

The background image shows a row of modern, colorful houses with white trim and porches. The houses are in various colors including red, blue, and yellow. A semi-transparent white rectangular box is overlaid on the middle of the image, containing the text. The sky is clear blue, and there are some trees and a sidewalk visible in the foreground.

PVOne Capital

Management Presentation

Fall 2024

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A photograph of a row of colorful houses (red, blue, and yellow) with white porches and railings. A concrete sidewalk runs along the front of the houses, and there is a well-maintained lawn with various shrubs and flowers. The sky is clear and blue.

Executive Summary

Skilled management team



Evan Hareras
CEO and Managing Partner



Charles Drost
CFO



Jared Miller
*Financial Operations
Manager*

Business overview

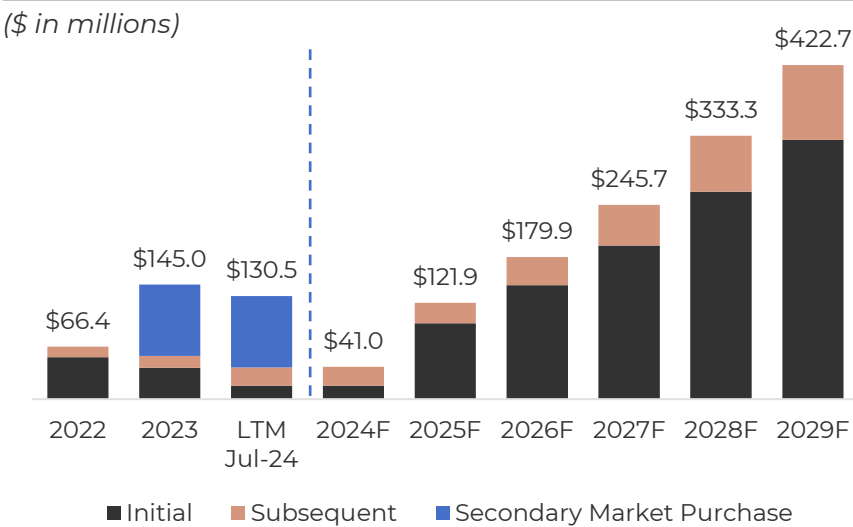
COMMENTARY

- PVOne is a tech-enabled financial asset management platform and one of a few national players in the Tax Lien Certificate industry
 - Management is actively evaluating opportunities to enter adjacent asset classes to create new avenues for growth and enhance returns
- Since 2014, PVOne has managed 40,000+ Tax Lien Certificates with an aggregate redemptive value of nearly \$400 million and achieved a cash-on-cash return of 1.2x¹

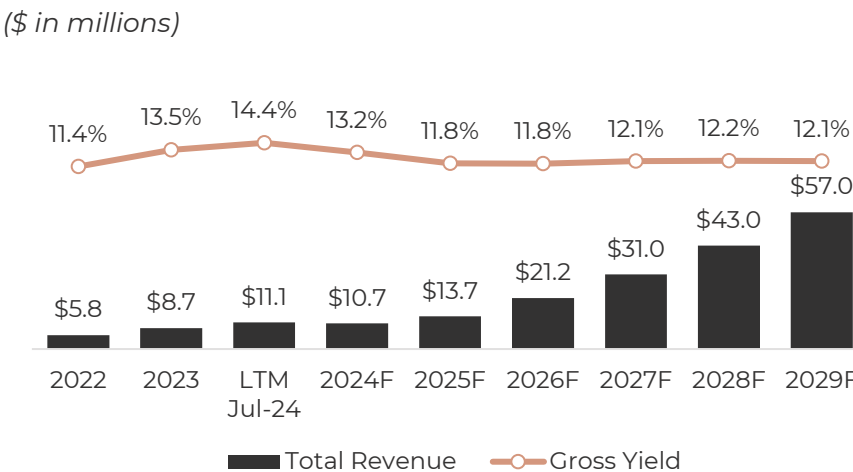
PVONE SNAPSHOT²

~\$23MM <i>Initial Originations</i>	4,952 <i>Initial Units Originated</i>	\$4,619 <i>Average Initial Certificate Size</i>
\$140MM <i>Portfolio Size³</i>	5% <i>Weighted Average Initial Bid Rate</i>	10,966 <i>Certificates Under Management³</i>
55% <i>Revenue Growth CAGR</i>	99% <i>Redemptions</i>	2% <i>Adjusted Pre-Tax ROAA</i>

ORIGINATIONS



TOTAL REVENUE AND GROSS YIELD

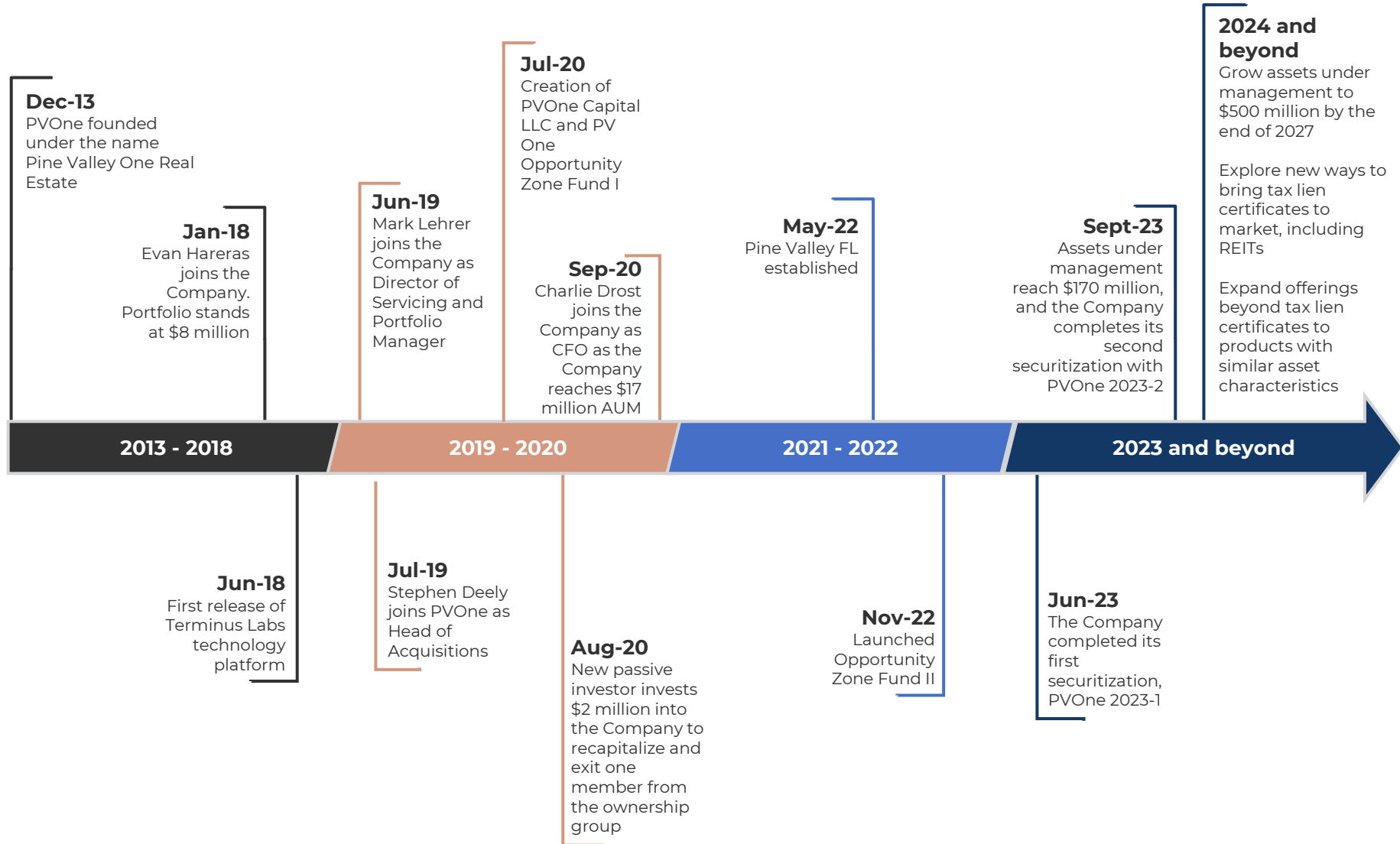


¹Based on fully mature vintages

²LTM May-24

³YTD Jul-24

Timeline and key milestones



Leading Tax Lien Certificate business with significant growth opportunities as a multi-asset class platform

SUCCESSFUL TRACK RECORD

- Since Management joined the platform in 2018, they have grown the portfolio nearly 20x, primarily through geographic expansion and diversification
- Developing Terminus brought industry-leading automation and efficiency into PVOne's operating model and allowed for seamless portfolio growth with minimal increases to staffing and overhead
- Leveraging creative financing and corporate structures have allowed PVOne to fund the portfolio with limited equity capital from shareholders, resulting in significant ROAE

OPPORTUNITY FOR ORGANIC GROWTH WITHIN TAX LIENS

- Although PVOne is already one of the few national players in the Tax Lien Certificate investing industry, there is still material room for expansion within the asset class
- Due to significant tailwinds brought upon by inflation and rising interest rates, the industry is set to see a boom in supply over the next 3 – 5 years. With expanded access to capital, PVOne can deploy additional funds in their existing states
- Management also has plans to expand into new states, including direct lending states like Texas and Nevada (leveraging the Rooph direct lending platform built upon Terminus base model), and Ohio, where investors must purchase an entire counties supply

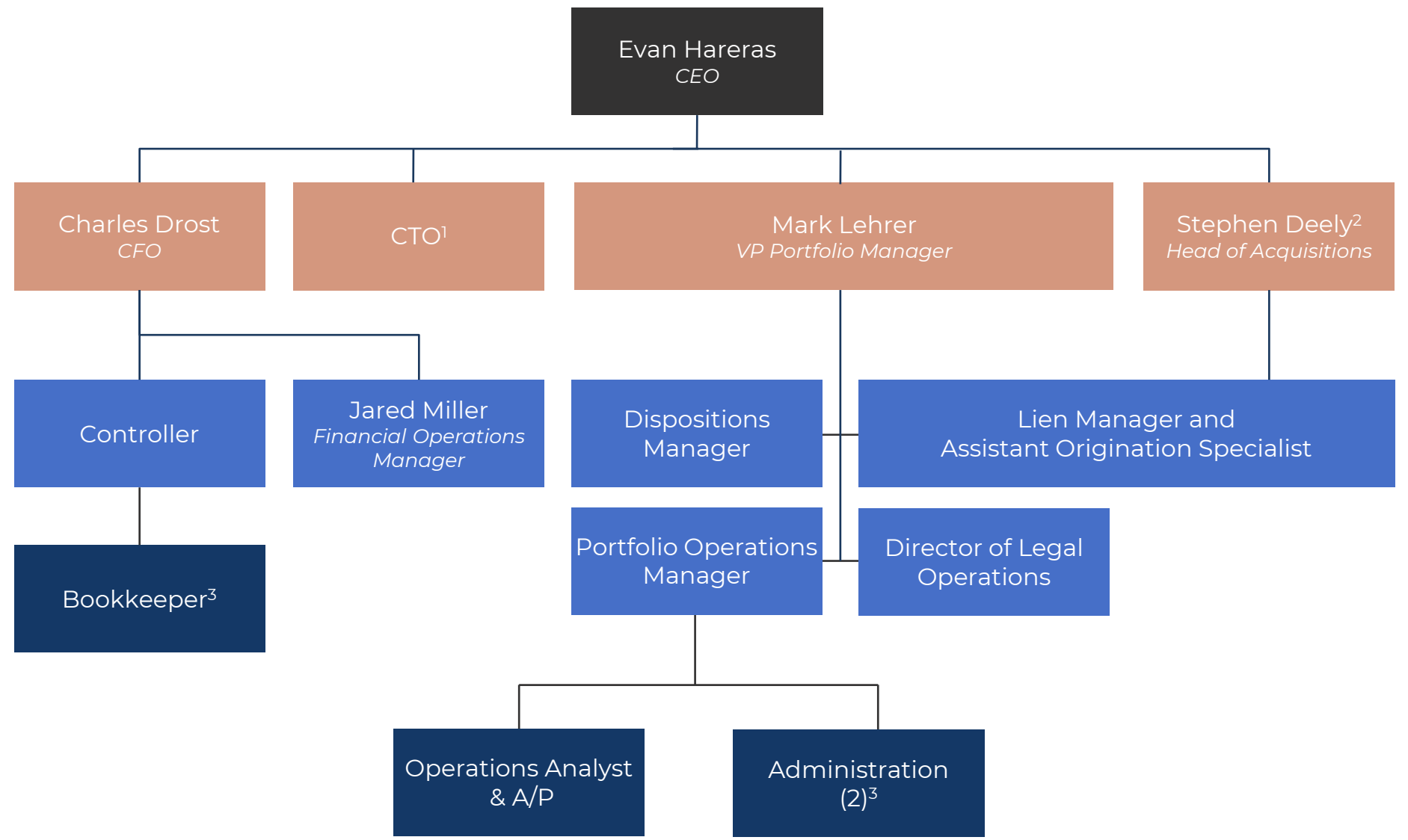
AVENUES TO EXPAND INTO NEW VERTICALS

- Leveraging Terminus, Management has set up PVOne to become an asset management platform for a diverse set of financial assets that share underlying characteristics with Tax Lien Certificates (super-priority liens on real estate, municipality integration, high degree of noticing, etc.)
 - Industries of interest include HOA financing, contractor factoring, municipality program lending, and clean energy program financing
- PVOne is currently evaluating an acquisition in the contractor factoring industry that would drive additional profitability with limited capital required

PVOne is built to scale as a tech-enabled platform servicing a multitude of asset classes.

A new financial partner will be poised to capitalize on improved profitability in a falling rate environment, capture margin improvements due to efficiencies delivered through technology, and accelerate growth beyond the forecast with entrance into new verticals

Organizational structure



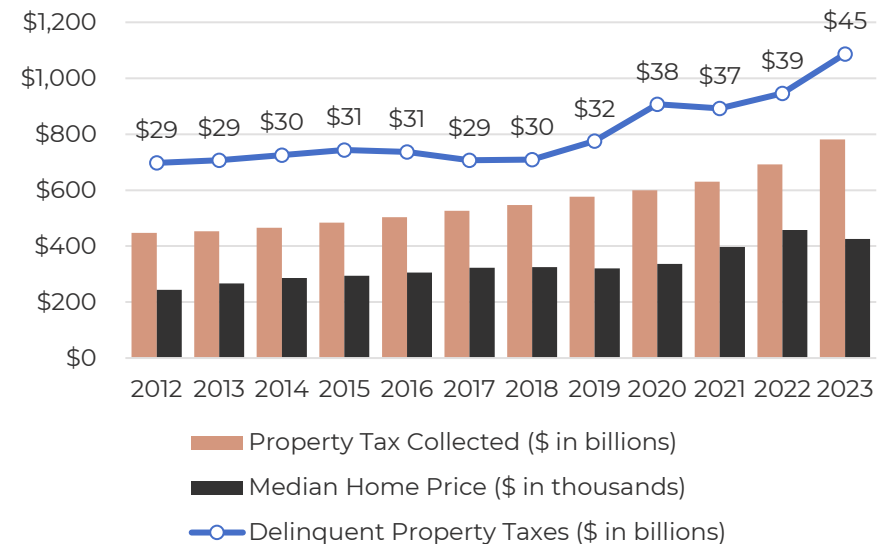
¹Employee via Terminus
²1099 employee
³Fully-dedicated outsourced employees

Tax Lien Certificate investing is a growing industry with an exceptionally attractive near-term outlook

INDUSTRY OVERVIEW

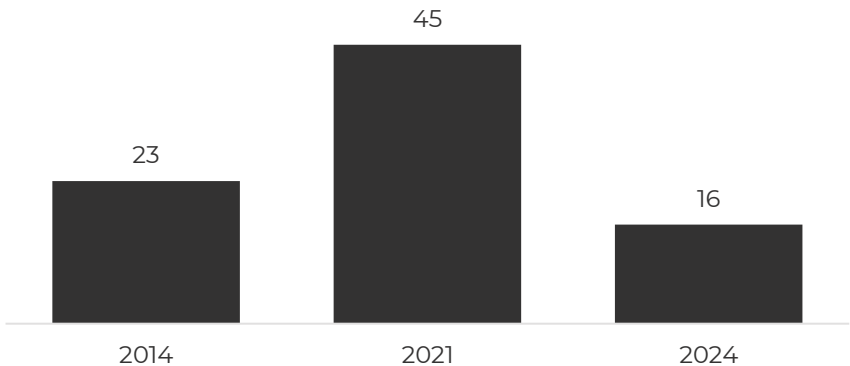
- Tax Lien Certificate investing is a \$5 billion industry and highly correlated to the amount of delinquent property taxes nationwide
- The elimination of foreclosure moratoriums and the return of property value assessments that were commonly halted during the pandemic caused US property tax bills to increase in 2023 and drove an uptick in delinquent property taxes
- The increased interest rate environment in the past three years led to a larger number of Certificates becoming available
- Declining auction participation from competitors means PVOne is able to secure higher yields on Certificates

\$45 BILLION DELINQUENT PROPERTY TAXES¹



DECLINING INDUSTRY COMPETITION²

(# of bidders at auction)



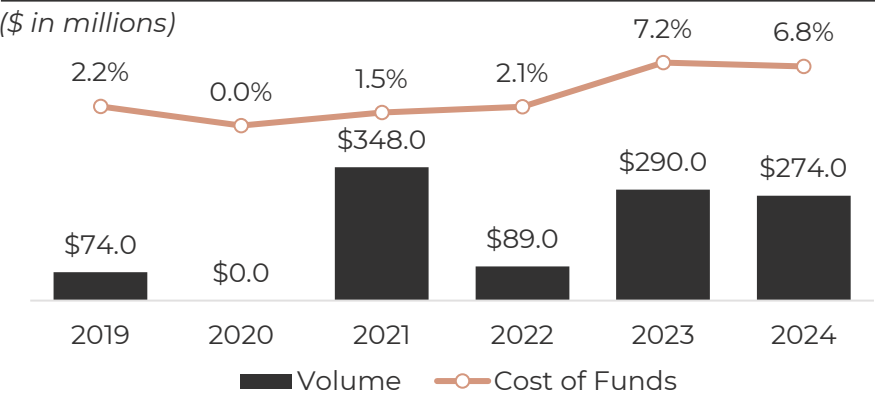
¹U.S. Property tax collected (Statista) multiplied by delinquency rate (CoreLogic)
²Company provided data; Cook County Illinois auctions

Securitizations offer an efficient financing tool

MARKET OVERVIEW

- The securitization market continues to be an accessible source of capital
- YTD July 2024 issuance in the securitization market is up more than 50% compared to the same period in 2023¹
- Securitization rates move with the market and are expected to experience rate declines throughout the second half of 2024
- The structure of pooled assets allows securitizations to have lower interest rates than other types of financing

INDUSTRY SECURITIZATION VOLUME²



PVONE SECURITIZATIONS

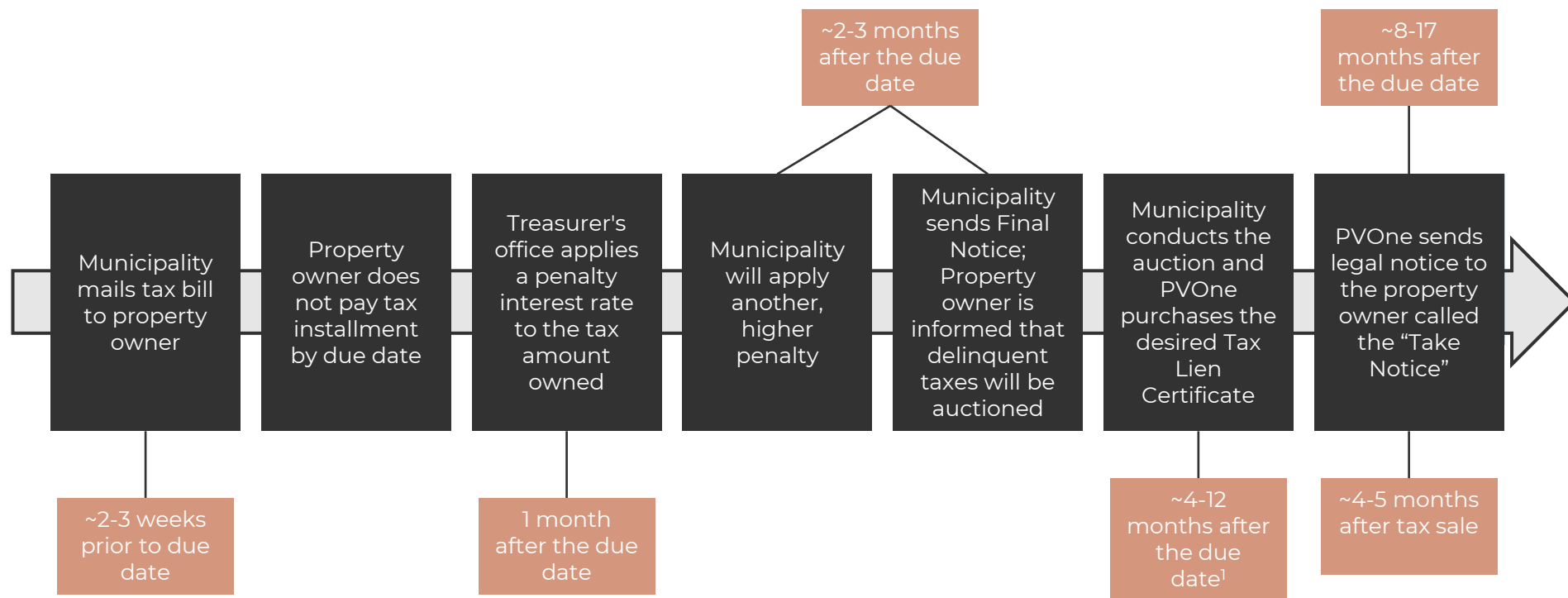
PVOne 2023-1, LLC

- Amount: \$64.7 million
- Rate: 7.25%
- Maturity: June 16, 2035
- A Class Notes Rating: AAA
- B Class Notes Rating: A

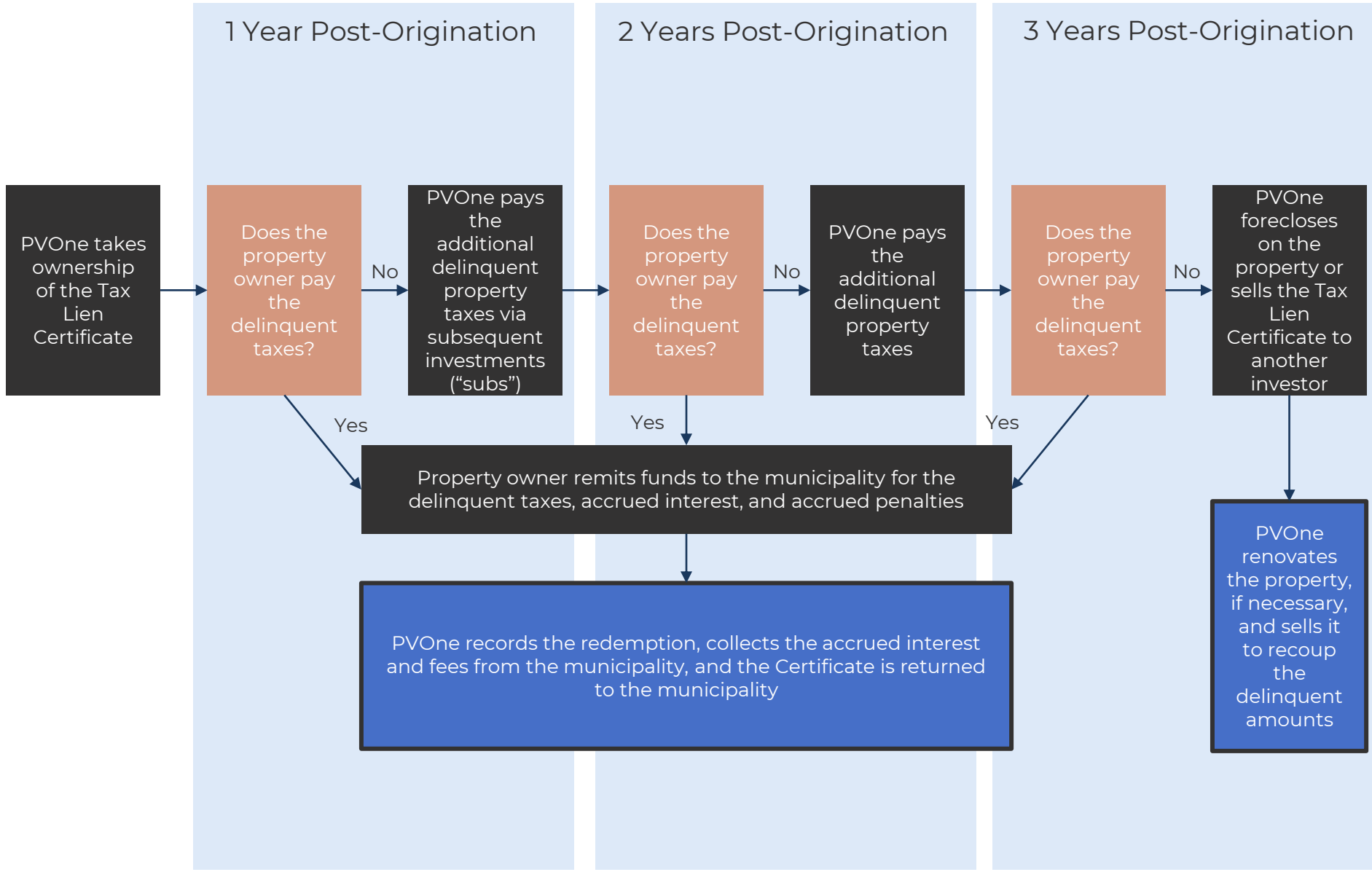
PVOne 2023-2, LLC

- Amount: \$81.2 million
- Rate: 7.67%
- Maturity: September 21, 2035
- A Class Notes Rating: AAA
- B Class Notes Rating: Not rated

Tax Lien Certificate origination timeline



From auction through redemption



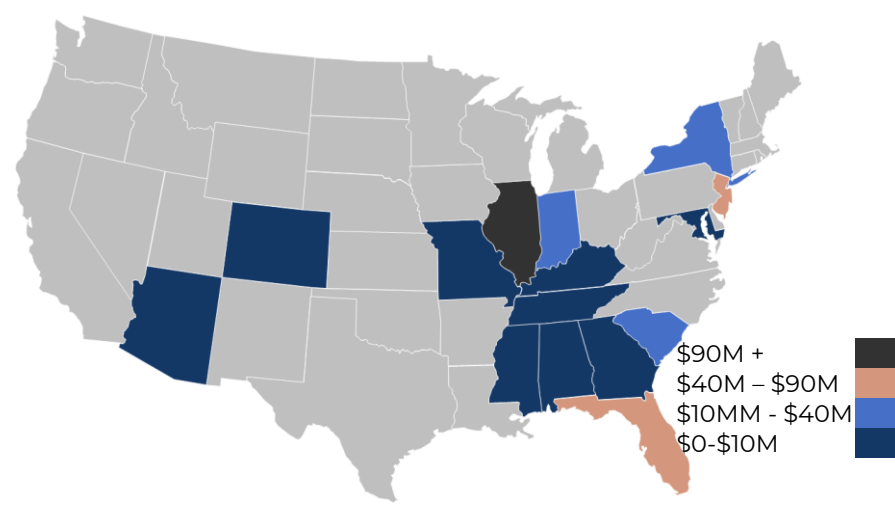
A photograph of a row of colorful houses with white porches and railings. The houses are in various colors including red, blue, and yellow. A concrete sidewalk runs along the front of the houses, and there are green lawns and bushes in front. The sky is clear blue.

Originations

PVOne employs a diversified, nationwide origination strategy

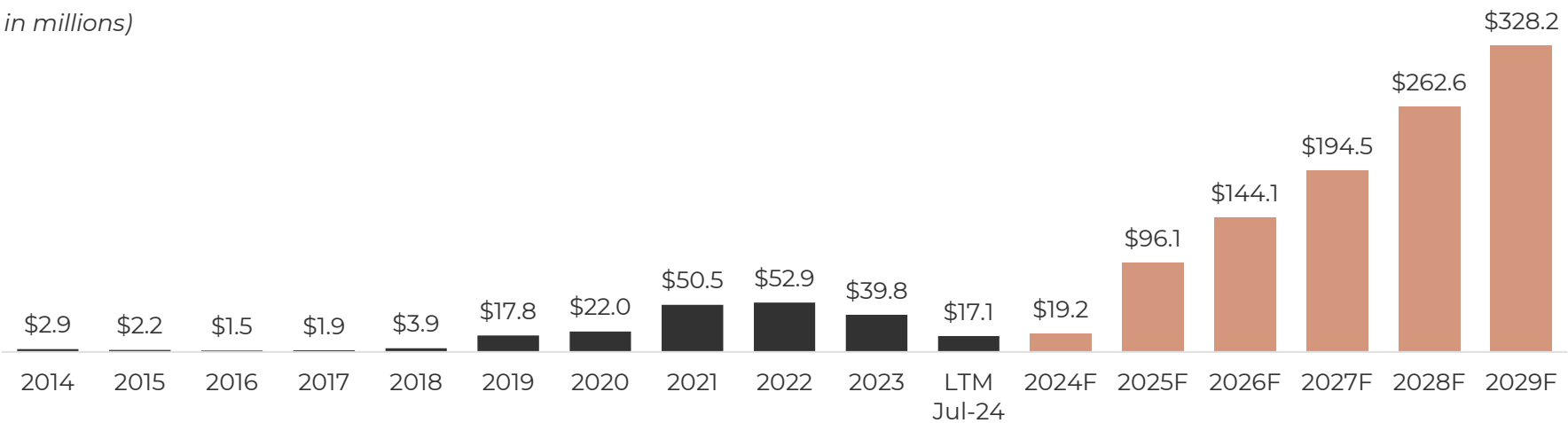
- PVOne originates Tax Lien Certificates by attending auctions held by various municipalities (either in-person or online)
 - Depending on the state, the Company may bid down the rate earned (Bid Down auctions) or bid up the premium that earns a lesser rate (Bid Up auctions)
- PVOne’s auction strategy is built around maximizing yield arbitrage and focused on acquiring Tax Lien Certificates on parcels with a high probability of redemption
 - The Company also maintains a disciplined approach to geographic diversification

ORIGINATIONS SINCE INCEPTION¹



INITIAL ORIGINATIONS¹

(\$ in millions)



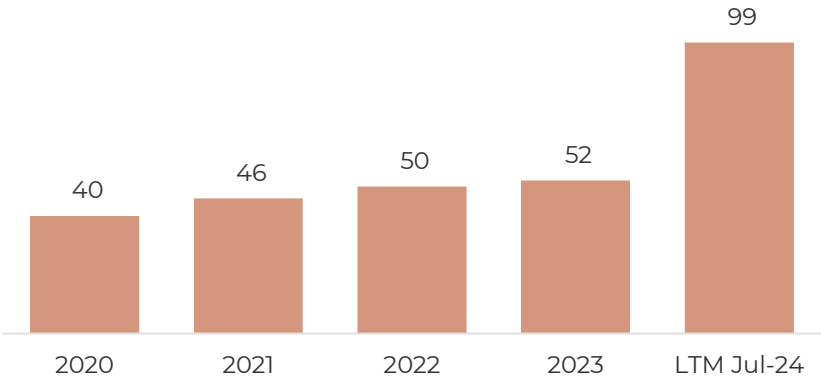
¹Excludes acquired certificates

Originations strategy – New Jersey

- Auctions are conducted on a hybrid basis
 - Estimated market size of over 1 billion¹
 - Statutory rate of 18% for initial certificates
 - Semi-annual or daily accrual
 - Foreclosure period of two years

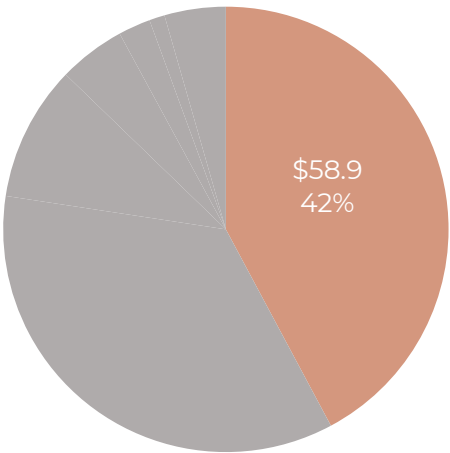
Positives	Negatives
<ul style="list-style-type: none"> ▪ Strong market conditions ▪ Low competition 	<ul style="list-style-type: none"> ▪ Longer redemption periods ▪ Average rate performance

COUNTIES ORIGINATED



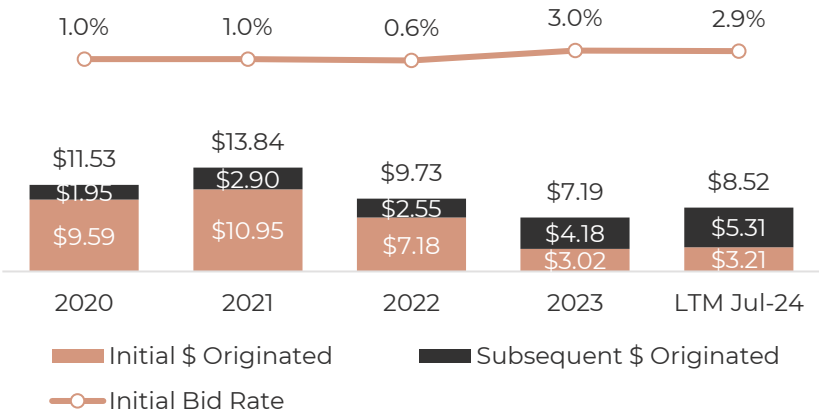
PORTFOLIO SHARE

(\$ in millions)



DOLLARS ORIGINATED AND YIELDS²

(\$ in millions)



¹Company provided data
²Initial bid rate is the weighted average of the tax lien interest rate and overbid rate

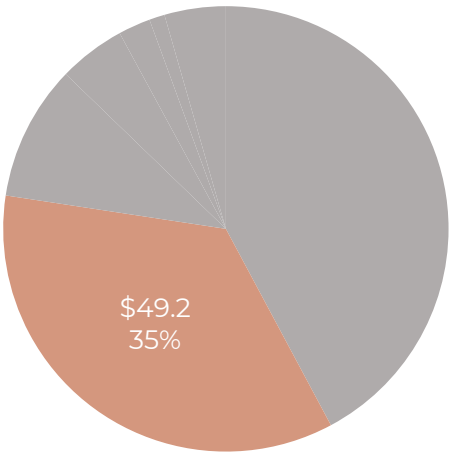
Originations strategy – Illinois

- Auctions are conducted on a bid down basis
 - Estimated market size of over \$5 billion¹
 - Statutory rate of 18% for initial certificates
 - Semi-annual accrual
 - Foreclosure period of two and a half years
 - Originates all IL Tax Lien Certificates in a singular county
 - 2023 did not include any auctions. Certificates were purchased from the county at the statutory rate

Positives	Negatives
<ul style="list-style-type: none"> ▪ Attractive rates of return ▪ Low competition ▪ Strong historical performance 	<ul style="list-style-type: none"> ▪ Longer redemption period then other states

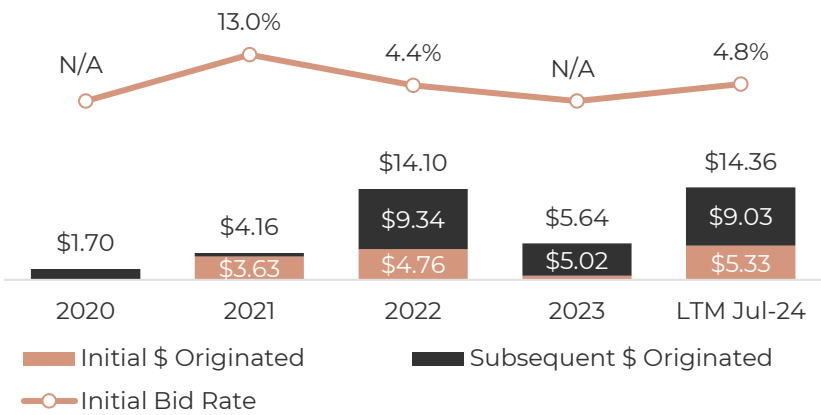
PORTFOLIO SHARE

(\$ in millions)



DOLLARS ORIGINATED AND YIELDS²

(\$ in millions)

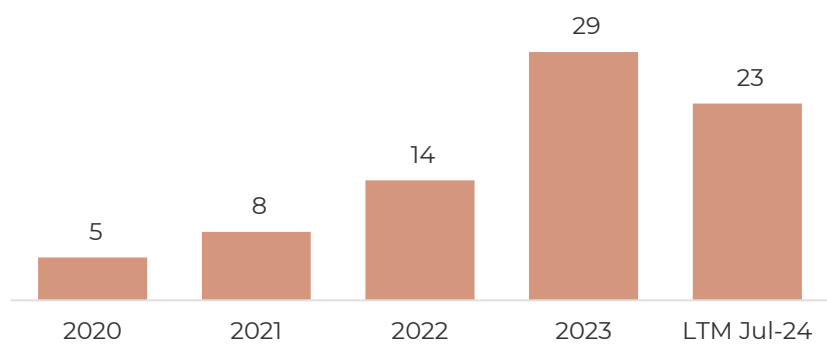


Originations strategy – Florida

- Auctions are conducted on a bid down basis
 - Estimated market size of over \$1 billion¹
 - Statutory rate of 18% for initial certificates
 - One time accrual
 - Foreclosure period of 22 months
 - 5% penalty on principal paid to investor in addition to bid rate

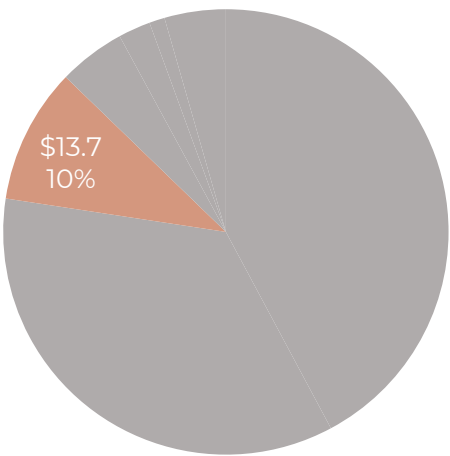
Positives	Negatives
<ul style="list-style-type: none"> ▪ Strong market conditions ▪ Fast redemptions ▪ County ran disposition ▪ “Fast Five” 	<ul style="list-style-type: none"> ▪ Weaker rates of returns than other markets

COUNTIES ORIGINATED



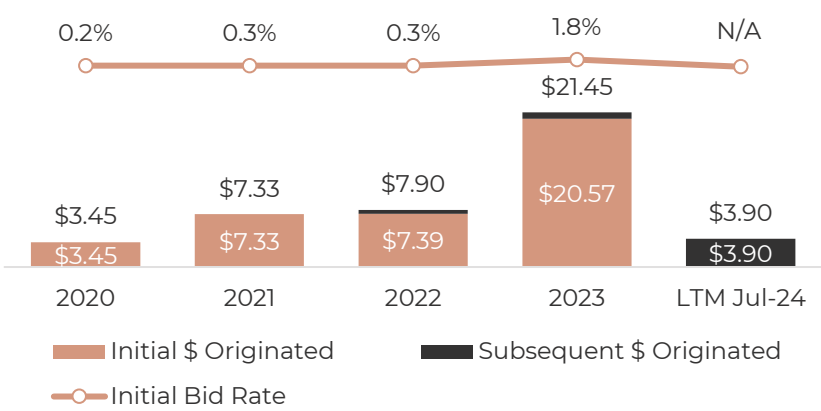
PORTFOLIO SHARE

(\$ in millions)



DOLLARS ORIGINATED AND YIELDS²

(\$ in millions)



Rate analysis overview

- Initial Bid Rates for PVOne’s portfolio YTD Jul-24 improved by 60 bps compared to 2022 because of improved bidding strategies driven by development in Terminus
- PVOne’s strategic approach to auctions has allowed the Company to maintain low volatility for Initial Bid Rates and improve overall returns
- As market conditions shift and more Certificates are up for auction, PVOne is positioned to maximize returns
- PVOne anticipates some bid rate compression with upcoming FED interest rate cuts giving the Company the opportunity to make more money on the tail

INITIAL BID RATE ^{1,2}					
	2020	2021	2022	2023	YTD Jul-24
Illinois	0.0%	13.0%	4.4%		5.5%
New Jersey	1.0%	1.0%	0.6%	3.0%	0.3%
South Carolina	12.0%	12.0%	12.0%	12.0%	
Alabama	6.4%	7.6%	4.4%	11.4%	11.5%
Mississippi			15.7%	17.8%	17.1%
Indiana	6.5%	5.9%	6.2%	11.9%	
Tennessee		1.6%	0.6%	1.2%	0.4%
Other	0.9%	0.8%	0.8%	0.9%	0.9%
Total	5.8%	5.8%	5.8%	5.4%	6.1%

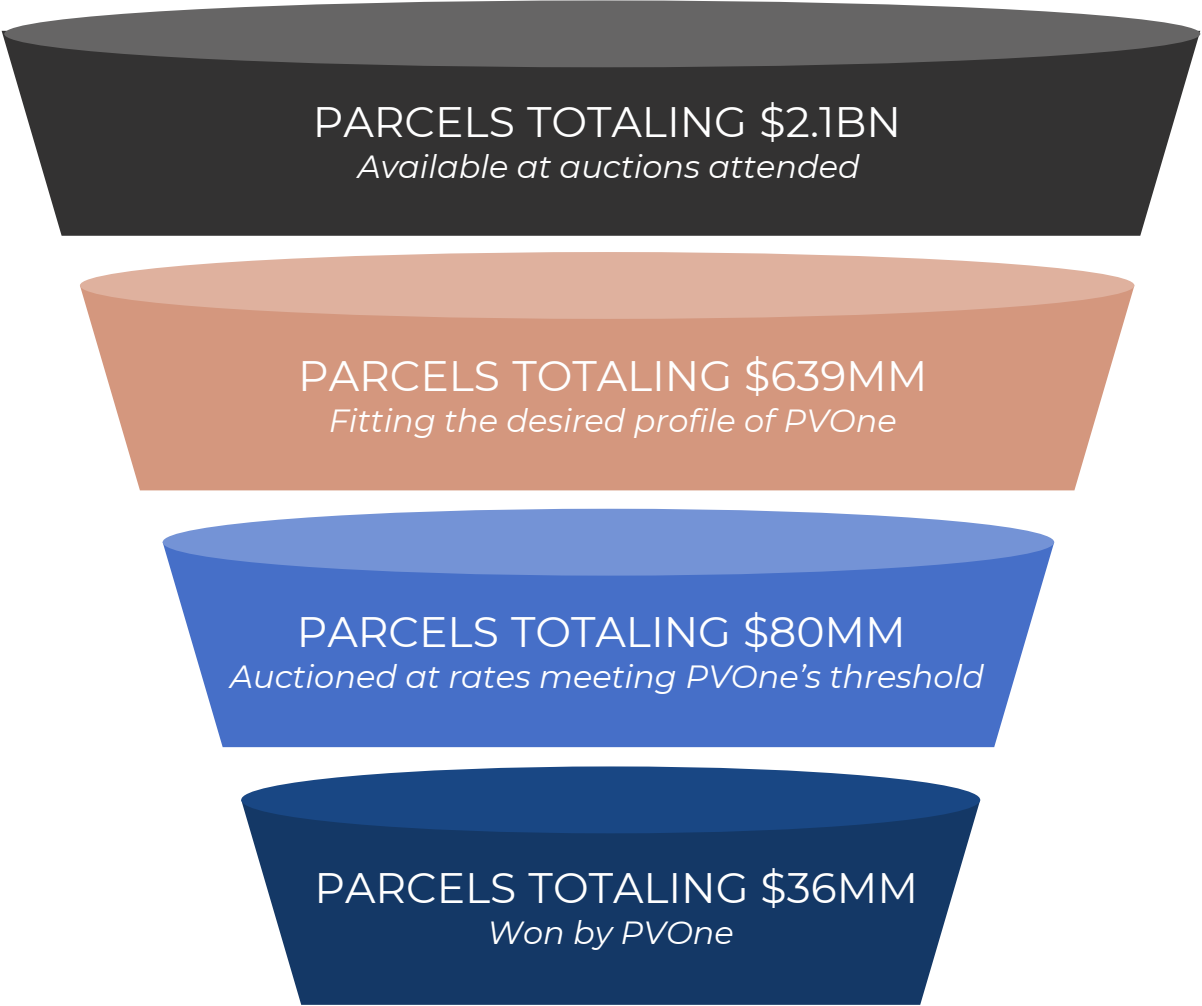
¹States based on LTM Jul-24 Initial Purchases
²Initial bid rate is the weighted average of the tax lien interest rate and overbid rate

A photograph of a row of colorful houses (red, blue, and yellow) with white porches and railings. A concrete sidewalk runs along the front of the houses, and a well-maintained lawn with various shrubs and flowers is in the foreground. The sky is clear and blue.

Growth Plan

Organic growth: expand in existing footprint

- Significant opportunity to win market share in all 14 states that PVOne currently operates, as the macro environment increases Certificate availability, eliminates competitors and drives increased opportunity
- With increased capacity, PVOne could aggressively pursue growth in its existing states, requiring minimal investment in technology or overhead
- There are approximately 90 additional counties within the 14 states PVOne operates
 - Representing an additional \$120 - \$160 million in annual originations at the current return profile

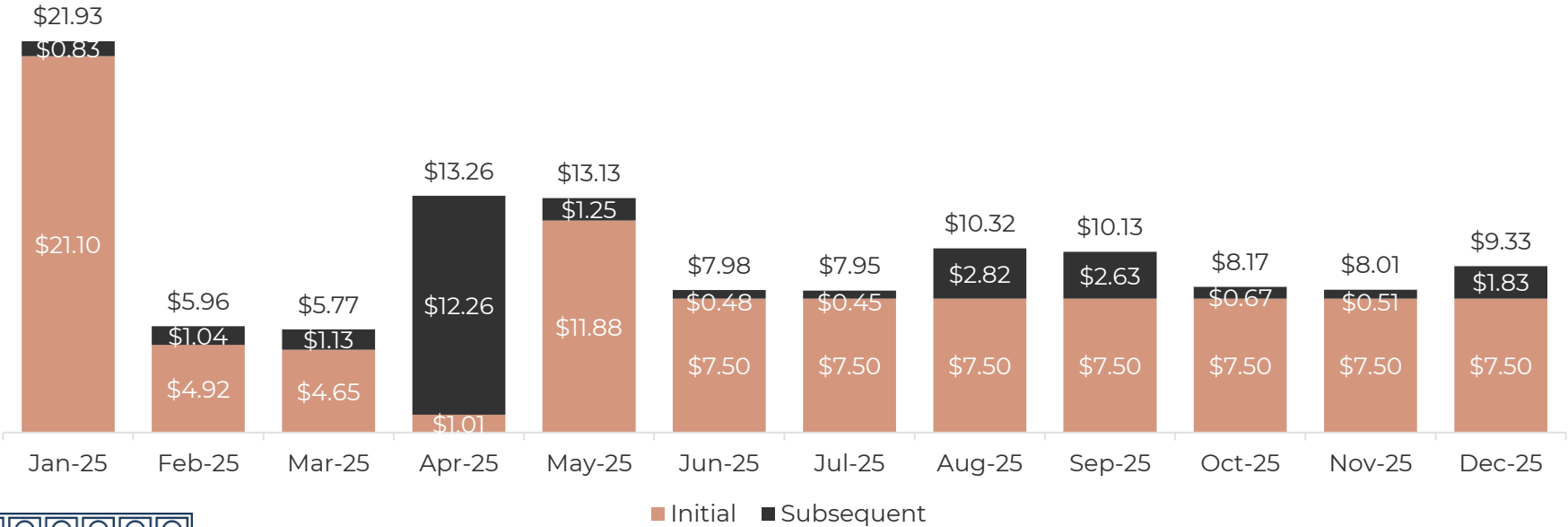


Growth plan: Use of proceeds



FORECASTED ORIGINATIONS

(\$ in millions)

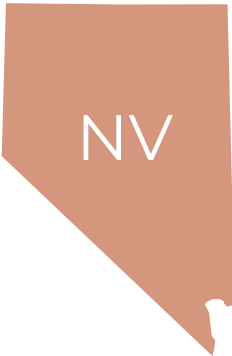


Expand into new states



- Taxes are paid to the taxing authority and loans are made directly to the property owner
- PVOne has already started to develop a consumer-facing application
- Rate: higher than current portfolio

\$200 million Opportunity



- Direct lending state with a surge in property taxes in recent years
- Taxes are paid to the taxing authority and loans are made directly to the property owner
- Rate: direct rate competitive

Unknown Opportunity



- Certificates are sold as a portfolio by County, individual certificates are not sold to investors
- No additional overhead and three weeks to develop the self redemption platform
- Rate: negotiated with county

\$40 - 60 million Opportunity

Platform expansion to similar asset classes

- Management has built PVOne to be a product-agnostic origination and asset management platform
- The Company has explored additional asset classes that fit well within the Company's current operations and share a thesis of senior or high priority position, low LTVs and strong risk adjusted returns
- Terminus provides significant leverage, as the software can be redeployed, saving hundreds of thousands in investment capital and cutting the development time significantly

Municipality
Program Lending

HOA Financing

Contractor Supply
Chain Factoring

Contractor supply chain factoring

- PVOne has the opportunity acquire a Target operating in the contractor supply chain factoring and construction factoring space
 - The Target finances invoices for subcontractors on behalf of the general contractors. By factoring subcontractor invoices, general contractors are able to prevent delays attributed to liquidity issues
- Similar to Tax Lien Certificates, priority lien rights on the property are secured in the event of default, allowing the Target to repossess and dispose of the property to recoup lost principal and interest
 - Yields and Charge-Offs are materially higher than the Tax Lien Certificate Industry

The cost of slow payments to the US construction industry¹

\$208B

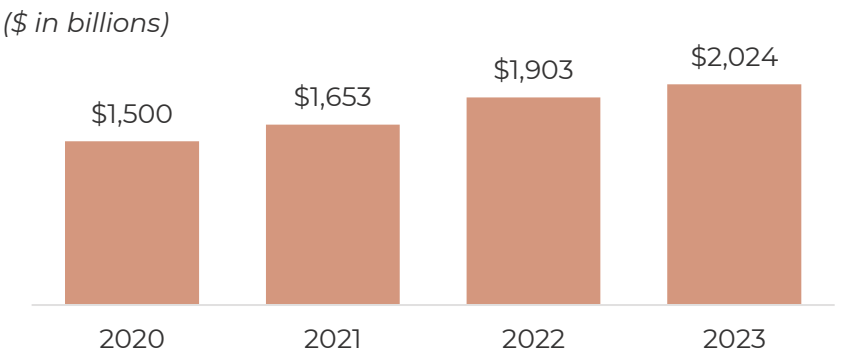
Subcontractor work delayed due to liquidity problems¹

37%

Hours per month general contractors spend managing payments¹

44 Hours

ANNUAL CONSTRUCTION SPENDING²

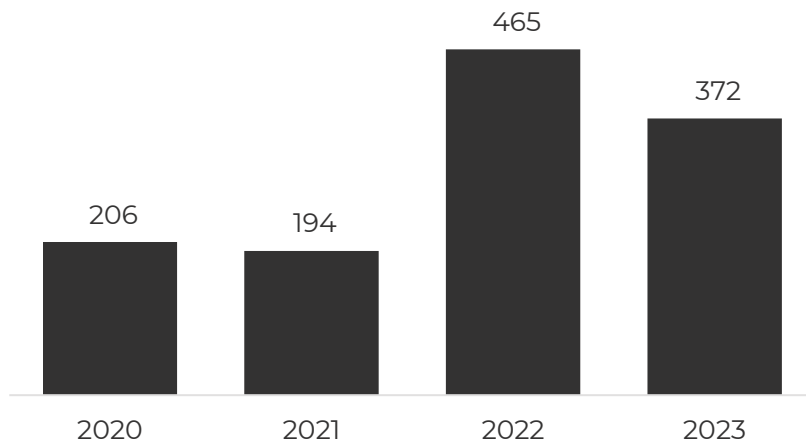


Target originations

- Originations are created by purchasing invoices from subcontractors prior to being paid by the general contractor at an average discount of 8.23% and average days outstanding is 56 days
- 40%+ yield on portfolio
- The decrease in originations in the LTM period is attributed to the capital constraints experienced by the Target

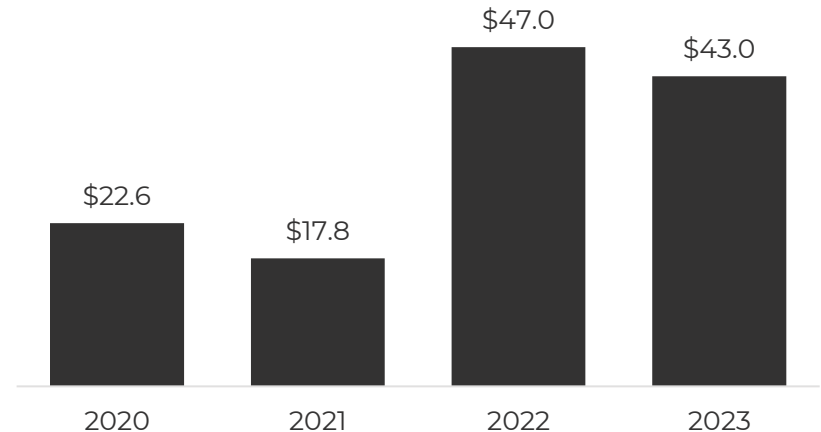
UNIT ORIGINATIONS

(units in actual)



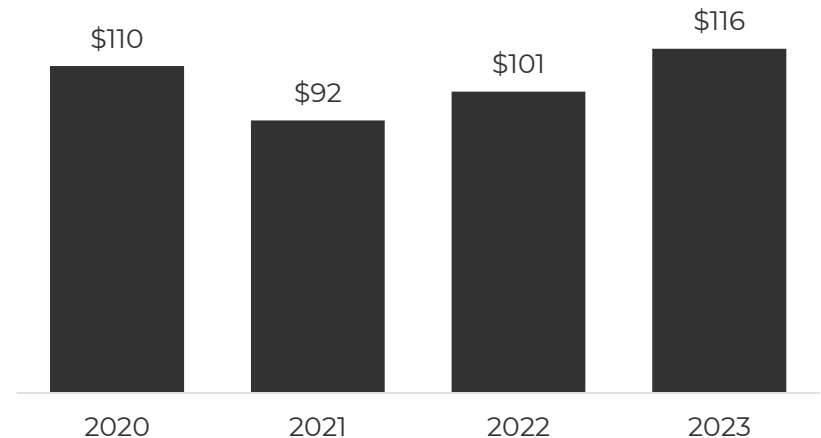
DOLLAR ORIGINATIONS

(\$ in millions)



AVERAGE CONTRACT SIZE

(\$ in thousands)

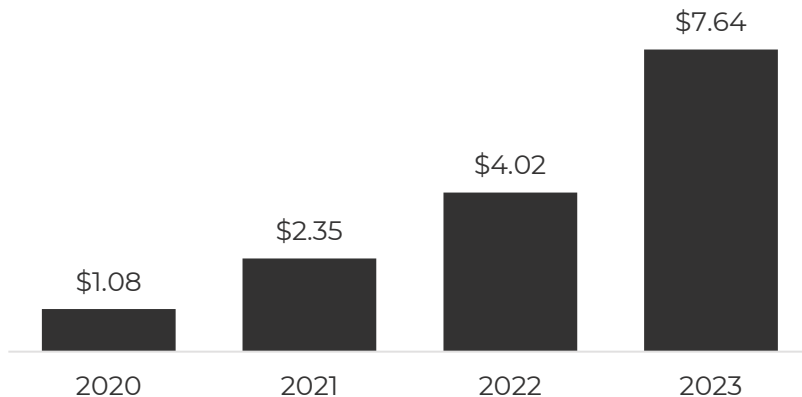


Target financial overview

- The Target has an impressive track record of growth (90%+ top line CAGR since 2020) despite the fact it has limited access to senior debt capital
- The Target provides PVOne the opportunity to increase its profitability while only deploying minimal additional capital
- Additional synergies via consolidation and new efficiencies gained through Terminus could enhance profitability further

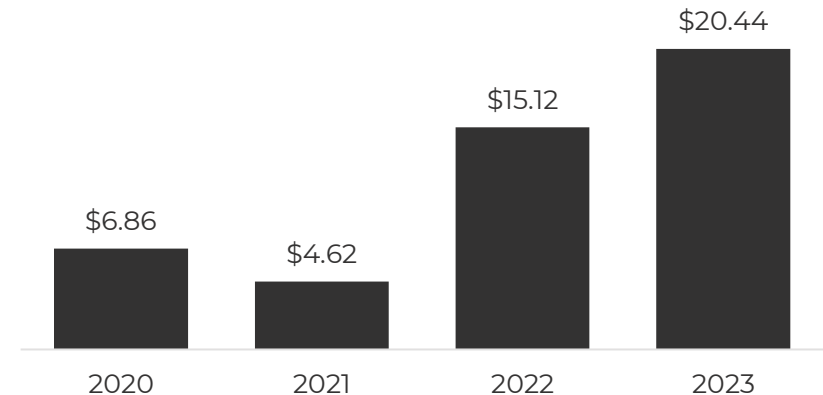
REVENUE

(\$ in millions)



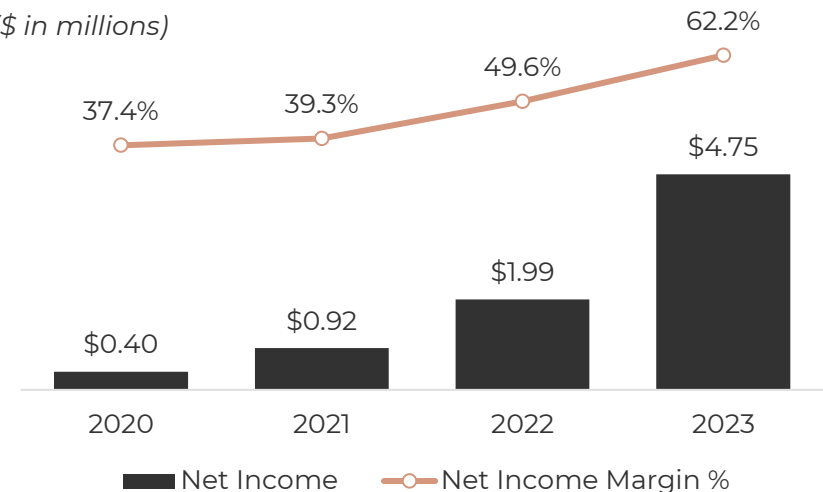
FACTORING AND FEE RECEIVABLES

(\$ in millions)



NET INCOME

(\$ in millions)



Positive combined financial impact

- Management is under LOI to purchase the target for a valuation under \$6 million
- As shown, the combined financials of PVOne and the Target offer an attractive post merger outcome for the business

PRO FORMA BALANCE SHEET¹

(\$ in millions)

	Jun-24		
	PVOne	Target	Combined
Total Assets	\$154.71	\$22.83	\$177.54
Total Liabilities	153.04	11.98	165.03
Member Equity	1.67	10.85	12.52
Total Liabilities and Equity	\$ 154.71	\$ 22.83	\$ 177.54

PRO FORMA INCOME STATEMENT^{1,2}

(\$ in millions)

	LTM Jun-24		
	PVOne	Target	Combined
Total Revenue	\$10.64	\$8.64	\$19.28
Net Revenue	(0.55)	7.52	6.97
Total Operating Expenses	3.17	0.86	4.03
Other Income / (Expense)	1.77	(0.85)	0.91
Net Income (Loss)	\$ (1.95)	\$ 5.81	\$ 3.86
Adjustments	6.06	(4.77)	1.29
Adjusted Net Income (Loss)	\$ 4.11	\$ 1.04	\$ 5.15

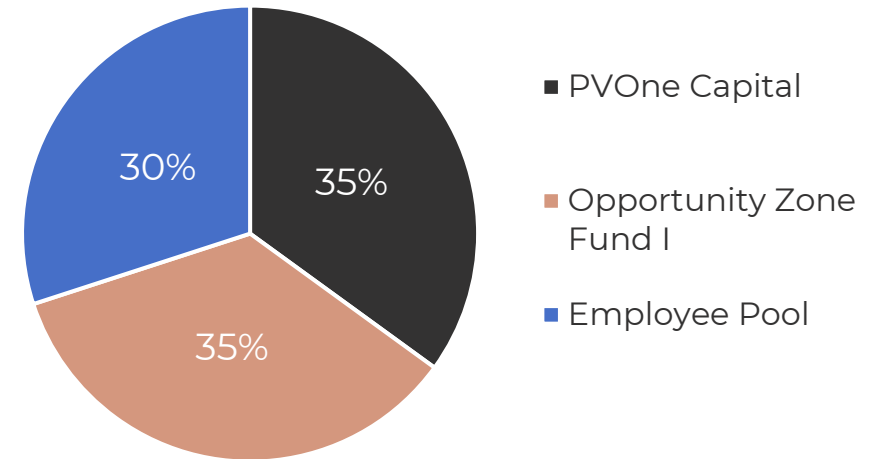
Terminus

A photograph of a row of colorful houses (red, blue, and yellow) with white porches and railings. A concrete sidewalk runs along the front of the houses, and a well-maintained garden with green grass and various shrubs is in the foreground. The sky is clear blue.

Terminus is the secret sauce that makes PVOne a differentiated investment as a financial asset management platform

- Terminus drives value to the PVOne operation through the aggregation, manipulation, and distillation of robust data sets from municipalities, real estate websites, competing bidders, and other sources
- The platform is robust, and with minimal investment can be repurposed and redeployed to service other similar financial assets
- Opportunity Zone Fund I and the Employee Pool ownership in Terminus Labs are offered in conjunction with the PVOne transaction, giving a buyer the opportunity for 100% ownership of Terminus Labs

TERMINUS OWNERSHIP



TERMINUS HIGHLIGHTS

75,000
Certificates

432
Municipalities

41
Licenses¹

~\$300
AUM

Terminus highlights

ORIGINATIONS

Terminus sources data from all available Certificate auctions and can refine the initial data feed to verify the accuracy of the Company's purchased Certificates before assigning the Certificates to the correct lending facility within the servicing system

ARTIFICIAL INTELLIGENCE

The platform uses advanced machine learning to forecast the probability of redemption. The more accurately the Company can forecast redemption timelines, the more precise its bidding strategy can be

MARKETPLACE

Terminus acts a secondary marketplace for users to sell Certificates to other industry participants. This allows additional market data to management on secondary market behavior and the competitive dynamics of the industry

GROWTH

Terminus is capable of servicing the HOA financing, contractor supply chain financing, municipality program lending, and clean energy program financing industries, among others

Streamlines underwriting ...

- Terminus efficiently searches and performs due diligence on properties that fit the investment criteria set by PVOne management
 - Analyzes more than 200 variables to determine whether an investment qualifies
- Management constantly reviews auction data against its own bid strategy to improve internal evaluations, evaluate markets, and understand competitive and macro drivers
 - For auctions PVOne participated in, management follows a defined process

Underwriting Dashboards

Pinal County AZ

Property Information

Building Details

Lot sqft:	1,822
Building sqft:	1,812
Beds:	No Data
Baths:	No Data
Stories:	2
Lines:	No Data
Parking:	No Data

Construction

Year Built:	1980
Year Remodeled:	No Data
Condition:	Typical
Roof:	Asphalt
Heating:	Central
Cooling:	Central

Tax Assessment (2016)

Assessed Value:	\$1,716.73
Assessed Land Value:	\$1,644.26
Assessed Improvement Value:	\$72.47

First Mortgage

Lender:	No Data
Loan Type:	No Data
Loan Value:	No Data

Sale

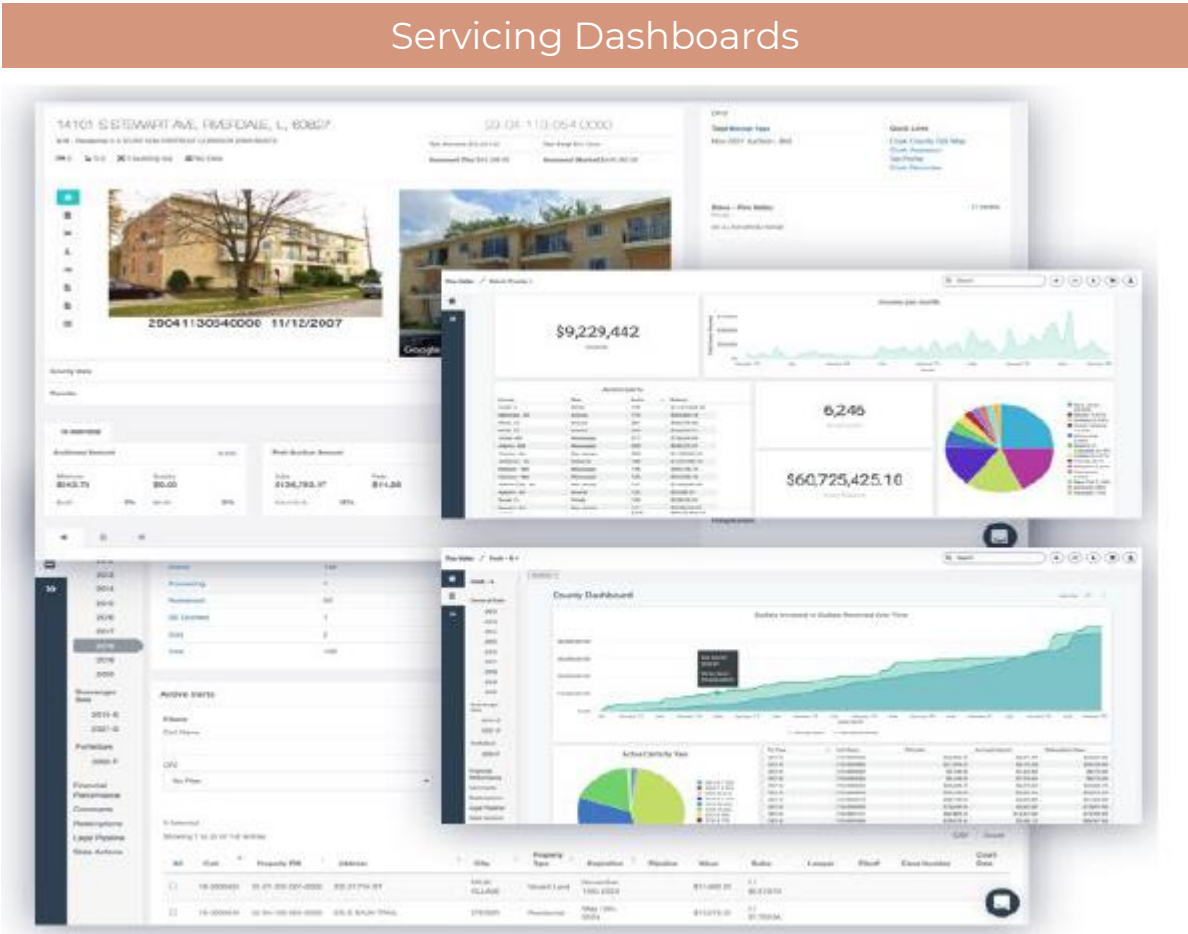
Date:	February 1, 2012
Buyer:	UPON, TRAIL, SPARKS, L.P.
Seller:	UPON, TRAIL, SPARKS, L.P.
Price Type:	Market
Sale Price:	\$1,716.73

Auction Property Information

Address	Room	Bed	Bath	APFT	Sale Date	Amount
2225 S 44th Ave, Phoenix, AZ 85018	Single Family	3	2	1,200	April 1, 2012	\$1,200,000.00
2466 E MEADOW VALLEY, AZ 85141	Single Family	3	2	1,200	October 1, 2011	\$1,200,000.00
2466 E MEADOW VALLEY, AZ 85141	Single Family	3	2	1,200	October 1, 2011	\$1,200,000.00
1800 E 1st Ave, Phoenix, AZ 85010	Single Family	3	2	1,200	April 1, 2012	\$1,200,000.00


... and servicing

- The interactive servicing interface offers:
 - Workflow automation
 - Forms creation
 - Flexible charts and reports
 - Customizable business logic
- Automation is the key differentiation for PVOne
 - Terminus automatically sends digital notices and reminders
 - Prints the required paper notices
 - Tracks each Tax Lien Certificate through the process while alerting the team to each regulatory benchmark and date




Please join us for a live demonstration of Terminus Labs

23 Hunter St
Newark, New Jersey
View on Google Maps



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Bid: \$20,000.00

30 HUNTER ST, NEWARK, NJ 07114

000474 - 2776-21.07
2 - RESIDENTIAL
Tax / sqft: \$4.00 Assessed (Tax): \$343,600.00 Market Value: \$343,600.00
3,324 sqft
Zillow

Edit Bid (\$20,000.00)

Watch

Do Not Bid

Auction Property Information

Auctioned Amount:	\$26,490.39 ?
Open Priors:	
Total Delinquent:	\$26,490.39
Market Value/Total Tax:	27 x
Delinquent/Market Value:	8%

Adjusted Value

Save

Tags

Type to add a new tag

Property Information

Market Information

County Data

Comments

Inspection

Owner Details

Owner Name: NEW JERSEY ASSOCIATI,

Owner Occupies Building: No Data

Owner Address: 986 BROAD ST

Building Details

Lot sqft: 3,598.0

Building sqft: 3,324

Beds: No Data

Construction

Year Built: 2008

Year Remodeled: No Data

Condition: No Data

A photograph of a row of colorful houses with white porches and railings. The houses are in various colors including red, blue, and yellow. A concrete sidewalk runs along the front of the properties, which are landscaped with green lawns, shrubs, and small trees. The scene is set against a clear blue sky.

Portfolio

High quality assets

Attractive Yields

Tax Lien Certificate portfolios generate yields that outperform other fixed income investments

Minimal Credit Losses

Certificates are secured by the underlying property. If the Certificate is not redeemed, the property is foreclosed on, renovated (if needed), and sold

Diversified Origination Strategy

Certificates can provide asset exposure to various geographies and property types

High ROA and ROE

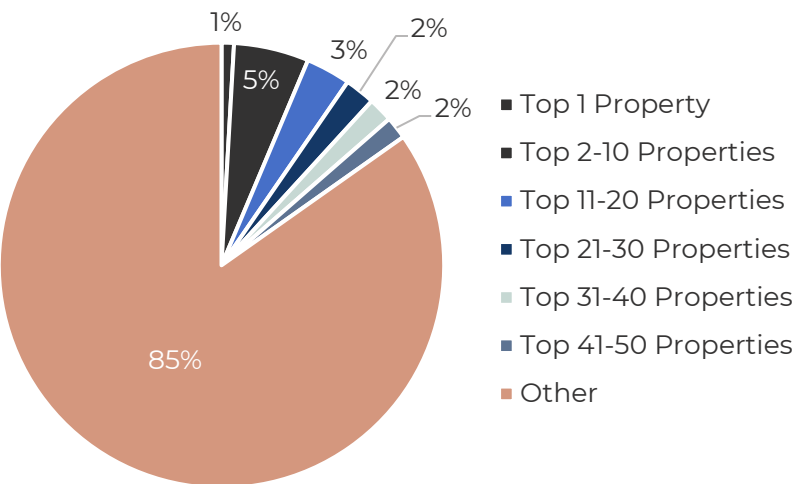
High yields and low losses, coupled with a strong efficiency ratio and operating leverage, generate superior returns on assets and equity, well above other assets

Securitization Opportunity

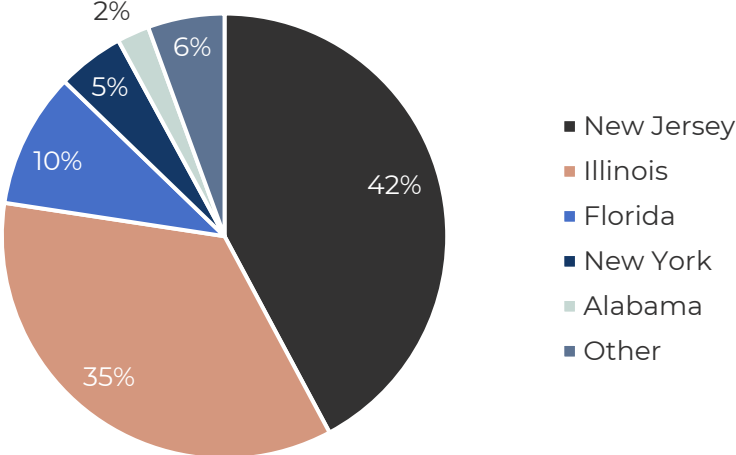
Demonstrated ability to access the securitization market with investment grade ratings at scale

Portfolio concentrations¹

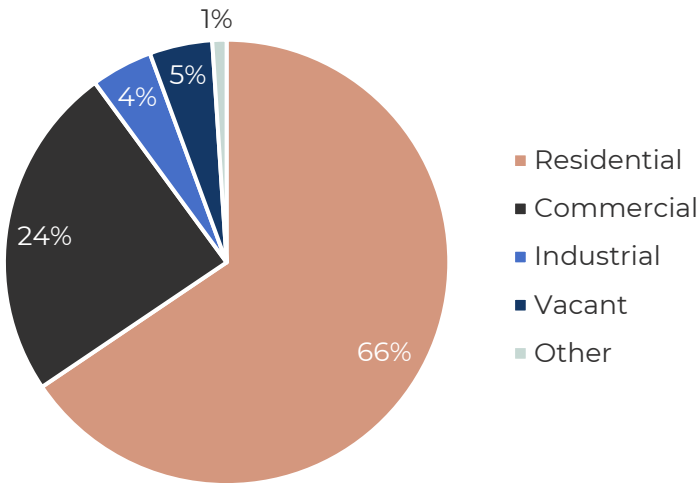
GRANULAR PORTFOLIO



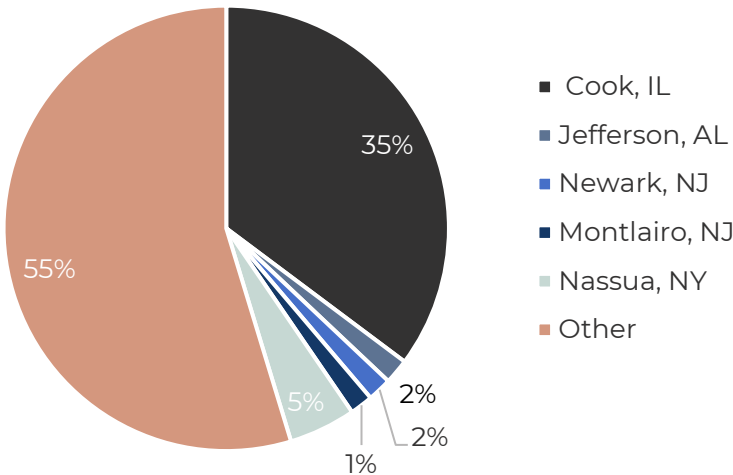
STATE CONCENTRATION



PROPERTY TYPE



MUNICIPALITY CONCENTRATION

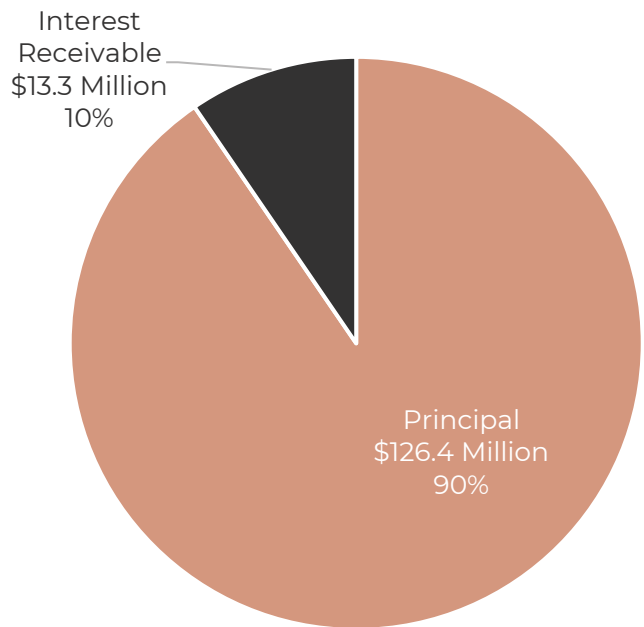


¹Portfolio as of Jul 2024

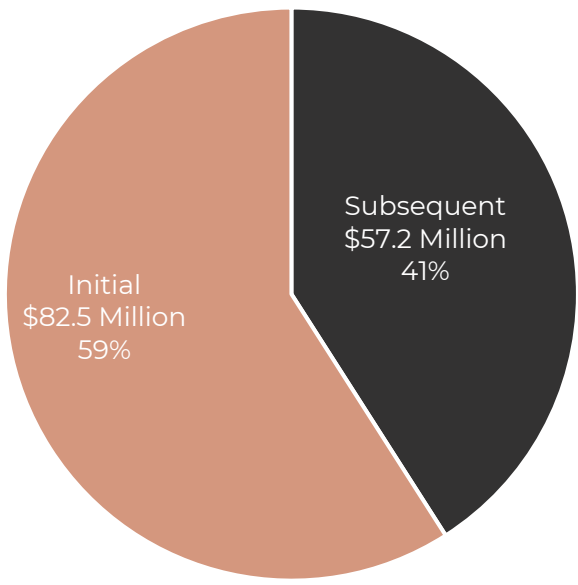
Portfolio composition

- 90%+ of the portfolio balance is principal
 - Principal value of the portfolio is based on the par value of the Certificate, over bids, and fees and expenses for maintaining perfection on the Certificate
 - Interest accrues to each Certificate based on the state statute (can be daily, monthly, etc.) and continues to grow until that Certificate is ultimately redeemed
- 60%+ of the portfolio is tied directly to the initial Certificate Purchase
 - Initial Certificates make up the bulk of originations in a typical year

PORTFOLIO COMPOSITION:
PRINCIPAL VS. INTEREST¹



PORTFOLIO COMPOSITION:
INITIAL VS. SUBSEQUENT¹



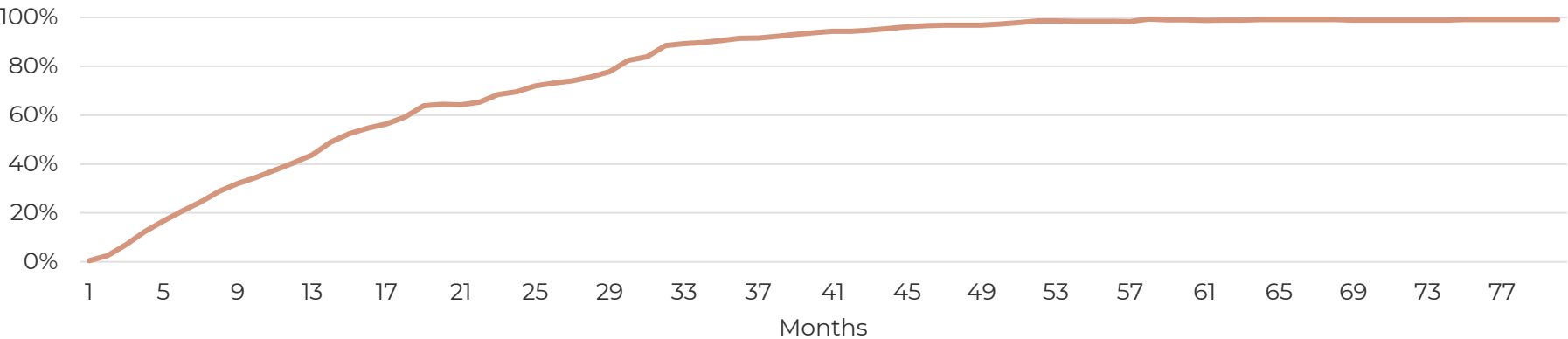
Vintage overview

RETURN SUMMARY¹

(\$ in millions)

Annual Vintage	Originated Principal	Principal Redeemed	% Redeemed	Capital Returned	Cash on Cash Return	Cash on Cash Return (Fully Earned) ¹	Unlevered Yield (Fully Earned) ¹
2014	\$6.5	\$6.4	99.4%	\$7.7	1.2x	1.2x	9.4%
2015	\$5.0	\$5.0	100.0%	\$5.6	1.1x	1.1x	8.3%
2016	\$3.4	\$3.4	99.7%	\$4.4	1.3x	1.3x	16.3%
2017	\$4.0	\$4.0	99.3%	\$4.5	1.1x	1.1x	6.3%
2018	\$5.7	\$5.7	99.1%	\$6.4	1.1x	1.1x	10.3%
2019	\$20.1	\$19.9	98.9%	\$23.7	1.2x	1.2x	13.0%
2020	\$30.3	\$29.0	95.6%	\$31.4	1.0x		
2021	\$63.9	\$57.7	90.3%	\$61.7	1.0x		
2022	\$66.2	\$49.2	74.4%	\$52.1	0.8x		
2023	\$45.9	\$22.7	49.4%	\$23.8	0.5x		
2024	\$17.2	\$0.7	4.1%	\$0.7	0.0x		
ITD ²	\$268.2	\$203.6	75.9%	\$222.0	0.8x	1.2x	10.9%

REDEMPTION CURVE¹



¹Excludes acquired Certificates

²Inception To Date Fully Earned based on fully mature vintages (2014 – 2019) only

Credit profile

Consistently low charge off rates

Culture of credit, underwriting, monitoring, and collections

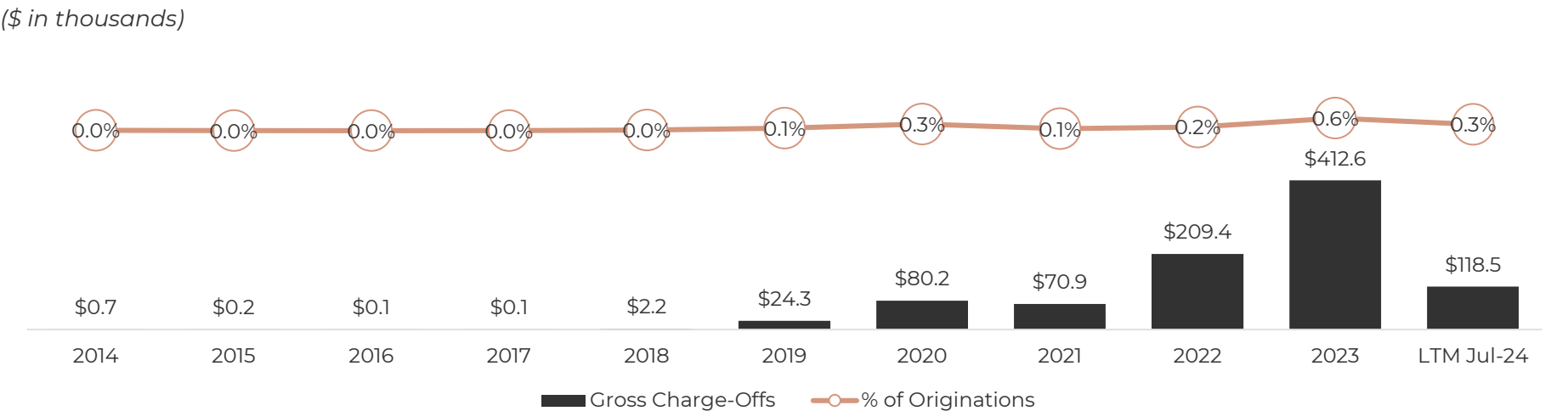
Some Certificates are charged-off from unredeemable fees paid at origination

Most charge-offs result when Certificates are sold below par or a property is foreclosed

NET CHARGE-OFFS

(\$ in millions)	2022	2023	LTM Jul-24
Allowance for Bad Debt	\$0.18	\$0.18	\$0.31
Provision for Losses	0.32	0.47	0.09
Net Charge-Offs	(0.32)	(0.37)	(0.18)
Allowance for Bad Debt	\$0.18	\$0.28	\$0.22
Net Charge-Offs % of Originations	0.49%	0.68%	0.61%
Net Charge-Offs % of Avg. Gross Receivables	0.55%	0.37%	0.20%

CHARGE-OFF DATA BY VINTAGE



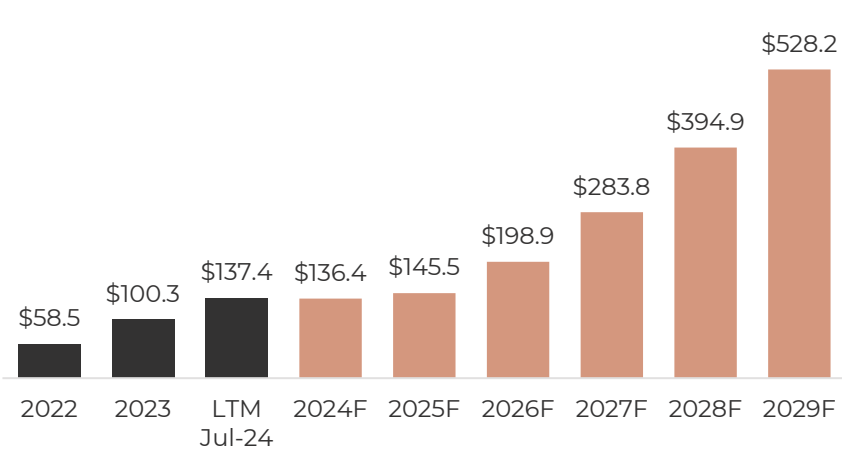
A photograph of a row of colorful houses (red, blue, and yellow) with white porches and railings. The houses are set back from a sidewalk by green lawns and various shrubs. A semi-transparent grey banner is overlaid across the middle of the image, containing the text 'Financial Summary' in a large, black, sans-serif font.

Financial Summary

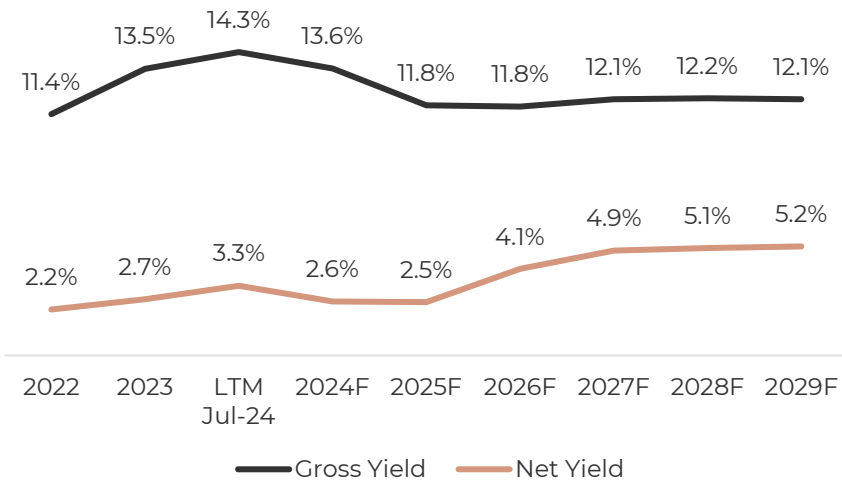
Strong financial profile

AVERAGE RECEIVABLES

(\$ in millions)

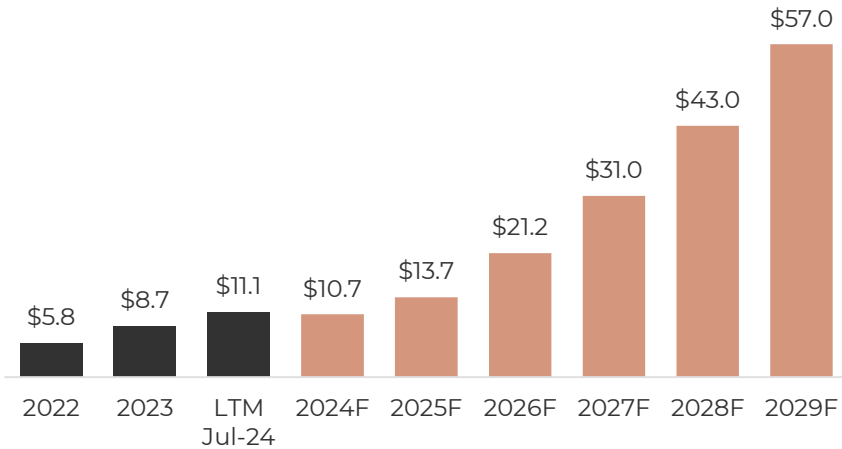


ADJUSTED YIELD



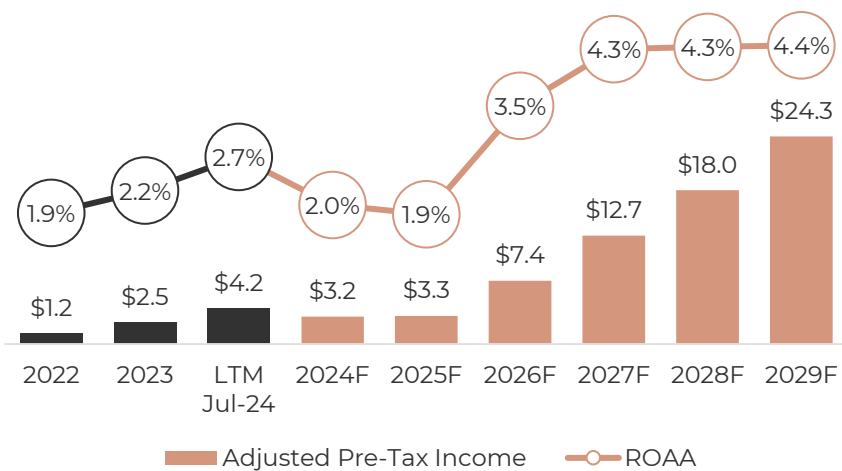
TOTAL REVENUE

(\$ in millions)



ADJUSTED PRE-TAX INCOME AND ROAA

(\$ in millions)



Recapitalization of balance sheet

- Management is seeking a significant capital injection into the business to right size the balance sheet and fund future growth.
- Approximately \$6 million will be used to repay subordinated debt, reducing the total leverage profile of the business and improving cash flow
- Remaining proceeds will fund cash to the balance sheet for Management to deploy in pursuit of its growth strategy

PRO FORMA BALANCE SHEET¹

	Pre-Close	Post Close
Assets		
Cash	\$27.76	\$41.26
Net Certificates	112.51	112.51
Other Assets	6.98	6.98
Total Assets	\$147.25	\$160.75
Liabilities		
Senior Debt	121.66	121.66
Subordinated Debt	16.97	10.47
Other Liabilities	1.00	1.00
Total Liabilities	139.63	133.13
Equity		
Member Equity	7.61	27.61
Total Liabilities and Equity	\$ 147.25	\$ 160.75

SUBORDINATED DEBT REPAYMENT SCHEDULE

Tranche	Amount ²	Amortization	Interest Rate	Notes
Acquisition Seller Note	\$2.9 million	Redemption Based	SOFR + 100 bps	On balance non-conforming certificates from acquisition. Payoff allows for future financing flexibility
Line of Credit – Affiliated Fund	\$2.2 million	N/A	6%	Outstanding revolving line of credit
Shareholder Notes	\$1.4 million	N/A	11%	Shareholders exiting with transaction
Total	\$6.5 million			

¹Assumes cash infusion of \$20 million and subordinated debt repayment of \$6.5 million, Dec-24
²Expected balances as of Dec-24

Balance sheet

(\$ in millions)

Balance Sheet

Assets

	2022	2023	Jul-24	2024F	2025F	2026F	2027F	2028F	2029F
Cash and Cash Equivalents	\$1.14	\$0.77	\$2.44	\$20.58	\$10.57	\$3.08	\$7.04	\$12.52	\$22.96
Restricted Cash	0.17	10.79	8.03	20.67	3.02	0.92	6.45	6.45	6.45
Total Cash	1.31	11.56	10.47	41.26	13.59	4.00	13.49	18.96	29.41
Certificate Inventory	66.51	145.56	129.27	100.36	143.60	203.29	281.28	388.93	505.97
Interest Receivable	4.16	11.03	13.38	12.65	15.72	21.47	31.35	46.59	63.71
Contract Asset	-	(2.71)	(1.71)	(0.33)	-	-	-	-	-
Allowance for Doubtful Certificates	(0.18)	(0.28)	(0.23)	(0.18)	(0.25)	(0.36)	(0.49)	(0.68)	(0.89)
Net Certificates	70.49	153.60	140.71	112.51	159.07	224.40	312.13	434.84	568.79
REO Inventory	1.27	1.23	1.41	1.22	1.74	2.47	3.41	4.72	6.14
Prepaid Legal Fees	-	0.11	0.28	0.22	0.32	0.45	0.62	0.86	1.12
Bond Assets	-	6.05	5.13	3.65	1.11	-	-	-	-
Other Assets	0.82	1.75	2.01	1.89	1.96	2.09	2.28	2.56	2.87
Total Assets	\$73.88	\$174.31	\$160.00	\$160.75	\$177.79	\$233.40	\$331.94	\$461.95	\$608.34

Liabilities

Bank Debt	\$66.80	\$22.02	\$29.55	\$35.32	\$106.20	\$191.35	\$280.98	\$391.94	\$512.90
Securitizations	-	129.74	108.88	86.35	34.64	4.20	-	-	-
Total Senior Debt	66.80	151.76	138.43	121.66	140.84	195.55	280.98	391.94	512.90
Subordinated Debt	2.27	19.14	18.32	10.47	6.57	-	-	-	-
Accruals and Other Liabilities	0.94	1.30	1.06	1.00	1.44	2.03	2.81	3.89	5.06
Total Liabilities	70.01	172.20	157.81	133.13	148.84	197.58	283.79	395.83	517.96

Equity

Member Equity	3.88	2.11	2.19	27.61	28.95	35.82	48.15	66.12	90.38
Total Liabilities and Equity	\$ 73.88	\$ 174.31	\$ 160.00	\$ 160.75	\$ 177.79	\$ 233.40	\$ 331.94	\$ 461.95	\$ 608.34

Adjustments to income

(\$ in millions)

- **Depreciation and Amortization:** Non-cash costs that are included in the financial statements. These include the depreciation of fixed assets and the amortization of software, loan guarantee fees, costs related to the securitizations, and the discount on certificates the Company achieved on the acquired portfolios
- **Non-Recurring Technology:** One-time costs charged by Terminus onto other PVOne entities for using the Terminus platform. There are also some costs relating to the use of FINTRIX and consulting fees relating to the implementation of new software
- **Non-Recurring Legal:** Legal costs associated with creating, reorganizing, and forming new entities under the ownership of PVOne. Also includes legal costs relating to the securitizations and assignment fees relating to the establishment of the line of credit
- **Non-recurring Financing Costs:** Amortization of a loan fee guarantee and services utilized to set up the securitizations
- **Severance:** Severance payments paid to employees terminated in 2024
- **Non-Recurring Gain on Investment:** One-time sale of an interest rate swap that resulted in a gain on sale
- **Other Non-Recurring Expenses:** Non-operating charitable and reimbursable expenses that will not be part of the go-forward operations of the Company
- **Subordinated Debt Interest Expense:** Interest expense of debt that has been repaid or will be repaid at closing
- **Yield Normalization:** Adjusts the Net Interest Margin to 4% to normalize the compression experienced as a result of rapid interest rate increases in 2022 and 2023

Adjustments	2022	2023	LTM Jul-24
Depreciation & Amortization	\$0.00	(\$0.21)	(\$1.37)
Non-Recurring Technology	-	0.12	0.09
Non-Recurring Legal	-	0.10	0.05
Non-Recurring Financing Costs	-	0.00	0.00
Severance	-	-	0.02
Non-Recurring Gain on Investment	(0.56)	-	-
Other Non-Recurring Expenses	0.00	0.00	0.00
Subordinated Debt Interest Expense	0.15	0.27	0.41
Yield Normalization	0.47	4.08	6.80
Total	\$0.06	\$4.36	\$6.02

Income statement

(\$ in millions)

Income Statement

Revenue

Certificate Income	\$4.51	\$7.04	\$9.62	\$9.79	\$12.35	\$19.41	\$28.42	\$39.45	\$52.23
Gain / (Loss) on Sale	1.10	0.99	0.93	0.65	0.94	1.30	1.85	2.55	3.39
Fee and Other Income	0.21	0.70	0.56	0.30	0.38	0.52	0.74	1.03	1.36
Total Revenue	5.82	8.72	11.11	10.74	13.68	21.23	31.01	43.03	\$56.97

Interest Expense	2.96	7.77	11.68	11.26	8.93	10.03	13.51	18.85	25.34
Bad Debt Expense	0.32	0.47	-	0.12	0.37	0.50	0.70	0.98	1.26
Other Cost of Goods	0.03	0.06	0.09	0.10	0.13	0.21	0.30	0.42	0.55
Net Revenue	2.51	0.42	(0.66)	(0.74)	4.25	10.50	16.50	22.78	29.82

Operating Expenses

Payroll and Benefits	1.09	1.35	1.43	1.43	1.46	1.57	1.68	1.79	1.92
Servicing	0.15	0.37	0.54	0.51	0.63	0.87	1.24	1.72	2.27
Technology	0.18	0.22	0.35	0.32	0.23	0.24	0.25	0.25	0.26
Rent	0.06	0.08	0.08	0.08	0.08	0.08	0.09	0.09	0.09
Other Expenses	0.46	0.76	0.77	0.79	0.83	0.87	0.91	0.96	1.00
Total Operating Expenses	1.93	2.78	3.17	3.13	3.24	3.63	4.16	4.81	5.55

Other income / (expense)	0.56	0.51	1.97	2.37	0.33	-	-	-	-
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Net Income (Loss)

\$ 1.13	\$ (1.84)	\$ (1.86)	\$ (1.51)	\$ 1.34	\$ 6.86	\$ 12.33	\$ 17.97	\$ 24.26
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Adjustments

Depreciation & Amortization	\$0.00	(\$0.21)	(\$1.37)	(\$1.80)	\$0.21	\$0.53	\$0.35	\$0.00	\$0.00
Non-Recurring Technology	-	0.12	0.09	-	-	-	-	-	-
Non-Recurring Legal	-	0.10	0.05	-	-	-	-	-	-
Non-Recurring Financing Costs	-	0.00	0.00	-	-	-	-	-	-
Severance	-	-	0.02	0.02	-	-	-	-	-
Non-Recurring Gain on Investment	(0.56)	-	-	-	-	-	-	-	-
Other Non-Recurring Expenses	0.00	0.00	0.00	0.00	-	-	-	-	-
Subordinated Debt Interest Expense	0.15	0.27	0.41	0.45	-	-	-	-	-
Yield Normalization	0.47	4.08	6.80	6.04	1.75	-	-	-	-

Total	\$0.06	\$4.36	\$6.02	\$4.71	\$1.96	\$0.53	\$0.35	\$0.00	\$0.00
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Adjusted Net Income

\$1.20	\$2.52	\$4.16	\$3.20	\$3.30	\$7.39	\$12.68	\$17.97	\$24.26
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Adjusted Net Income Margin

20.6%	28.9%	37.4%	29.8%	24.1%	34.8%	40.9%	41.8%	42.6%
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