committee retains flexibility to review our compensation structure periodically as needed to focus on different business objectives.
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Role of Management	Our CEO works closely with the compensation and leadership committee in determining the compensation of our NEOs (other than his own) and other executive officers. Each year, our CEO evaluates the performance of our NEOs and other executives and provides the compensation and leadership committee with recommendations on compensation adjustments, promotions, bonus pool funding, goal attainment, and annual incentive payouts, except with respect to his own compensation. Our CEO also recommends corporate and individual performance goals for the annual incentive plan, aligned with our business plan and strategy, for approval by the compensation and leadership committee. He also advises on the size, timing, and terms of equity awards and new hire compensation packages. These recommendations from our CEO are often developed in consultation with finance and human resources members of his senior management team. In certain situations, the compensation and leadership committee may elect to delegate specific responsibilities to our CEO or a subcommittee, excluding any authority related to our executive officers. Our compensation and leadership committee has delegated to our CEO the authority to make employment offers to candidates at and below the senior vice president level without seeking the approval of the compensation and leadership committee, subject to certain parameters. In addition, our compensation and leadership committee has delegated to a subcommittee, currently made up of our CEO and CLO, the authority to approve certain equity grants to employees at and below the senior vice president level, subject to certain parameters approved by the compensation and leadership committee. At the request of the compensation and leadership committee, our CEO typically attends a portion of each compensation and leadership committee meeting, including meetings at which the compensation and leadership committee's compensation consultant is present. From time to time, various members of management and other employees, as well as outside legal counsel and consultants retained by management, attend compensation and leadership committee meetings to make presentations and provide financial and other background information and advice relevant to compensation and leadership committee deliberations. Our CEO and other NEOs do not participate in, and are not present during, any deliberations or determinations of our compensation and leadership committee regarding their compensation or individual performance objectives.

Role of Compensation Consultants	The compensation and leadership committee is authorized under its charter to retain external advisors—such as compensation consultants, legal counsel, and accounting experts—to assist in performance of its responsibilities. The compensation and leadership committee makes all determinations regarding the engagement, fees, and services of these external advisors, and any such external advisor reports directly to the compensation and leadership committee. During 2024, the compensation and leadership committee retained Willis Towers Watson as its independent compensation consultant to provide support and advisory services as it relates to our compensation program. Willis Towers Watson performs no other services for us other than its work for the compensation and leadership committee. Willis Towers Watson complied with the definition of independence under the Dodd-Frank Act and other applicable SEC and stock exchange regulations.

Use of Competitive Market Data

We strive to attract and retain top executive talent in a highly competitive market. To support this goal, the compensation and leadership committee annually reviews market data for each executive role, including compensation practices at comparable public companies.

In addition to using published survey data for similar sized technology companies, the compensation and leadership committee approved a peer group of comparable publicly-traded companies, developed with the assistance of Willis Towers Watson, to aid it in assessing the overall competitiveness of our executive compensation program and the key components of compensation under the program. The peer group was selected from publicly-traded companies with (i) similar industry focus (i.e., consumer finance) (ii) comparable company scope and size, or (iii) that have similar product offerings. Our compensation and leadership committee considered compensation data from the below-listed companies, which remained unchanged from last year. After the peer group was selected, CURO Group Holdings Corp. subsequently delisted from the New York Stock Exchange, which made it no longer appropriate for benchmarking purposes for the remainder of the fiscal year.

Atlanticus	Green Dot	MoneyLion	Regional Management	World Acceptance
CURO Group Holdings Corp.	LendingClub	OppFi	SoFi Technologies	
Enova International	LendingTree	PROG Holdings	Upstart Holdings	

Elements of Executive Compensation and 2024 Compensation Decisions

The key components of the target total direct compensation for each executive officer set by the compensation and leadership committee annually are annual base salary, short-term cash incentive compensation and long-term equity incentive compensation (PSUs and RSUs). The compensation and leadership committee generally positions total cash compensation and equity compensation in a way that the committee believes substantially links executive compensation to corporate performance and strikes a balance between our short-term and long-term strategic goals. A significant portion of our NEOs' target total direct compensation opportunity is comprised of "at-risk" compensation in the form of performance-based annual incentive opportunities and equity awards in order to align the NEOs' incentives with the interests of our stockholders and our corporate goals. The compensation and leadership committee believes that the target total direct compensation of our NEOs should be competitive within the markets in which we compete, while considering factors such as individual performance, company performance and any unique circumstances of the NEO's position based on that individual's responsibilities and market factors. We believe that this target will enable us to attract, motivate and retain the executive talent necessary to develop and execute our business strategy. The compensation and leadership committee reviews the compensation of our NEOs against our peer group, survey data sources, and other companies which we compete with for talent to provide a general assessment of the overall competitiveness of our executive compensation program. We also provide our NEOs with certain severance and change in control benefits, as well as other benefits generally available to all our employees, including retirement benefits under our 401(k) plan and participation in our employee benefit plans.

Base Salaries

Base salary is a fixed component of pay intended to recognize and reward the day-to-day contributions of our executive officers. Base salaries are initially set at the time of hiring, taking into account level of responsibility, qualifications, experience, salary expectations and market data. Base salaries are then reviewed on an annual basis by the compensation and leadership committee. The table below reflects changes in our NEOs' salaries from the prior year.

Executives	2023 Annual Base Salary ($)	2024 Annual Base Salary ($)[1]	Change (%)
Raul Vazquez	595,000[2]	595,000	—
Kathleen Layton	375,000[3]	390,000	4.0
Patrick Kirscht	473,509	485,346	2.5

(1) The base salary amount for each of our NEOs is approved by the compensation and leadership committee.

(2) In connection with certain operating expense reduction efforts by the Company, Mr. Vazquez voluntarily requested a 15% reduction of his annual base salary, effective November 11, 2023, which was reduced from

$700,000 to $595,000 on an annualized basis. The voluntary reduction remained in effect for fiscal year 2024.

(3) Ms. Layton's salary was increased on July 15, 2023 in connection with her promotion to Chief Legal Officer.

Annual Incentive Plan

Each of our NEOs participated in our annual incentive plan for 2024. This performance-based cash compensation was designed to reward the achievement of annual corporate performance relative to pre-established goals, as well as individual performance, contributions and strategic impact.

The compensation and leadership committee established target annual incentive awards for each executive officer, denominated as a percentage of base salary, which were set at the same percentages of base salary for 2024 as in 2023 and 2022.

	2024 Target Annual Incentive Award Opportunity	
	Target Award ($)	Percentage of Base Salary (%)
Raul Vazquez	595,000	100
Kathleen Layton	253,500	65
Patrick Kirscht	315,475	65

For 2024, the compensation and leadership committee approved the corporate performance goals of Adjusted EBITDA and total revenue and their respective weightings set forth below. Our compensation and leadership committee believes these are the appropriate drivers for our business as they provide a balance between growth and profitability and encourage operating efficiency. Our Adjusted EBITDA and total revenue performance metrics allow the compensation and leadership committee to accurately assess the Company's effectiveness, productivity and efficiency, while evaluating comparative results period-over-period. Please refer to the Reconciliation on Non-GAAP Financial Measures section of this Amendment for the Company's definition of Adjusted EBITDA. For each corporate performance goal, target achievement was set in accordance with our annual operating plan, with potential bonus funding ranging from 0% to 150% of target, on a sliding scale. The total revenue performance metric had a threshold payout of 50% at 90% achievement of target, while the Adjusted EBITDA performance metric had a threshold payout of 50% at 85% achievement of target.

In 2024, the annual incentive awards were weighted 75% on corporate performance and 25% on attainment of individual goals for all of our NEOs, except for our CEO. The annual incentive award for our CEO was weighted 80% on corporate performance and 20% on attainment of individual goals. Individual goal achievement for each NEO's performance was determined by the compensation and leadership committee.

Our actual 2024 performance included several achievements and was largely in line with our expectations. The following provides additional information regarding the corporate goals under our Annual Incentive Plan.

Corporate Financial Metric & Weighting		Performance Schedule[1] Threshold ($)	Target ($)	Maximum ($)	Actual ($)	Percent attainment (%)
 Total Revenue and Adjusted EBITDA	Total Revenue (consolidated) (25%)	930.6M	1,034M	1,137.4M	1,001.8M	84.4%
	Adjusted EBITDA (75%)	87.9M	103.4M	118.9M	104.5M	103.7%
Total Corporate Attainment						**98.9%**

(1) Attainment percentage between threshold, target, and maximum performance levels is determined based on a sliding-scale interpolation.

For a reconciliation of non-GAAP Adjusted EBITDA, refer to the Reconciliation on Non-GAAP Financial Measures section of this Amendment. For more information about our business, please see "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Original Form 10-K.

Individual annual incentive award goals and achievement for our NEOs vary depending on our strategic corporate initiatives and each executive officer's responsibilities. While not exhaustive, below are certain key factors that the compensation and leadership committee, in consultation with our CEO, considered when determining the individual component of each 2024 annual incentive award. The compensation and leadership committee recognized the significant progress made in improving overall results compared to the prior year. Despite ongoing macroeconomic challenges, the initiatives implemented in 2024, including strengthening business economics, streamlining operations and optimizing our capital structure have led to stronger financial performance, enhanced operational efficiency, and improved credit outcomes. The compensation and leadership committee determined that our NEOs played a critical role in driving these positive developments, ensuring Oportun remained on a trajectory for sustainable, profitable growth and long-term stockholder value creation. The compensation and leadership committee recognized the individual accomplishments of the NEOs, including:

- Improving credit performance by enhancing credit models, underwriting standards, and strengthening borrower profiles, resulting in lower delinquency rates and lower charge-offs;
- Increasing portfolio yield by 125 basis points, enhancing profitability;
- Leading efforts to streamline operations by focusing on our core lending and savings products, including the successful execution of the sale of our credit card portfolio;
- Supporting the successful refinancing of our corporate financing facility in addition to multiple key funding arrangements leading to increased warehouse capacity, enhanced balance sheet and operating flexibility and positioning Oportun for long-term success;
- Strengthening regulatory and compliance frameworks through adaptability and responsiveness in a complex and evolving regulatory landscape; and
- Providing strategic leadership that directly contributed to the achievement of key business milestones and financial objectives.

As a result of the compensation and leadership committee's performance review, the following annual incentive awards were paid to each of our NEOs for 2024:

	Target Bonus ($)	Bonus Payout (% of Target)	Bonus Amount ($)
Raul Vazquez	595,000	103.6	616,658
Kathleen Layton	253,500	105.4	267,252
Patrick Kirscht	315,475	101.7	320,759

Management by Objectives ("MBO") Cash Performance Program

In 2023, our compensation and leadership committee approved a one-time MBO cash performance award program for select then serving C-Suite executives, excluding the CEO, which commenced in 2024.

The MBO Cash Performance Program operates independently from our annual incentive awards, though both are aligned in driving overall financial and operational success. The MBO Cash Performance Program is intended to emphasize individual strategic objectives that are critical to each executive's function and are tailored to drive long-term value creation and align with our broader goals.

Under the program, MBOs will be established annually for three years (2024, 2025, 2026). Each equal annual installment is contingent upon the achievement of pre-established MBOs specific to the executive's role and remains subject to the executives' continued service. By tying payouts to both time-based vesting and performance-based milestones, this structure enhances retention while ensuring sustained focus on key business initiatives.

Mr. Kirscht is the only NEO participating in the MBO Cash Performance Program. Under the MBO, Mr. Kirscht had the opportunity to earn an award of up to $125,000 (payable in March 2025), if certain goals and objectives were attained by December 31, 2024. A portion of the MBO Cash Performance award was eligible to be received for partial achievement of any goal.

Mr. Kirscht's 2024 performance goals consisted of credit performance, origination and loan quality targets derived from our annual operating plan, and weighted at 55%, 30% and 15% respectively. Our compensation and leadership committee approved a 100% achievement payout award to Mr. Kirscht for 2024, based on the attainment of all performance goals.

Long-Term Incentive Compensation

Our compensation and leadership committee believes long-term incentive compensation effectively aligns executive and stockholder interests, driving sustained value creation. The program is designed to promote retention, support recruitment of key talent, and reward performance that maximizes long-term stockholder returns.

In 2024, our long-term incentive program provided for the delivery of long-term incentive awards through a combination of the following two award vehicles:

LTI Vehicle	Vesting Terms	Weighting
Performance-based Restricted Stock Units (PSUs)	A three-year performance period covering calendar years 2024 through 2026; three-year cliff vesting following the completion of the performance period	Approximately 50% of total target award
Restricted Stock Units (RSUs)	RSUs vest in three equal annual installments from the vesting commencement date of March 10, 2024, subject to continued employment	Approximately 50% of total target award

The PSU award is designed to reward executives for absolute total shareholder return as measured by the Company's stock price appreciation and any declared dividends. We use absolute total shareholder return as the sole performance metric for the award because the compensation and leadership committee believes it is the ultimate measure of the Company's achievement for its stockholders over the long term. The PSUs have both upside potential and downside risk based on positive or negative absolute total shareholder return performance. Vesting of the 2024-2026 PSU award cycle occurs on March 10, 2027, following the end of the three-year performance period, which is December 31, 2026, and is subject to the executive's continued employment. Vesting is dependent upon meeting a three-year threshold level of absolute total shareholder return, and participants are eligible to earn up to 125% of their target award. Any PSUs that vest in excess of the 100% target number of units (the "Upside Units"), may be paid out via a cash payment with respect to some or all of the Upside Units, in an amount equal to the fair market value of the underlying shares as of the vesting date.

The following table reflects potential performance and payout percentages for the 2024 PSU awards, which remain the same as the 2023 PSU awards. Performance between these points will be linearly interpolated.

TSR Global	Percent That Become Eligible Units	Corresponding Average Closing Stock Prices
If Company TSR is achieved at . . .	*. . . Then the percentage of the Target Number of Performance-Based Restricted Stock Units that become Eligible Units is:*	*The applicable average closing prices of our common stock for each of the twenty (20) trailing consecutive trading days ending with, and inclusive of, the measurement date would need to reach:*
125% or greater	125%	$13.61
100%	100%	$12.10
75%	75%	$10.59
50%	50%	$9.08
25%	25%	$7.56
Less than 25%	0%	< $7.56

Stock-based compensation cost for the PSUs is measured based on the estimated fair value of the PSUs granted using a Monte Carlo simulation. The fair value is then amortized ratably over the requisite service period of the awards. The fair value for PSUs achieved over 100% of target are recognized as a liability and will be revalued as needed throughout the service period.

A summary of our PSU activity under the 2019 Plan for the year ended December 31, 2024 is as follows:

	PSUs Outstanding	Weighted Average Grant-Date Fair Value ($)
Balance—January 1, 2024	327,668	1.33
Granted	501,419	1.57
Vested	—	—
Forfeited	151,414	1.46
Balance—December 31, 2024	677,673	1.48

For fiscal year 2024, we recognized approximately $284,050 in compensation cost related to nonvested PSU awards granted to employees in our condensed consolidated statements of operations. As of December 31, 2024, we had approximately $707,668 in unrecognized compensation cost related to nonvested PSU awards granted to employees, which will be recognized over a weighted average vesting period of approximately 1.81 years.

Employment and Change in Control Arrangements

We have entered into at-will employment offer letters with each of our NEOs that were approved by the compensation and leadership committee and our Board. In addition, we provide each NEO with the opportunity to receive certain severance payments and benefits in the event of a termination of employment under certain circumstances, including in connection with a change of control. The compensation and leadership committee generally believes that the severance protection payments and benefits we offer are necessary to provide stability among our executive officers, serve to focus our executive officers on our business operations, and avoid distractions in connection with a potential change in control transaction or period of uncertainty.

For additional information on the employment arrangements and potential post-employment payments to our NEOs, see "*Employment, Severance, and Change in Control Agreements*" and "*Potential Payments and Benefits Upon Termination or Change in Control*" below.

401(k) Plan and Employee Benefits

During 2024, all full-time employees in the United States employed by Oportun, including the NEOs, were eligible to participate in the Company's 401(k) plan, a tax qualified retirement plan. Other than the 401(k) plan, we do not provide defined benefit pension plans or defined contribution retirement plans to the NEOs or other employees.

We also offer a number of benefit programs to our full-time employees, including our NEOs, in the United States. These benefits include medical, vision and dental insurance, health and dependent care flexible spending accounts, wellness programs, charitable donation matching, short-term and long-term disability insurance, accidental death and dismemberment insurance, basic life insurance coverage, and business travel insurance. Full-time and part-time employees in the United States are eligible to receive paid parental leave.

Stock Ownership Guidelines

In April 2022, the compensation and leadership committee adopted stock ownership guidelines for our executive officers and non-employee directors to further align their interests with our stockholders. Under these guidelines, each participant is required to own shares of our common stock with value of at least the following:

Position	Ownership Requirement
CEO	6x annual base salary
Other Section 16 officers	3x annual base salary
Non-employee directors	5x annual cash retainer

Covered executives are expected to meet the required ownership level within five years of the later of the initial adoption of the policy or hire or promotion into a covered executive role. Non-employee directors are expected to meet the required ownership level within five years of the appointment date. Further, executives and non-employee directors must hold at least 50% of any net after-tax shares realized from equity award vesting or exercise until the guideline has been met. Shares held outright and unvested RSUs that are subject to only a time-vesting condition count towards the ownership threshold but shares underlying options and unearned performance-vesting shares do not.

Compensation Clawback

In April 2022, the compensation and leadership committee approved a discretionary executive clawback policy which applies to our Section 16 officers. Our discretionary clawback policy provides that if (i) the Company is required to restate its financial statements filed pursuant to the Exchange Act as a result of a material error in the financial statement, (ii) such restatement is due to the gross negligence or intentional misconduct of a clawback officer (as determined by the compensation and leadership committee), (iii) the amount of any cash-based incentive paid to or payable to such clawback officer that was determined based on the achievement of financial or operating results would have been less if such financial statements had been correct at the time of determination, and (iv) no more than three years have elapsed from the filing date of such financial statements upon which such incentive compensation was determined, then the Company shall recoup from such clawback officer an amount equal to such excess cash incentive compensation through such means as the compensation and leadership committee determines in accordance with the policy.

In addition to the above-described discretionary clawback policy, in November 2023, the compensation and leadership committee adopted a separate mandatory incentive-based executive clawback policy which applies to our current and former executive officers, on or after October 2, 2023. Our mandatory clawback policy provides for the recoupment of certain executive compensation, regardless of whether the executive officer was at fault, including but not limited to short- and long-term incentive-based compensation, in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under U.S. federal securities laws, consistent with SEC regulations effective in 2023. Under the policy, if an accounting restatement occurs, the Company is required to recover any incentive-based compensation received by an executive officer that exceeds what would have been earned under the restated financial statements. The compensation and leadership committee administers the policy, determining the amount to be recovered and overseeing the repayment process in accordance with the policy. Recovery methods may include direct reimbursement, offsetting against future compensation, cancellation of equity awards, or other legally permissible actions. Exceptions to the policy are limited and apply only if recovery would be impracticable, such as when enforcement costs exceed the recoverable amount, or recovery would violate applicable laws.

Insider Trading Policy

We are committed to promoting high standards of ethical business conduct and compliance with applicable laws. As part of this commitment, we have established an insider trading policy, governing the purchase, sale, and/or other disposition of our securities by our directors, officers and employees, as well as their family members and entities controlled by them, that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the exchange listing standards applicable to us. A copy of our insider trading policy was filed as an Exhibit to our Original Form 10-K. We comply with insider trading laws, rules and regulations and any applicable listing standards in any transactions involving our own securities.

Hedging and Pledging Policies

Our insider trading policy prohibits, among other things, all employees and non-employee directors from engaging in short sales or transactions in publicly-traded options (such as puts and calls) and other derivative securities relating to our common stock, hedging or similar transaction designed to decrease the risks associated with holding our securities, pledging any of our securities as collateral for a loan, and holding any of our securities in a margin account.

Practices and Policies Related to the Grant of Certain Equity Awards

While our Long-Term Incentive Compensation plan allows for the granting of stock options, stock appreciation rights, and similar option-like awards, we have not awarded stock options, stock appreciation rights, or similar option-like awards in recent years to our executive officers or directors, and there were no stock options granted to or exercised by our executive officers or directors in fiscal years 2024 or 2023. Instead, long-term equity incentives are delivered through our PSUs and RSUs, which we believe better aligns with our pay-for-performance philosophy. Should the compensation and leadership committee determine that the award of stock options or similar option-like awards support our objectives in the future, grants will be made following a structured process aligned with our established equity grant policies and timing considerations.

It is the general practice and policy of our compensation and leadership committee not to grant stock options or similar awards to executive officers or directors in anticipation of the release of material nonpublic information that is likely to result in changes to the price of our common stock and not to time the public release of such information based on stock option grant dates. Additionally, it is our general practice and policy not to grant stock options or similar awards (i) outside of "trading windows" established in accordance with our insider trading policy; or (ii) at any time during the four business days prior to or the one business day following the filing of our periodic reports or the filing or furnishing of a Form 8-K that discloses material nonpublic information. The foregoing restrictions do not apply to RSUs or other types of equity awards that do not include an exercise price related to the market price of our common stock on the grant date. As a general practice, our executive officers, directors, and employees are not permitted to choose the grant date applicable to their individual equity awards. Annual grants (excluding one-time awards that may be made in unique circumstances, such as upon joining the Company or as a retention incentive) are generally made at a meeting of the compensation and leadership committee that is held during the first half of each fiscal year.

In accordance with these practices and policies, during the fiscal year ended December 31, 2024, none of our NEOs were awarded stock options with an effective grant date during any period beginning four business days before the filing or furnishing of a Form 10-Q, Form 10-K, or Form 8-K that disclosed material nonpublic information and ending one business day after the filing or furnishing of such reports. During 2024, we have not timed the disclosure of material nonpublic information for the purpose of affecting the value of executive compensation.

Compensation Risk Assessment

The compensation and leadership committee has reviewed our compensation programs to assess whether they encourage our employees to take excessive or inappropriate risks. After reviewing and assessing our compensation philosophy, policies and practices, including the mix of fixed and variable, short-term and long-term incentives and overall pay, incentive plan structures, and the checks and balances built into, and oversight of, each plan and practice, the compensation and leadership committee has determined that any risks arising from our compensation programs are not reasonably likely to have a material adverse effect on the Company.

Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code generally places a $1 million limit on the amount of compensation a publicly-held company can deduct for U.S. federal tax purposes in any tax year on compensation paid to "covered employees." The compensation and leadership committee retains discretion to award compensation amounts which are not tax-deductible if it determines that such compensation is consistent with our business needs and considers tax implications, including deductibility, as one of several factors in making compensation decisions.

Taxation of Parachute Payments and Deferred Compensation

We do not provide, and have no obligation to provide, any executive officer, including any NEO, with a "gross-up" or other reimbursement payment for any tax liability that he or she might owe as a result of the application of Section 280G, 4999, or 409A of the Code. Sections 280G and 4999 of the Code provide that executive officers and directors who hold significant equity interests and certain other service providers may be subject to an excise tax if they receive payments or benefits in connection with a change of control that exceed certain limits prescribed by the Code, and that the employer may be unable to take a deduction on the amounts subject to this additional tax.

Summary Compensation Table

The following table provides information regarding the compensation awarded to, earned by or paid to our NEOs for the years ended December 31, 2024, 2023, and 2022:

	Year	Salary(1) ($)	Bonus ($)	Stock Awards(3) ($)	Option Awards(3) ($)	Non-Equity Incentive Plan Compensation(4) ($)	All Other Compensation(5) ($)	Total ($)
Raul Vazquez(6)(7)	2024	595,000	—	682,444	—	616,658	—	1,894,102
Chief Executive Officer	2023	687,885	—	746,007	—	225,680	34,963	1,694,535
	2022	683,836	—	2,650,738	875,005	525,000	31,345	4,765,924
Kathleen Layton	2024	387,173	—	136,491	—	267,252	—	790,917
Chief Legal Officer and Corporate Secretary	2023	356,216	95,175(2)	371,545	—	47,795	15,362	886,093
Patrick Kirscht	2024	483,115	—	360,845	—	445,759	—	1,289,720
Chief Credit Officer	2023	473,509	—	208,704	—	121,881	39,819	843,913
	2022	469,176	—	1,136,034	375,008	234,682	38,949	2,253,849

(1) The salary amounts in this column reflect the blended salary paid, which takes into account any salary increases or decreases effective during the year, if any. These amounts have been adjusted to reflect the blended salary paid and may deviate an immaterial amount from the previously reported salaries.

(2) The amount reported represents an annual bonus paid to Ms. Layton during the course of 2023, prior to her promotion to Chief Legal Officer. At the time, the bonus for non-executive employees was not based on

pre-established performance criteria and therefore is not included in Non-Equity Incentive Plan Compensation.

(3) These columns reflect the aggregate grant date fair value of stock options, RSUs, and PSUs measured pursuant to FASB ASC 718 without regard to forfeitures and assuming the probable level of achievement for all PSUs. We value time-based RSUs based on the closing market price of our common stock reported on Nasdaq on the grant dates. We value PSUs using the Monte Carlo simulation pricing model. In 2024, Messrs. Vazquez and Kirscht and Ms. Layton were granted PSUs having the following grant date fair values: $239,695 for Mr. Vazquez, $126,740 for Mr. Kirscht and $47,940 for Ms. Layton. The value of the PSUs at the grant date assuming that the highest level of performance conditions will be achieved is $299,617 for Mr. Vazquez, $158,425 for Mr. Kirscht and $59,924 for Ms. Layton. In 2023, Messrs. Vazquez and Kirscht were granted PSUs having the following grant date fair values: $234,560 for Mr. Vazquez and $65,621 for Mr. Kirscht. The value of the PSUs at the grant date, assuming the highest level of performance conditions will be achieved is $293,200 for Mr. Vazquez and $82,026 for Mr. Kirscht. The actual number of PSUs, if any, that may be earned range from 0% to 125% of the target number of units. The Upside Units, may be paid out via a cash payment with respect to some or all of the Upside Units, in an amount equal to the fair market value of the underlying shares as of the vesting date, subject to the terms of the 2019 Equity Incentive Plan and the PSU Award Agreement. For additional information on the assumptions used in calculating the grant date fair value of these awards see Note 2 and Note 11 to our Notes to the Consolidated Financial Statements included on our Original Form 10-K, as well as "*Elements of Executive Compensation and 2024 Compensation Decisions—Long-Term Incentive Compensation*" above. These amounts in this column may not reflect the actual economic value that may be realized by the NEO. For additional information regarding our long-term incentive program, see "*Elements of Executive Compensation and 2024 Compensation Decisions—Long-Term Incentive Compensation*" above.

(4) The amounts represent the bonuses paid under our annual incentive plan. For Mr. Kirscht, the amount also includes the bonus paid under our MBO Cash Performance Program.

(5) The amounts reported include the cash value of Oportun's match of our NEO's contributions to the 401(k) plan in 2022 and 2023, matching charitable contributions made by Oportun in 2022 and 2023 pursuant to the Company's charitable match program, certain life insurance premium payments, and certain medical insurance and disability insurance payments. No 401(k) matching contributions were provided to the NEOs for 2024.

(6) Mr. Vazquez serves on our Board but is not paid additional compensation for such service.

(7) Mr. Vazquez' base salary was voluntarily decreased from $700,000 to $595,000, effective November 11, 2023.

Grants of Plan-Based Awards in Fiscal Year 2024

The following table provides information regarding each grant of a plan-based award made to an NEO under any plan in the year ended December 31, 2024:

	Type of Award	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards[(1)] Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares or Units (#)	Grant Date Fair Value of Stock Awards[(2)] ($)
Raul Vazquez	Annual incentive award	3/17/2025	100,406	595,000	743,750	—	—	—	—	—
	PSU	6/14/2024	—	—	—	38,168	152,672	190,840	—	239,695
	RSU	6/14/2024	—	—	—	—	—	—	152,672	442,749
Kathleen Layton	Annual incentive award	3/10/2025	42,778	253,500	316,875	—	—	—	—	—
	PSU	6/14/2024	—	—	—	7,633	30,535	38,168	—	47,940
	RSU	6/14/2024	—	—	—	—	—	—	30,535	88,551
Patrick Kirscht	Annual incentive award	3/10/2025	53,236	315,475	394,343	—	—	—	—	—
	MBO award	1/29/2025	—	125,000	—	—	—	—	—	—
	PSU	6/14/2024	—	—	—	20,181	80,726	100,907	—	126,740
	RSU	6/14/2024	—	—	—	—	—	—	80,726	234,105

(1) The target amounts shown in the column reflect the annual cash incentive compensation for which the executive was eligible to receive under our annual incentive plan or MBO award program, respectively. Threshold amounts for the annual incentive plan represent 50% attainment of the total revenue corporate performance metric and 0% attainment for the remaining corporate performance and individual goals metrics. The MBO award program does not contain a minimum threshold.

(2) This column reflects the aggregate grant date fair value of the RSU awards and PSU awards, assuming the probable level of achievement, measured pursuant to FASB ASC 718, without regard to forfeitures. The assumptions used in calculating the grant date fair value of these awards are set forth in Note 2 and Note 11 to our Notes to the Consolidated Financial Statements included in our Original Form 10-K, as well as "*Elements of Executive Compensation and 2024 Compensation Decisions—Long-Term Incentive Compensation*" above. These amounts do not reflect the actual economic value that may be realized by the NEO.

Annual Incentive Plan

Each of our NEOs was eligible to participate in our annual incentive plan for 2024. For additional discussion regarding the criteria applied in determining the amounts payable under the Annual Incentive Plan, please see *"Executive Compensation—Annual Incentive Plan."*

MBO Cash Performance Program

Mr. Kirscht was the only NEO eligible to participate in our MBO Cash Performance Program for 2024. For additional discussion regarding the criteria applied in determining the amounts payable under the MBO Cash Performance Program, please see *"Executive Compensation—MBO Cash Performance Program."*

Outstanding Equity Awards at 2024 Fiscal Year End

The following table provides information with respect to all outstanding stock options and RSUs held by our NEOs as of December 31, 2024. See "*Employment, Severance, and Change in Control Agreements*" and "*Potential Payments and Benefits Upon Termination or Change in Control*" below for information regarding the impact of certain employment termination scenarios on outstanding equity awards.

		Option Awards				Stock Awards			
Name	**Award Grant Date[1]**	**Number of Securities Underlying Unexercised Options - Unexercisable[2] (#)**	**Number of Securities Underlying Unexercised Options - Exercisable[3] (#)**	**Option Exercise Price ($/sh)**	**Option Expiration Date**	**Number of Shares or Units That Have Not Vested (#)**	**Market Value of Shares or Units That Have Not Vested[5] ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested[5] ($)**
Raul Vazquez . . .	9/29/2015	—	3,741	26.73	9/28/2025	—	—	—	—
	11/30/2016	—	145,453	19.69	11/29/2026	—	—	—	—
	6/28/2019	—	140,551	18.04	6/27/2029	—	—	—	—
	3/10/2020[6]	—	193,364	19.00	3/9/2030	—	—	—	—
	3/10/2021[6]	4,510	67,626	21.26	3/9/2031	—	—	—	—
	3/10/2021	—	—	—	—	10,290[4]	39,925	—	—
	3/25/2022	34,860	76,688	13.39	3/24/2032			—	—
	3/25/2022	—	—	—	—	98,982[4]	384,050	—	—
	12/6/2023	—	—	—	—	117,575[8]	456,191	—	—
	12/6/2023	—	—	—	—	—	—	44,090[10]	171,069
	6/14/2024	—	—	—	—	152,672[9]	592,367		
	6/14/2024	—	—	—	—	—	—	38,168[11]	148,092
Kathleen Layton	12/21/2016	—	8,522	19.69	12/20/2026	—	—	—	—
	11/29/2017	—	4,022	24.86	11/28/2027	—	—	—	—
	3/29/2018	—	3,935	25.41	3/28/2028	—	—	—	—
	3/10/2020[6]	—	9,164	19.00	3/9/2030	—	—	—	—
	3/10/2021	—	—	—	—	836[4]	3,244	—	—
	3/10/2021[6]	367	5,490	21.26	3/9/2031	—	—	—	—
	3/10/2022	—	—	—	—	5,113[4]	19,838	—	—
	3/10/2022[6]	5,402	11,881	13.26	3/9/2032	—	—	—	—
	9/10/2023	—	—	—	—	27,077[4]	105,059	—	—
	10/25/2023	—	—	—	—	9,350[4]	36,278	—	—
	6/14/2024	—	—	—	—	30,535[9]	188,476	—	—
	6/14/2024	—	—	—	—	—	—	7,633[11]	29,616
Patrick Kirscht	9/29/2015	—	54,545	26.73	9/28/2025	—	—	—	—
	11/30/2016	—	45,453	19.69	11/29/2026	—	—	—	—
	6/28/2019	—	70,275	18.04	6/27/2029	—	—	—	—
	3/10/2020[6]	—	82,871	19.00	3/9/2030	—	—	—	—
	3/10/2021[6]	1,933	30,916	21.26	3/9/2031	—	—	—	—
	3/10/2021	—	—	—	—	4,410[4]	17,111	—	—
	3/25/2022	14,941	47,807	13.39	3/24/2032	—	—	—	—
	3/25/2022	—	—	—	—	42,421[4]	164,593	—	—
	12/6/2023	—	—	—	—	32,893[8]	127,625	—	—
	12/6/2023	—	—	—	—	—	—	12,334[10]	47,856
	6/14/2024	—	—	—	—	80,726[9]	313,217	—	—
	6/14/2024	—	—	—	—	—	—	20,181[11]	78,302

(1) Awards with a grant date after July 31, 2015, but on or prior to September 26, 2019, were granted under our 2015 Stock Option/Stock Issuance Plan. Awards with a grant date after September 26, 2019 were granted under our 2019 Equity Incentive Plan.

(2) Each option grant provides for a four-year vesting schedule, with one-fourth of the underlying shares vesting on the one-year anniversary of the vesting commencement date, and the balance vesting in equal monthly installments over the remaining 36 months, in each case subject to the executive's continued service through the applicable vesting date. Except with respect to stock options granted under our 2019 Equity Incentive Plan, options are exercisable immediately following grant, also known as "early exercisable," and unvested shares purchased on an early exercise are subject to a repurchase right in our favor on termination of employment that lapses along the same vesting schedule as contained in the option grant. This column reflects the number of unexercised options that were unvested as of December 31, 2024.

(3) This column reflects the number of shares subject to unexercised options that were vested as of December 31, 2024.

(4) The RSUs will vest over a four-year period with one-fourth of the RSUs vesting on each one-year anniversary of the vesting commencement date, subject to the executive's continued service on each such vesting date. There is no performance-based vesting condition associated with such RSUs.

(5) Represents the number of unvested shares underlying RSUs or PSUs multiplied by the per share fair market value of our common stock as of December 31, 2024, based on the closing price of our common stock of $3.88 per share.

(6) Stock options granted under our 2019 Equity Incentive Plan are not early exercisable.

(7) Includes "pull-forward" grants awarded in September 2020 where the grant pulled forward 50% of the annual grant value that otherwise would have been awarded as part of the annual review process in March 2021, with the remainder issued as awards of stock options and RSUs in March 2021.

(8) The RSUs will vest in 3 equal annual installments from the vesting commencement date of March 10, 2023, subject to the executive's continued service on each vesting date. There is no performance-based vesting condition associated with such RSUs.

(9) The RSUs will vest in 3 equal annual installments from the vesting commencement date of March 10, 2024, subject to the executive's continued service on each vesting date. There is no performance-based vesting condition associated with such RSUs.

(10) These amounts represent PSU grants, assuming an achievement level at threshold. The actual number of PSUs, if any, that may be earned range from 0% to 125% of the target number of units. Any PSUs that vest in excess of the Upside Units, may be paid out in cash. Vesting is also contingent upon the continued employment of the executive through March 10, 2026, or as otherwise provided in the applicable award agreement. For additional information, see "*Elements of Executive Compensation and 2023 Compensation Decisions—Long-Term Incentive Compensation*" above.

(11) These amounts represent PSU grants, assuming an achievement level at threshold. The actual number of PSUs, if any, that may be earned range from 0% to 125% of the target number of units. Any PSUs that vest in excess of the Upside Units, may be paid out in cash. Vesting is also contingent upon the continued employment of the executive through March 10, 2027, or as otherwise provided in the applicable award agreement. For additional information, see "*Elements of Executive Compensation and 2024 Compensation Decisions—Long-Term Incentive Compensation*" above.

Option Exercises and Stock Vested in Fiscal Year 2024

The following table presents information concerning the aggregate value and number of shares of our common stock for which options were exercised or RSUs vested during 2024 for each of the NEOs:

	Option Awards		Stock Awards[(1)]	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Raul Vazquez	—	—	173,068	593,615
Kathleen Layton	—	—	24,350	77,157
Patrick Kirscht	—	—	65,426	222,745

(1) The number of shares and value realized on vesting include shares that were withheld or sold at the time of vesting to satisfy tax withholding requirements.

Employment, Severance and Change in Control Agreements

We previously entered into offer letters with each of our NEOs that generally provide for at-will employment and set forth the executive's base salary, eligibility for an annual incentive award opportunity and employee benefits, and coverage under our executive severance policy. Each of our NEOs has also executed our standard form of proprietary information and invention assignment agreement. Each NEO must abide by any applicable compensation recovery policy, stock ownership guidelines, or other similar policies that we maintain. Further, the award agreements governing the PSU awards granted to Messrs. Vazquez and Kirscht in 2023 and Messrs. Vazquez and Kirscht and Ms. Layton in 2024 provide for certain benefits upon a change in control or in the event of an involuntary termination of the applicable NEO in connection with a change in control of Oportun. General provisions of the executive severance and change in control policy are discussed below, and any potential payments and benefits due upon a termination of employment or a change in control are further quantified below in "*Potential Payments and Benefits Upon Termination or Change in Control.*"

Executive Severance and Change in Control Policy

We maintain an executive severance and change in control policy, which covers each of our NEOs.

Upon a termination of employment by us without cause or by the executive for good reason (an "involuntary termination"), our NEOs other than our CEO will receive 12 months of salary continuation and continuation of health plan benefits at no cost under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") if they have been employed with us for at least five years (or nine months of such benefits if they have been employed for less than five years). If the termination occurs during the period beginning 90 days before, through 12 months after, our change in control (the "change in control period"), they will receive the higher level of salary continuation and health insurance benefits regardless of their tenure with us, their full target bonus, and full vesting of their unvested equity awards other than performance-vested awards. For performance-vested awards (other than the PSU awards described in the following section), any acceleration of vesting, exercisability or lapse of restrictions is based on actual performance through the date of such change in control. As of December 31, 2024, the last day of the most recently completed fiscal year, each of Ms. Layton and Mr. Kirscht had completed at least five years of employment with us.

On an involuntary termination, our CEO will receive 18 months of salary continuation and continuation of health plan benefits at no cost under COBRA if he has been employed with us for at least five years (or 12 months of such benefits if he has been employed for less than five years), and 12 months' worth of accelerated vesting of equity awards other than performance-vested awards. If the involuntary termination occurs within the change in control period, he will receive the higher level of salary continuation and health insurance benefits regardless of his tenure with us, 150% of his target bonus, and full vesting of his unvested equity awards other than performance-vested awards. For performance-vested awards (other than the PSU awards described in the following section), any acceleration of vesting, exercisability or lapse of restrictions is based on actual performance through the date of such change in control. As of December 31, 2024, the last day of the most recently completed fiscal year, our CEO had completed at least five years of employment with us.

Severance benefits are subject to the execution of a release of claims by the executive, resignation from all officer and director positions, and continued compliance with the executive's obligations under any confidentiality, intellectual property assignment, non-solicitation and restrictive covenant agreement with us. The terms "cause," "good reason" and "change in control" can be found in the executive severance and change in control policy. If the payments and benefits under our executive severance and change in control policy would constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code and would be subject to the related excise tax, such payments either will be paid in full or as to such lesser amount that would result in no portion of the payments and benefits being subject to such excise tax, whichever results in the greater amount of after-tax benefits to the NEO after taking into account any applicable excise tax. Our executive severance and change in control policy does not provide for any Internal Revenue Code Section 280G-related tax gross-up payments from the Company.

PSU Award Agreement

Under each of the award agreements governing the PSU awards granted to Messrs. Vazquez and Kirscht in 2023, if a "change in control" (as defined in the PSU award agreement) occurs during the three-year performance period covering calendar years 2023 through 2025, the performance period will be shortened to conclude as of a date, determined by the compensation and leadership committee, that is within the 10-day period ending with the estimated date of the change in control, and the compensation and leadership committee will certify our TSR performance during the abbreviated performance period by comparing the beginning average closing price to the consideration payable in the change in control (instead of the average closing price for the last 20 trailing consecutive trading days).

Under each of the award agreements governing the PSU awards granted to Messrs. Vazquez and Kirscht and Ms. Layton in 2024, if a "change in control" (as defined in the PSU award agreement) occurs during the three-year performance period covering calendar years 2024 through 2026, the performance period will be shortened to conclude as of a date, determined by the compensation and leadership committee, that is within the 10-day period ending with the estimated date of the change in control, and the compensation and leadership committee will certify our TSR performance during the abbreviated performance period by comparing the beginning average closing price to the consideration payable in the change in control (instead of the average closing price for the last 20 trailing consecutive trading days).

If the applicable NEO continues to provide service to us through the date of the change in control, then as of immediately before the change in control, a number of PSUs will become eligible PSUs equal to the greater of (x) the number of PSUs, if any, that the compensation and leadership committee determined may become eligible PSUs according to the certification described above, or (y) 100% of the target number of PSUs.

If the change in control occurs while the NEO continues to provide service to us and the PSU award is not assumed, continued, or substituted by a similar award, 100% of the NEO's eligible PSUs (as determined according to the certification described above) will vest as of immediately before the change in control.

In addition, if, during the period beginning 90 days before a change in control and ending 12 months after that change in control, the NEO's employment with us is terminated either (a) by us without "cause" and other than due to their death or "disability," or (b) by the NEO for "good reason" (as such terms are defined in the PSU agreement), 100% of the NEO's eligible PSUs will vest, subject to the NEO's execution of a release of claims by the executive, resignation from all officer and director positions, and continued compliance with the executive's obligations under any confidentiality, intellectual property assignment, non-solicitation and restrictive covenant agreement with us. The vesting acceleration benefits under our executive severance and change in control policy will not apply to these PSU awards.

Potential Payments and Benefits Upon Termination or Change in Control

The following table sets forth the estimated payments and benefits that would be received by each of the NEOs upon a change in control of Oportun, upon a termination of employment without cause or following a resignation for good reason (which we refer to below as an involuntary termination) unrelated to a change in control, or upon an involuntary termination in connection with a change in control of Oportun. This table reflects amounts payable to each NEO assuming his or her employment was terminated on December 31, 2024, and/or the change in control also occurred on that date. For additional discussion of the potential benefits and payments due in connection with a termination of employment or a change in control, please see "*Employment, Severance, and Change in Control Agreements—Executive Severance and Change in Control Policy*" above.

Name	Change in Control(1)(2) ($)	Involuntary Termination Other than During Change in Control Period(2)(3) ($)	Involuntary Termination During Change in Control Period(2)(3) ($)
Raul Vazquez			
Salary Severance(4)	—	1,050,000	1,050,000
Bonus Severance(4)	—	—	1,050,000
Continuation of Health Insurance Benefits	—	27,852	27,852
Accelerated Vesting of Equity Awards	1,276,648	657,501	2,749,182
Total	1,276,648	1,735,353	4,877,034
Kathleen Layton			
Salary Severance	—	390,000	390,000
Bonus Severance	—	—	253,500
Continuation of Health Insurance Benefits	—	—	—
Accelerated Vesting of Equity Awards	118,476	—	401,370
Total	118,476	390,000	1,044,870
Patrick Kirscht			
Salary Severance	—	485,346	485,346
Bonus Severance	—	—	315,475
Continuation of Health Insurance Benefits	—	27,852	27,852
Accelerated Vesting of Equity Awards	504,641	—	1,127,175
Total	504,641	513,198	1,955,848

(1) The values listed in this column for "Equity Awards" reflect the estimated value of the PSUs granted to the applicable NEO that would become eligible PSUs (that is, eligible to vest on March 10, 2026 or March 10, 2027, subject to the NEO continuing to provide service following the change in control through that date) if a change in control occurred on December 31, 2024 (which was during each PSU award's three-year performance period). This estimated value was calculated by multiplying the number of eligible PSUs by the closing price for a share of our common stock on December 31, 2024 (the last business day of our 2024 fiscal year), which was $3.88. The number of eligible PSUs is assumed to be the target number of PSUs since the number of PSUs that would become eligible PSUs based on our TSR performance during the abbreviated performance period was less than the target number of PSUs.

(2) Based on salary and target bonus amounts as of December 31, 2024.

(3) The values listed in this column for "Equity Awards" reflect the estimated value of accelerated vesting of the applicable NEO's equity awards, which was calculated by multiplying the number of shares underlying the NEO's unvested option, RSU awards or PSU awards that would be accelerated by the closing price for a share of our common stock on December 31, 2024 (the last business day of our 2024 fiscal year), which was $3.88, minus the aggregate exercise price attributable to the accelerated shares in the case of a stock option. No value has been included for stock options that have a per share exercise price at or above $3.88. For the PSU awards granted to Messrs. Vazquez and Kirscht in 2023 and Messrs. Vazquez and Kirscht and

Ms. Layton in 2024, the number of PSUs accelerated is assumed to be the target number of PSUs since the number of PSUs that would become eligible PSUs based on our TSR performance during each abbreviated performance period was less than the target number of PSUs.

(4) In connection with Mr. Vazquez' voluntary reduction in salary, the compensation and leadership committee agreed that with respect to the executive severance and change in control policy, any severance benefits received will be determined using the annual base salary in effect immediately before the reduction.

Report of the Compensation and Leadership Committee

The compensation and leadership committee has reviewed and discussed the "Executive Compensation" section with management. Based on this review and discussion, the compensation and leadership committee has recommended to the Board that the "Executive Compensation" section be included in our Annual Report on Form 10-K/A for the fiscal year ended December 31, 2024 and our proxy statement for our 2025 annual meeting of stockholders.

Respectfully submitted by the members of the compensation and leadership committee of the Board:

Louis P. Miramontes (Chair)
Mohit Daswani
Ginny Lee
Scott Parker

Reconciliation on Non-GAAP Financial Measures

This Amendment contains financial measures that are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP").

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure defined as our net income, adjusted to eliminate the effect of certain items as described below. We believe that Adjusted EBITDA is an important measure because it allows management, investors and our Board to evaluate and compare our operating results, including our 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 our business, as it removes the effect of taxes, certain non-cash items, variable charges and timing differences.

- We believe 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.
- We believe it is useful to exclude the impact of interest expense associated with the Company's corporate financing, as we view this expense as related to our capital structure rather than our funding.
- We believe it is useful to exclude the impact of depreciation and amortization and stock-based compensation expense because they are non-cash charges.
- We believe it is useful to exclude the impact of certain non-recurring charges, such as expenses associated with our workforce optimization, acquisition and integration related expenses, and other non-recurring charges because these items do not reflect ongoing business operations. Other non-recurring charges include litigation reserve, impairment charges, debt amendment and warrant amortization costs related to our Corporate Financing.
- We also reverse origination fees for Loans Receivable at Fair Value, net. We recognize the full amount of any origination fees as revenue at the time of loan disbursement in advance of our collection of origination fees through principal payments. As a result, we believe it is beneficial to exclude the uncollected portion of such origination fees, because such amounts do not represent cash that we received.

- We also reverse the fair value mark-to-market adjustment because it is a non-cash adjustment.

The following table presents a reconciliation of Net Income (loss) to Adjusted EBITDA for the years ended December 31, 2024 and 2023:

Adjusted EBITDA (in thousands)	**Year Ended December 31, 2024**	**2023**
Net income (loss)	$ (78,682)	$(179,951)
Adjustments:		
Income tax expense (benefit)	(36,495)	(73,702)
Interest on corporate financing	51,135	51,781
Depreciation and amortization	52,186	54,879
Stock-based compensation expense	13,053	17,997
Workforce optimization expenses	3,067	22,485
Other non-recurring charges	30,952	15,524
Fair value mark-to-market adjustment	69,331	109,548
Adjusted EBITDA(1)	$104,547	$ 18,561

(1) 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 FY 2023 values for Adjusted EBITDA shown in the table above have been revised and presented on a comparable basis, prior to these revisions the value would have been $1.7 million.

Adjusted Net Income (Loss)

Adjusted Net Income is a non-GAAP financial measure defined as net income adjusted to eliminate the effect of certain items as described below.

- We believe that Adjusted Net Income is an important measure of operating performance because it allows management, investors, and our Board to evaluate and compare our 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.
- We believe 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. We also include the impact of normalized income tax expense by applying a normalized statutory tax rate.
- We believe 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 we do not believe that these items reflect our ongoing business operations. Other non-recurring charges include litigation reserve, impairment charges, debt amendment and warrant amortization costs related to our corporate financing facilities.
- We believe it is useful to exclude stock-based compensation expense because it is a non-cash charge.
- We also exclude the fair value mark-to-market adjustment on our asset-backed notes carried at fair value to align with the 2023 accounting policy decision to account for new debt financings at amortized cost.

The following table presents a reconciliation of Net Income (loss) to Adjusted Net Income for the years ended December 31, 2024 and 2023:

Adjusted Net Income (Loss) (in thousands)	As of or for the Year Ended December 31, 2024	2023
Net income (loss)	$(78,682)	$(179,951)
Adjustments:		
Income tax expense (benefit)	(36,495)	(73,702)
Stock-based compensation expense	13,053	17,997
Workforce optimization expenses	3,067	22,485
Other non-recurring charges	30,952	15,524
Net decrease in fair value of credit cards receivable	36,177	—
Mark-to-market adjustment on asset-backed notes	72,089	99,951
Adjusted income (loss) before taxes	40,161	(97,696)
Normalized income tax expense	10,843	(26,378)
Adjusted Net Income (Loss)(1)	$ 29,318	$ (71,318)
Income tax rate(2)	27.0%	27.0%

(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 value for the year ended December 31, 2023 for Adjusted Net Income (Loss) shown in the table above has been revised and presented on a comparable basis, prior to these revisions the value would have been $(124.1) million.

(2) Income tax rates for the years ended December 31, 2024 and December 31, 2023, are based on a normalized statutory rate.

Adjusted Operating Expense

Adjusted Operating Expense is a non-GAAP financial measure defined 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. We believe Adjusted Operating Expense is an important measure because it allows management, investors and our Board to evaluate and compare our operating costs from period to period, excluding the impact of non-cash, stock-based compensation expense and certain non-recurring charges.

The following table presents a reconciliation of Operating Expense to Adjusted Operating Expense for the years ended December 31, 2024 and 2023:

(in thousands)	As of or for the Year Ended December 31, 2024	2023
Total Operating Expense	410,381	534,319
Adjustments:		
Stock-based compensation expense	(13,053)	(17,997)
Workforce optimization expenses	(3,067)	(22,485)
Other non-recurring charges	(12,921)	(14,409)
Total Adjusted Operating Expenses	$381,340	$479,428

Non-Employee Director Compensation

We compensate non-employee directors for their service on our Board with a combination of cash and equity awards, the amounts of which are commensurate with their role and involvement. Directors may be reimbursed for travel, food, lodging and other expenses directly related to their activities as directors. Directors are also entitled to the protection provided by their indemnification agreements and the indemnification provisions as described in our amended and restated certificate of incorporation and amended and restated bylaws.

The compensation and leadership committee, which is comprised solely of independent directors, has the primary responsibility for reviewing and recommending to the Board the type and amount of compensation as well as changes to the compensation to be paid or awarded to non-employee directors, including any consulting, retainer, Board meeting, committee and committee chair fees and equity awards.

Cash Compensation

Each non-employee director receives an annual cash retainer for his or her service on the Board, as well as additional cash retainers if he or she serves as the Lead Independent Director, on a committee or as the chair of a committee. For new directors, these amounts are prorated for partial-year service based on the date of election to the Board. All cash payments to non-employee directors who served in the relevant capacity at any point during the immediately preceding prior fiscal quarter will be paid quarterly in arrears on a prorated basis. A non-employee director who served in the relevant capacity during only a portion of the prior fiscal quarter will receive a prorated payment of the quarterly payment of the applicable cash retainer. The following table lists the cash retainer amounts in effect during fiscal year 2024, starting on April 15, 2024.

Position	Annual Cash Retainer ($)
Board member	34,000
Lead Independent Director	21,250
Audit and risk committee chair	17,000
Audit and risk committee member	8,500
Other committee chair	12,750
Other committee member	6,375

The following table lists the cash retainer amounts in effect during fiscal year 2024, prior to April 15, 2024.

Position	Annual Cash Retainer ($)
Board member	40,000
Lead Independent Director	25,000
Audit and risk committee chair	20,000
Audit and risk committee member	10,000
Other committee chair	15,000
Other committee member	7,500

Equity Compensation

Each then-serving non-employee director received an annual award of RSUs with a targeted value of $100,000 and the then-serving Lead Independent Director received an additional equity award of RSUs with a value of $25,000 immediately after the 2024 annual meeting. The number of shares subject to the RSUs was determined based on the annual equity award value divided by the nine-month trailing average of the closing price of the Company's stock as of the closing price of the Company's stock on the day before the date of grant and rounded up to the nearest full share, resulting in an award of RSUs covering 26,687 shares of our common stock for each non-employee director, with the then-serving Lead Independent Director receiving an additional award of RSUs covering 6,672, shares of our common stock. The RSU awards vest over one-year on a quarterly basis, commencing on the date of the annual meeting in June 2024, subject to the non-employee director continuing to provide services to us through each applicable vesting date. A non-employee director who is newly appointed to the Board other than in connection with an annual meeting of stockholders will receive a grant of

RSUs upon appointment (an "Initial Director Award"). The number of shares subject to each Initial Director Award is determined based on the annual equity award value divided by the nine-month trailing average of the closing price of the Company's stock on the grant date and rounded up to the nearest full share, but the Initial Director Award is prorated based on the portion of the time period remaining in the one-year period since the last annual meeting.

Non-Employee Director Compensation Table for Fiscal Year 2024

The following table provides information regarding all compensation awarded to, earned by or paid to our non-employee directors for the year ended December 31, 2024:

Director	Fees Earned or Paid in Cash ($)	Stock Awards[1] ($)	Total ($)
Roy Banks[2]	27,930	—	27,930
Jo Ann Barefoot	49,384	75,524	124,908
Mohit Daswani	45,518	101,633	147,151
Ginny Lee	55,829	75,524	131,353
Louis P. Miramontes	54,463	75,524	129,987
Carlos Minetti	43,539	101,633	145,172
Scott Parker	31,688	85,434	117,122
Sandra A. Smith	60,296	75,524	135,820
Richard Tambor	24,018	75,524	99,542
R. Neil Williams	75,047	94,406	169,453

(1) This column reflects the aggregate grant date fair value of the RSUs granted as annual equity awards for Board service as described above (or in the case of Mr. Williams, such annual equity award plus an additional annual equity award for his service as then-serving Lead Independent Director) measured pursuant to FASB ASC 718, without regard to forfeitures. The assumptions used in calculating the grant date fair value of these awards are set forth in Note 2 and Note 11 to our Notes to the Consolidated Financial Statements included in our Original Form 10-K. These amounts do not reflect the actual economic value that may be realized by the non-employee director.

(2) Mr. Banks' term as a director ended at the 2024 annual meeting of stockholders.

The following table lists all outstanding equity awards held by our non-employee directors as of December 31, 2024:

Director	Stock Awards (#)	Stock Options (#)
Roy Banks[1]	—	—
Jo Ann Barefoot	13,344	18,181
Mohit Daswani	13,344	—
Ginny Lee	33,122[2]	—
Louis P. Miramontes	13,344	—
Carlos Minetti	13,344	—
Scott Parker	13,344	—
Sandra A. Smith	13,344	—
Richard Tambor	13,344	—
R. Neil Williams	47,793[3]	18,181

(1) Mr. Banks did not stand for re-election at the 2024 annual meeting of stockholders.

(2) Includes 19,778 fully vested shares subject to future release, earned pursuant to an election to receive her annual retainer compensation in the form of RSUs for the years of 2022 and 2023.

(3) Includes 31,113 fully vested shares subject to future release, earned pursuant to an election to receive his annual retainer compensation in the form of RSUs for the years of 2020, 2021, 2022 and 2023.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Equity Compensation Plan Information

The following table provides information as of December 31, 2024 with respect to shares of our common stock that may be issued under our existing equity compensation plans:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Restricted Stock Units and Rights (#)	Weighted Average Exercise Price of Outstanding Options(1) ($)	Number of Securities Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column) (#)
Equity compensation plans approved by security holders			
2019 Equity Incentive Plan(2)	5,655,245	16.96	3,282,515
2015 Stock Option / Stock Issuance Plan	882,194	20.52	—
2005 Stock Option / Stock Issuance Plan	83,251	26.76	—
2019 Employee Stock Purchase Plan(3)	—	—	2,271,288
Equity compensation plans not approved by security holders			
2021 Inducement Equity Incentive Plan(4)	374,828		442,014
Total	6,995,518		5,995,817

(1) PSUs and RSUs, which do not have an exercise price, are excluded in the calculation of weighted-average exercise price.
(2) Our 2019 Equity Incentive Plan ("2019 Plan") provides that the number of shares of common stock available for issuance under the 2019 Plan automatically increases on the first day of each fiscal year beginning with the 2020 fiscal year, in an amount equal to 5% of the outstanding shares of our common stock on the last day of the immediately preceding fiscal year. The Board may act prior to the first day of any fiscal year to provide that the increase in the share reserve for such fiscal year will be a lesser number of shares.
(3) Our 2019 Employee Stock Purchase Plan ("ESPP") provides that the number of shares of common stock available for issuance under the ESPP automatically increases on the first day of each fiscal year beginning with the 2020 fiscal year, in an amount equal to the lesser of (i) 1% of the outstanding shares of our common stock on the last day of the immediately preceding fiscal year or (ii) 726,186 shares. The Board may act prior to the first day of any fiscal year to provide that there will be no increase in the share reserve for such fiscal year or that the increase in the share reserve for such fiscal year will be a lesser number of shares.
(4) This plan is more fully described in Note 11 to our Notes to the Consolidated Financial Statements included on our Original Form 10-K.

Stock Ownership Table

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of April 23, 2025 for:

- each person, or group of affiliated persons, who beneficially owned more than 5% of our common stock;

- each of our named executive officers;
- each of our directors; and
- all of our current executive officers and directors as a group.

We have determined beneficial ownership in accordance with the rules of the SEC and the information is not necessarily indicative of beneficial ownership for any other purpose. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable.

We have based our calculation of the percentage of beneficial ownership on 37,498,727 shares of our common stock outstanding as of April 23, 2025. We have deemed shares of our common stock subject to warrants, stock options that are currently exercisable or exercisable within 60 days after April 23, 2025, and RSUs that will vest within 60 days after April 23, 2025, to be outstanding and to be beneficially owned by the person holding the warrants, stock option, or RSUs for the purpose of computing the percentage ownership of that person. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Oportun Financial Corporation, 2 Circle Star Way, San Carlos, CA 94070.

Name of Beneficial Owner	Number of Shares Beneficially Owned(1)	Percentage of Shares Beneficially Owned
5% Stockholders:		
Entities affiliated with Neuberger Berman(2)	6,619,956	15.0%
Entities affiliated with Findell Capital Management LLC(3)	3,321,300	8.9%
Entities affiliated with Castlelake(4)	2,426,503	6.1%
Directors and Named Executive Officers:		
Raul Vazquez(5)	1,884,064	4.9%
Kathleen Layton(6)	88,580	*
Patrick Kirscht(7)	534,210	1.4%
Jo Ann Barefoot(8)	89,062	*
Mohit Daswani(9)	35,252	*
Ginny Lee(10)	75,756	*
Carlos Minetti(11)	42,832	*
Lou Miramontes(12)	65,524	*
Scott Parker(13)	43,432	*
Sandra A. Smith(14)	55,978	*
Richard Tambor(15)	52,015	*
Neil Williams(16)	145,210	*
All executive officers and directors as a group (12 persons)(17)	3,111,915	8.1%

* Represents beneficial ownership of less than one percent of the outstanding common stock.

(1) Represents shares of common stock beneficially owned by such individual or entity, and includes shares held in the beneficial owner's name or jointly with others, or in the name of a bank, nominee or trustee for the beneficial owner's account.

(2) We have based percentage ownership assuming full exercise of the warrants. Consists of 3,668,218 shares of common stock issuable upon exercise of warrants issued or issuable to NB Specialty Finance Fund II LP, 1,291,500 shares of common stock issuable upon exercise of warrants issued or issuable to NBSF Canada 2021 Trust, 232,969 shares of common stock issuable upon exercise of warrants issued or issuable to NB Direct Access Fund LP, 133,458 shares of common stock issuable upon exercise of warrants issued or issuable to NB Direct Access Fund II LP, 235,371 shares of common stock issuable upon exercise of

warrants issued or issuable to NBSF Redwood Holdings D LP, and 1,058,440 shares of common stock issuable upon exercise of warrants issued or issuable to NBSF III Holdings D LP. Ultimate voting and dispositive power with respect to the shares of common stock issuable is exercised by NB Alternatives Advisers LLC. The address for NB Alternatives Advisers LLC is 325 N. Saint Paul Street, Suite 4900, Dallas, TX 75201.

(3) Based on a Schedule 13D/A filed with the SEC on March 28, 2025, by Findell Capital Partners, LP ("FCP"), Finn Management GP LLC ("FMGP"), Findell Capital Management LLC ("FCM"), Brian A. Finn, Sandra Bell and Warren Wilcox (collectively, "Findell"). According to the Schedule 13D/A, as of March 28, 2025, Findell beneficially owned 3,321,300 Shares in the aggregate, including (i) 2,011,000 shares held directly by FCP, and (ii) 1,310,300 shares held in certain separately managed accounts. Each of FCP, FCM, FMGP and Mr. Finn has shared voting power and shared investment power with respect to the shares beneficially owned by them. The principal business address of each of FCP, FMGP, FCM and Mr. Finn is 88 Pine Street, Suite 2240, New York, New York 10005. The principal business address of Ms. Bell is 461 Fifth Avenue, 12th Floor, New York, NY 10017. The principal business address of Mr. Wilcox is 360 Nueces Street, 1013, Austin, TX 78701.

(4) We have based percentage ownership assuming full exercise of the warrants. Consists of 2,426,503 shares of common stock issuable upon exercise of warrants issued or issuable to McLaren Harbor, LLC. The warrants are directly held by McLaren Harbor, LLC, which is controlled directly or indirectly by each of CL VI Ventures Offshore, L.P., Castlelake VI GP, L.P., Castlelake, L.P., Rory O'Neill, and Evan Carruthers. The address for each such person is 250 Nicollet Mall Suite 900, Minneapolis, MN 55401.

(5) Consists of (a) 983,562 shares held by Mr. Vazquez directly, (b) 233,709 shares held in a trust for which Mr. Vazquez is trustee, and (c) 666,793 stock options fully vested and exercisable within 60 days from April 23, 2025.

(6) Consists of (a) 24,365 shares and (b) 40,122 stock options that are vested and exercisable within 60 days from April 23, 2025.

(7) Consists of (a) 175,610 shares held by Mr. Kirscht directly, (b) 5,800 shares held in two accounts by Mr. Kirscht's daughters containing 2,900 shares each, and (c) 341,516 stock options that are vested and exercisable within 60 days from April 23, 2025.

(8) Consists of (a) 70,881 shares and (b) 18,181 stock options that are vested and exercisable within 60 days from April 23, 2025.

(9) Consists of 35,252 shares.

(10) Consists of 55,978 shares and (b) 19,778 fully vested deferred RSUs.

(11) Consists of 42,832 shares.

(12) Consists of 65,524 shares.

(13) Consists of 43,432 shares.

(14) Consists of 55,978 shares.

(15) Consists of 52,015 shares.

(16) Consists of (a) 100,885 shares, (b) 31,113 fully vested deferred RSUs and (c) 18,181 stock options that are vested and exercisable within 60 days from April 23, 2025.

(17) Includes shares beneficially owned by all current executive officers and directors of the company. Consists of (a) 1,742,679 shares, (b) 45,922 fully vested deferred RSUs, and (c) 1,083,805 stock options exercisable within 60 days from April 23, 2025.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Certain Relationships and Related Transactions

The following is a summary of transactions and arrangements, since the beginning of our last two fiscal years, to which we have been a participant, in which the amount involved exceeded or will exceed the lesser of $120,000 or one percent of the average Company's total assets at year-end for the last two completed fiscal years in which we were or are to be a participant and in which a related person had or will have a direct or indirect material interest. A related person is: (i) an executive officer or director, (ii) a beneficial owner of more than 5%

of our common stock, (iii) an immediate family member of an executive officer or director or beneficial owner of more than 5% of our common stock, or (iv) any entity that is owned or controlled by any of the foregoing persons has a substantial ownership interest or control.

Indemnification Agreements

Our amended and restated certificate of incorporation contains provisions limiting the liability of our directors, and our amended and restated bylaws provide that we indemnify each of our directors and executive officers to the fullest extent permitted under Delaware law. Our amended and restated certificate of incorporation and amended and restated bylaws also provide our Board with discretion to indemnify our other officers and agents when determined appropriate by our Board. In addition, we have entered and expect to continue to enter into agreements to indemnify our directors and executive officers.

Investors' Rights Agreements and Registration Rights Agreements

We are party to an amended and restated investors' rights agreement (the "IRA") with certain purchasers of our preferred stock (which converted to common stock in our IPO), which provides, among other things, that certain holders of our capital stock, have the right to demand that we file a registration statement or request that their shares of our capital stock be included on a registration statement that we are otherwise filing. As of September 30, 2023, the obligations under the IRA were terminated.

In connection with the acquisition of Hello Digit, Inc. ("Digit") we entered into a registration rights agreement with the holders of Digit stock, pursuant to which the holders have certain "piggyback" registration rights with respect to registrations of equity securities initiated by us. The obligations under the registration rights agreement have terminated.

Transactions with Credit Karma and Hummingbird

Raul Vazquez, our CEO and a member of our Board, is currently a member of the board of directors of Intuit Inc. ("Intuit"). On December 3, 2020, Intuit acquired Credit Karma. We have conducted business with Credit Karma for lead generation services since November 2019 and made payments to Credit Karma of approximately $1.6 million for services provided in 2023 and $126,000 for services provided in 2024. Mr. Vazquez is not involved in directly managing Credit Karma and these transactions with Credit Karma were entered into in the ordinary course of business. This transaction was approved in accordance with Oportun's Related Person Transactions Policy.

We entered into an agreement with Hummingbird RegTech, Inc. ("Hummingbird"), a provider of compliance software, in 2022, and made payments to them of approximately $245,000 in 2023 and payments of approximately $273,000 in 2024. A member of our Board, Jo Ann Barefoot, is a co-founder and shareholder of Hummingbird. Ms. Barefoot is not involved in directly managing Hummingbird and these transactions were entered into in the ordinary course of business. This transaction was approved in accordance with Oportun's Related Person Transactions Policy.

Transactions with Affiliates of Ellington Financial

In November 2014 we entered into an agreement with ECL Funding, LLC, an entity affiliated with Ellington Financial, formerly a beneficial owner of greater than five percent of our outstanding common stock, to sell at least 10% of our unsecured loan originations, with an option to sell an additional 5%, subject to certain eligibility criteria and minimum and maximum volumes. We also entered into a Servicing Agreement pursuant to which we agreed to service the portfolio owned by Ellington Financial and in return earn a servicing fee of 5%. We chose not to renew the arrangement and allowed the agreement to expire on its terms on March 4, 2022. We will continue to service these loans upon transfer of the receivables.

On March 31, 2022, we participated in a securitization whereby we and funds managed by Ellington Financial both contributed collateral and were co-sponsors of the transaction, which totaled $400.0 million in issued asset-backed notes. As part of the securitization, we sold loans to OPTN Funding Grantor Trust 2022-1, an entity affiliated with Ellington Financial, through the issuance of amortizing asset-backed notes secured by a pool of its unsecured and secured personal installment loans. We have since sold our share of the residual interest in the pool and our only continued involvement is in the form of servicer of these loans.

In November 2023, we entered into an agreement with an affiliated trust of Ellington Financial, to sell certain of our unsecured loan originations, subject to certain eligibility criteria. We also entered into a Servicing Agreement pursuant to which we agreed to service the portfolio purchased by the affiliated trust of Ellington Financial and in return earn a servicing fee of 5%.

The originations of loans sold and held for sale under our agreements with affiliates of Ellington Financial during the year ended December 31, 2023 was $3.4 million and our servicing fee revenue was $8.6 million.[1]

The originations of loans sold and held for sale under our agreements with affiliates of Ellington Financial during the year ended December 31, 2024 was $70.4 million and our servicing fee revenue was $3.4 million.

Transactions with Neuberger Berman

On September 14, 2022, we entered into an agreement to borrow $150.0 million of senior secured term loans from certain funds affiliated with Neuberger Berman Specialty Finance ("Neuberger Berman"), beneficial owner of greater than five percent of our outstanding common stock (the "Original Credit Agreement"). On March 10, 2023, we upsized and amended the Original Credit Agreement (the "Amended Credit Agreement") to be able to borrow up to an additional $75.0 million. We borrowed $20.8 million of term loans under the Amended Credit Agreement on March 10, 2023 (the "Incremental Tranche A-1 Loans") and borrowed an additional $4.2 million of term loans under the Amended Credit Agreement on March 27, 2023 (the "Incremental Tranche A-2 Loans"). The term loans bore interest at an amount equal to (a) 1-month term SOFR plus 9.00%, payable in cash, plus (b) 3.00%, payable in cash or in kind at our option. The term loans were scheduled to mature on September 14, 2026, and were not subject to amortization. Certain prepayments of the term loans were subject to a prepayment premium. The obligations under the Amended Credit Agreement were secured by our assets and assets of certain of our subsidiaries guaranteeing the Amended Credit Agreement, including pledges of the equity interests of certain subsidiaries that are directly or indirectly owned by us, subject to customary exceptions.

We borrowed an aggregate additional amount of $50.0 million of term loans under the Amended Credit Agreement in two additional $25.0 million tranches on May 5, 2023 and June 30, 2023 (the "Incremental Tranche B Loans" and "Incremental Tranche C Loans,"), respectively.

In connection with the Amended Credit Agreement, we issued warrants to the lenders providing the Incremental Tranche A-1 Loans to purchase 1,980,242 shares of our common stock at an exercise price of $0.01 per share. In addition, (a) on March 27, 2023, in connection with the funding of the Incremental Tranche A-2 Loans, we issued warrants to the lenders providing the Incremental Tranche A-2 Loans to purchase 116,485 shares of our common stock, (b) on May 5, 2023, in connection with the funding of the Incremental Tranche B Loans, we issued warrants to the lenders providing the Incremental Tranche B Loans to purchase 1,048,363 shares of our common stock, and (c) on June 30, 2023, in connection with the funding of the Incremental Tranche C Loans, we issued warrants to the lenders providing the Incremental Tranche C Loans to purchase 1,048,363 shares of our common stock, in each case, at an exercise price of $0.01 per share. We also entered into a registration rights agreement with the applicable lenders, pursuant to which we filed a registration statement with respect to the shares underlying the warrants.

[1] Reflects the correction of an immaterial error in prior disclosure.

In connection with the Amended Credit Agreement, we made $29.6 million in interest payments to Neuberger Berman, for the year ended December 31, 2023.

On June 16, 2023, we entered into a forward flow whole loan sale agreement with certain funds affiliated with Neuberger Berman. Pursuant to this agreement, we agreed to sell up to $300.0 million of our personal loan originations over the subsequent twelve months. On April 26, 2024, we amended the agreement to extend the term and revised the commitment amount to instead sell $370.9 million of personal loan originations in aggregate through October 2024. In October 2024, we fulfilled our commitment under the agreement. We will continue to service these loans upon transfer of the receivables. As part of this agreement, during the years ended December 31, 2024 and 2023, we transferred loans receivable totaling $151.0 million and $220.5 million, respectively, and we received servicing revenue of $2.5 million and $11.1 million, respectively.

On March 12, 2024, we entered into an additional amendment to the Amended Credit Agreement, which among other modifications, required certain principal payments in amounts equal to $5.7 million per month to be made by us on the last business day of each of March, April and May 2024.

On November 14, 2024, the Original Credit Agreement, as amended, was terminated and the associated outstanding original term loan was repaid in full in the amount of $211.3 million, in connection with the Refinancing Credit Agreement disclosed below. Prior to the date of termination, we had made $33.3 million in interest payments to Neuberger Berman in fiscal year 2024.

On October 23, 2024, we entered into a new agreement to borrow $235 million of senior secured term loans from certain funds affiliated with Neuberger Berman, and the other lenders thereto (the "Refinancing Credit Agreement" and the "Refinancing Term Loan"). The Refinancing Term Loan bears interest at (i) a cash rate of 12.50% per annum plus (ii) an amount payable in cash or in kind, at our option, equal to 2.50% and is scheduled to mature on November 14, 2028. Certain prepayments under the Refinancing Agreement are subject to a prepayment premium. The obligations under the Refinancing Credit Agreement are secured by our assets and certain of subsidiaries guaranteeing the loan, including pledges of the equity interests of certain subsidiaries that are directly or indirectly owned by us, subject to customary exceptions. The Refinancing Credit Agreement contains several financial covenants; these covenants are included together with other customary affirmative and negative covenants (including reporting requirements), representations and warranties and events of default. In connection with the Refinancing Credit Agreement, we issued warrants to certain funds affiliated with Neuberger Berman to purchase 2,426,503 shares of our common stock at an exercise price of $0.01 per share. We also entered into another registration rights agreement with the applicable lenders, pursuant to which we filed a registration statement with respect to the shares underlying the warrants.

In connection with the Refinancing Credit Agreement, we made approximately $700 thousand in interest payments to Neuberger Berman, for the year ended December 31, 2024.

On April 2, 2025, we entered into a warehouse facility (the "PLW III Warehouse Facility") with certain funds affiliated with Neuberger Berman and other lenders party thereto. In connection with the PLW III Warehouse Facility, our subsidiary, entered into a Loan and Security Agreement (the "Loan and Security Agreement") for a three-year term and a borrowing capacity of approximately $187.5 million. Borrowings under the Loan and Security Agreement accrue interest at a rate equal to Term SOFR plus a weighted average spread of 3.35%. The advance rate for the PLW III Warehouse Facility is 95.0%, subject to certain delinquency and liquidity triggers that could lower the advance rate to 92.0%. The Loan and Security Agreement includes customary representations and warranties, as well as affirmative and negative covenants. The Loan and Security Agreement contains customary events of default. The Lenders could elect to accelerate the maturity of the loans and/or terminate the commitments under the Loan and Security Agreement upon the occurrence and during the continuation of an event of default, and the Borrower could be required to repay all amounts outstanding under the Loan and Security Agreement. The Loan and Security Agreement also contains certain financial maintenance covenants that require us and our subsidiaries to not exceed a specified leverage ratio, to maintain a minimum tangible net worth, and to maintain a minimum level of unrestricted cash or cash equivalents while any borrowings under the Loan and Security Agreement are outstanding.

Transactions with Castlelake

On October 20, 2023, we entered into a private structured financing facility (the "Structured Financing Facility"). In connection with the Structured Financing Facility, certain of our subsidiaries, entered into a Receivables Loan and Security Agreement (the "Receivables Loan and Security Agreement") with certain funds and affiliates of Castlelake L.P., beneficial owner of greater than five percent of our outstanding common stock, as Lenders, pursuant to which we borrowed $197 million. Borrowings under the Receivables Loan and Security Agreement accrue interest at a blended rate equal to 10.05%. The Receivables Loan and Security Agreement includes customary representations and warranties, as well as affirmative and negative covenants. The Receivables Loan and Security Agreement contains customary events of default. The Lenders could elect to accelerate the maturity of the loans and/or terminate the commitments under the Receivables Loan and Security Agreement upon the occurrence and during the continuation of an event of default, and the Borrower could be required to repay all amounts outstanding under the Receivables Loan and Security Agreement. The Receivables Loan and Security Agreement also contains certain financial maintenance covenants that require us to maintain a minimum tangible net worth and to maintain a minimum level of unrestricted cash or cash equivalents while any borrowings under the Receivables Loan and Security Agreement are outstanding.

In connection with the Structured Financing Facility, we made $20.2 million in interest payments to certain funds and affiliates of Castlelake L.P., for the year ended December 31, 2024.

On August 3, 2023, we entered into a forward flow whole loan sale agreement with certain funds affiliated with Castlelake L.P. Pursuant to this agreement, we agreed to sell up to $400.0 million of our personal loan originations over the subsequent twelve months and we are committed to service these loans upon transfer of the receivables. Pursuant to this agreement, during the year ended December 31, 2024, we transferred loans receivable totaling $192.7 million, and we received servicing revenue of $12.1 million.

On October 23, 2024, we entered into the Refinancing Credit Agreement to borrow $235 million of senior secured term loans from McLaren Harbor LLC, a fund affiliated with Castlelake L.P., and the other lenders thereto. The Refinancing Term Loan bears interest at (i) a cash rate of 12.50% per annum plus (ii) an amount payable in cash or in kind, at our option, equal to 2.50% and is scheduled to mature on November 14, 2028. Certain prepayments under the Refinancing Agreement are subject to a prepayment premium. The obligations under the Refinancing Credit Agreement are secured by our assets and certain of subsidiaries guaranteeing the loan, including pledges of the equity interests of certain subsidiaries that are directly or indirectly owned by us, subject to customary exceptions. The Refinancing Credit Agreement contains several financial covenants; these covenants are included together with other customary affirmative and negative covenants (including reporting requirements), representations and warranties and events of default. In connection with the Refinancing Credit Agreement, we issued warrants to McLaren Harbor LLC to purchase 2,426,503 shares of our common stock at an exercise price of $0.01 per share. We also entered into another registration rights agreement with the applicable lenders, pursuant to which we filed a registration statement with respect to the shares underlying the warrants.

In connection with the Refinancing Credit Agreement, we made approximately $700 thousand in interest payments to McLaren Harbor LLC, for the year ended December 31, 2024.

Policies and Procedures for Related Party Transactions

We have adopted a policy that all transactions, arrangements, or relationships in which the amounts exceed $120,000 or one percent of the average Company's total assets at year-end for the last two completed fiscal years between us and our directors, executive officers, holders of more than 5% of our capital stock, any member of the immediate family of the foregoing persons, or their affiliates are approved by the audit and risk committee, or a similar committee consisting of entirely independent directors, according to the terms of our Code of Business Conduct. In approving or rejecting any such related party proposal, the audit and risk committee will consider the relevant facts and circumstances available and deemed to be relevant to the matter, including, but not limited to, risks, costs, impact on independence, availability of alternatives, and transaction terms that could have been obtained from unaffiliated third parties.

We believe that we have executed all the transactions described above on terms no less favorable to us than we could have obtained from unaffiliated third parties. It is our intent to ensure that all future transactions between us and related parties are also approved by the audit and risk committee, or a similar committee consisting of entirely independent directors, according to the terms of our Code of Business Conduct, and are on terms no less favorable to us than those that we could obtain from unaffiliated third parties.

Director Independence

The listing rules of Nasdaq generally require that a majority of the members of a listed company's board of directors be independent. In addition, the listing rules generally require that, subject to specified exceptions, each member of a listed company's audit, compensation, and nominating and governance committees be independent.

In addition, audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee: accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or be an affiliated person of the listed company or any of its subsidiaries. Additionally, compensation committee members must satisfy the independence criteria set forth in Rule 10C-1 under the Exchange Act. In order to be considered independent for purposes of Rule 10C-1, a member of the compensation committee of a listed company may not, other than in his or her capacity as a member of the compensation committee, the board of directors, or any other board committee: accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or be an affiliated person of the listed company or any of its subsidiaries.

Our Board conducts an annual review of the independence of our directors. In its most recent review, our Board determined that Ms. Barefoot, Mr. Daswani, Ms. Lee, Mr. Minetti, Mr. Miramontes, Mr. Parker, Ms. Smith, Mr. Tambor and Mr. Williams, representing nine of our ten directors, are "independent directors" as defined under the applicable listing standards of Nasdaq and the applicable rules and regulations promulgated by the SEC. Our Board has also determined that all members of our audit and risk committee, compensation and leadership committee, and nominating, governance and social responsibility committee are independent and satisfy the relevant SEC and Nasdaq independence requirements for such committees.

Item 14. Principal Accountant Fees and Services

Principal Accountant Fees and Services

The following table reflects the aggregate fees for audit and other services provided by Deloitte & Touche LLP for the years ended December 31, 2024 and 2023:

	Year Ended December 31,	
	2024	2023
Audit Fees(1)	$2,097,663	$2,361,346
Audit-Related Fees(2)	456,922	441,260
Tax Fees(3)	479,656	387,972
Total Fees	$3,034,241	$3,190,578

(1) Audit Fees consist of fees for professional services rendered in connection with the audit of our annual consolidated financial statements, the review of our quarterly condensed consolidated financial statements, statutory audit fees, and audit services that are normally provided by the independent registered public accounting firm in connection with regulatory filings.
(2) Audit-Related Fees consist of fees for assurance and related services, including issuance of agreed upon reports, fees related to due diligence procedures, and fees related to service organization controls reporting.
(3) Tax Fees consist of fees for U.S. and international corporate tax compliance and consulting services.

Audit and Risk Committee Oversight of Independence and Pre-Approval Policy

At least annually, consistent with the applicable SEC and Public Company Accounting Oversight Board rules, the audit and risk committee receives and reviews written disclosures from our independent registered public accounting firm, Deloitte & Touche LLP, delineating all relationships between them, or their affiliates, and the Company, or persons in financial oversight roles at the Company, that may reasonably be thought to bear on independence. The audit and risk committee considers and discusses with Deloitte & Touche LLP any potential effects of any such relationships on their independence as well as any compensation or services that could affect their objectivity and independence.

As part of the audit and risk committee's oversight of independence, the committee determines and approves engagements of Deloitte & Touche LLP to perform any proposed permissible non-audit services, including the scope of the service and the compensation to be paid, prior to the commencement of such engagements. All of the services provided by Deloitte & Touche LLP for the years ended December 31, 2024 and 2023 described above were pre-approved by the audit and risk committee. Our audit and risk committee has determined that the rendering of services other than audit services by Deloitte & Touche LLP is compatible with maintaining the principal accountant's independence.

PART IV

Item 15. Exhibit and Financial Statement Schedules

(a) The following documents are filed as a part of this Amendment No. 1 on Form 10-K/A:

(1) Consolidated Financial Statements: Our consolidated financial statements were previously listed in the "Index to Consolidated Financial Statements" under Part II, Item 8 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

(2) Financial Statement Schedules: Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 or the notes thereto.

(3) Exhibits: The documents listed in the following Exhibit Index of this Amendment No. 1 on Form 10-K/A are incorporated by reference or are filed with this Amendment No. 1 on Form 10-K/A, in each case as indicated therein (numbered in accordance with Item 601 of Regulation S-K).

Exhibit Index

		Incorporated by Reference				
Exhibit	**Description**	**Form**	**File No.**	**Exhibit**	**Filing Date**	**Filed Herewith**
3.1	Amended and Restated Certificate of Incorporation of Oportun Financial Corporation.	8-K	001-39050	3.1	9/30/2019	
3.2	Amended and Restated Bylaws of Oportun Financial Corporation.	8-K	001-39050	3.1	10/11/2023	
4.1	Form of Common Stock Certificate.	S-1/A	333-232685	4.1	9/16/2019	
4.2	Description of the Company's Capital Stock.	10-K	001-39050	4.4	3/15/2024	
4.3	Form of Warrant	8-K	001-39050	4.1	3/13/2023	
4.4	Form of Warrant	8-K	001-39050	4.1	11/15/2024	
4.5	Registration Rights Agreement, dated as of March 10, 2023, by and among Oportun Financial Corporation, Wilmington Trust, National Association, and the Lenders party thereto.	8-K	001-39050	4.2	3/13/2023	
4.6	Registration Rights Agreement, dated as of November 14, 2024, by and among Oportun Financial Corporation and the affiliates of Castlelake and Neuberger party thereto	8-K	001-39050	4.2	11/15/2024	
10.1+	Form of Indemnity Agreement between the Company and its directors and officers.	S-1	333-232685	10.1	7/17/2019	
10.2+	Amended and Restated 2005 Stock Option/Stock Issuance Plan and Form of Stock Option Grant Notice, Option Agreement and Form of Notice of Exercise.	S-1	333-232685	10.2	7/17/2019	
10.3+	2015 Stock Option/Stock Issuance Plan and Forms of Stock Option Grant Notice, Option Agreement, Notice of Exercise, Restricted Stock Unit Award Grant Notice and Restricted Stock Unit Award Agreement.	S-1	333-232685	10.3	7/17/2019	
10.4+	2019 Equity Incentive Plan and Forms of Award Notices and Agreements.	10-K	001-39050	10.4	2/23/2021	

		Incorporated by Reference				
Exhibit	Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
10.5+	Form of Performance-Based Restricted Stock Unit Award Agreement.	8-K	001-39050	10.1	12/12/2023	
10.6+	2019 Employee Stock Purchase Plan.	S-1/A	333-232685	10.5	9/16/2019	
10.7+	Amended and Restated 2021 Inducement Equity Incentive Plan and Form of Award Notice and Agreement.	S-8	333-261964	10.1	6/15/2023	
10.8+	Form of Executive Offer Letter by and between the Registrant and certain of its officers.	S-1	333-232685	10.6	7/17/2019	
10.9+	Executive Severance and Change in Control Policy	S-1	333-232685	10.7	7/17/2019	
10.10	Sublease Agreement by and between Oportun, Inc. and TiVo Corporation, dated as of July 31, 2017.	S-1	333-232685	10.8	7/17/2019	
10.11**	Indenture by and between Oportun Issuance Trust 2021-B, and Wilmington Trust, National Association, dated as of May 10, 2021.	10-Q	001-39050	10.1	8/6/2021	
10.12^**	Indenture by and between Oportun Issuance Trust 2021-C, and Wilmington Trust, National Association, dated as of October 28, 2021.	10-Q	001-39050	10.3	11/4/2021	
10.13^**	Amended and Restated Credit Card Program and Servicing Agreement, dated February 5, 2021, by and between Oportun, Inc. and WebBank	10-K	001-39050	10.16.2	2/23/2021	
10.14-1^**	Loan and Security Agreement by and between Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of September 8, 2021.	10-Q	001-39050	10.2	11/4/2021	
10.14-2**	First Amendment to Loan and Security Agreement by and between Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of March 22, 2022.	10-Q	001-39050	10.4.1	8/9/2022	
10.14-3**	Second Amendment to Loan and Security Agreement by and between Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of March 25, 2022.	10-Q	001-39050	10.4.2	8/9/2022	

Exhibit	Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed Herewith
10.14-4**	Third Amendment to Loan and Security Agreement by and between Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of March 31, 2022.	10-Q	001-39050	10.4.3	8/9/2022	
10.14-5**	Fourth Amendment to Loan and Security Agreement by and between Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of September 14, 2022.	10-Q	001-39050	10.2	11/8/2022	
10.14-6**	Fifth Amendment to the Loan and Security Agreement by and among Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of June 29, 2023.	10-Q	001-39050	10.2	8/9/2023	
10.14-7**	Sixth Amendment to the Loan and Security Agreement by and among Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of February 29, 2024.	10-Q	001-39050	10.4	05/10/2024	
10.14-8**	Seventh Amendment to the Loan and Security Agreement by and among Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of August 29, 2024.	10-Q	001-39050	10.2	11/12/2024	
10.14-9^**	Master Amendment to Transaction Documents by and among Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of September 20, 2024.	10-Q	001-39050	10.3	11/12/2024	
10.14-10**	Master Amendment to the Loan and Security Agreement by and among Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of November 22, 2024.	10-K	001-39050	10.14-10	2/20/2025	

Exhibit	Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed Herewith
10.15-1**	Base Indenture by and between Oportun Funding 2022-1, LLC and Wilmington Trust, National Association, dated as of March 31, 2022.	10-Q	001-39050	10.2.1	5/10/2022	
10.15-2**	Series 2022-1 Supplement to Base Indenture by and between Oportun Funding 2022-1, LLC and Wilmington Trust, National Association, dated as of March 31, 2022.	10-Q	001-39050	10.2.2	5/10/2022	
10.16**	Indenture between Oportun Issuance Trust 2022-A and Wilmington Trust, National Association, dated as of May 23, 2022.	10-Q	001-39050	10.1	8/9/2022	
10.17**	Indenture between Oportun Issuance Trust 2022-2 and Wilmington Trust, National Association, dated as of July 22, 2022.	10-Q	001-39050	10.2	8/9/2022	
10.18**	Indenture between Oportun Issuance Trust 2022-3 and Wilmington Trust, National Association, dated as of November 3, 2022.	10-Q	001-39050	10.5	11/8/2022	
10.19-1^**	Receivables Loan and Security Agreement, dated as of October 20, 2023, by and among Oportun CL Trust 2023-A, Oportun, Inc., and Oportun CL Depositor, LLC, Wilmington Trust, National Association and the Lenders party thereto.	10-K	001-39050	10.24	3/15/2024	
10.19-2**	First Amendment to the Receivables Loan and Security Agreement, dated as of March 22, 2024, by and among Oportun CL Trust 2023-A, Oportun, Inc., and Oportun CL Depositor, LLC, Wilmington Trust, National Association and the Lenders party thereto.	10-Q	001-39050	10.5	05/10/2024	
10.20^**	Program Agreement, by and between Oportun, Inc. and MetaBank, N.A., dated as of August 11, 2020.	10-Q	001-39050	10.1	11/12/2020	
10.21**	Letter Agreement, dated April 19, 2024, between Oportun Financial Corporation, Findell Capital Management LLC and certain other persons.	8-K	001-39050	10.1	04/22/2024	
10.22**	Indenture between Oportun Issuance Trust 2024-1 and Wilmington Trust, National Association, dated as of February 13, 2024.	10-Q	001-39050	10.6	05/10/2024	

Exhibit	Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed Herewith
10.23**	Receivables Purchase Agreement, dated as of September 24, 2024, by and among Oportun, Inc., Oportun CCW Trust, Oportun CCW Depositor, LLC and Continental Purchasing, LLC.	8-K	001-39050	10.1	09/26/2024	
10.24^**	Credit Agreement, dated as of October 23, 2024, by and among Oportun Financial Corporation, Oportun, Inc., Wilmington Savings Fund Society, FSB, and the Lenders party thereto.	8-K	001-39050	10.1	10/29/2024	
10.25**	Indenture between Oportun Issuance Trust 2024-2 and Wilmington Trust, National Association, dated as of August 29, 2024.	10-Q	001-39050	10.4	11/12/2024	
10.26-1^**	Loan and Security Agreement by and between Oportun PLW II Trust, Oportun PLW II Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of August 5, 2024.	10-Q	001-39050	10.5	11/12/2024	
10.26-2**	Amendment to the Loan and Security Agreement by and among Oportun PLW II Trust, Oportun PLW II Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of November 1, 2024.	10-Q	001-39050	10.7	11/12/2024	
10.27**	Indenture between Oportun Issuance Trust 2025-A and Wilmington Trust, National Association, dated as of January 16, 2025.	10-K	001-39050	10.27	2/20/2025	
19.1	Insider Trading Policy	10-K	001-39050	19.1	2/20/2025	
21.1	List of Subsidiaries of Oportun Financial Corporation	10-K	001-39050	21.1	2/20/2025	
23.1	Consent of Independent Registered Public Accounting Firm	10-K	001-39050	23.1	2/20/2025	
24.1	Power of Attorney (incorporated by reference to the signature page to the Original Form 10-K)	10-K	001-39050	24.1	2/20/2025	
31.1	Rule 13a-14(a)/15d-14(a) Certifications of the Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director of Oportun Financial Corporation					x
32.1*	Section 1350 Certifications	10-K	001-39050	32.1	2/20/2025	
97.1	Compensation Recovery Policy	10-K	001-39050	97.1	3/15/2024	
101	Interactive data files pursuant to Rule 405 of Regulation S-T:					

Exhibit	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
	(i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Changes in Stockholders' Equity, (iv) Consolidated Statements of Cash Flows, and (v) Notes to the Consolidated Financial Statements					
104	Cover Page Interactive Data File in Inline XBRL format (included in Exhibit 101).					

* The certifications attached as Exhibit 32.1 that accompanied the Original Form 10-K are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of the Original Form 10-K, irrespective of any general incorporation language contained in such filing.

\+ Management contract or compensatory plan.

^ Certain portions of this exhibit have been omitted pursuant to Item 601(b)(10) of Regulation S-K by means of marking such portions with asterisks because the Registrant has determined that the information is not material and would likely cause competitive harm to the Registrant if publicly disclosed.

** Certain portions of this exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant agrees to furnish supplementally to the SEC a copy of any omitted schedule or exhibit upon request by the SEC.

Signatures

OPORTUN FINANCIAL CORPORATION
(Registrant)

Pursuant to the requirements of Section 13 or 15(d) 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, on April 30, 2025.

Date: April 30, 2025	By: /s/ Raul Vazquez
	Raul Vazquez Chief Executive Officer (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

CERTIFICATIONS

I, Raul Vazquez, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K/A of Oportun Financial Corporation; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 30, 2025

/s/ Raul Vazquez

Raul Vazquez

Chief Executive Officer and Director
(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)